



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

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<http://www.fhi.co.jp/english/ir/index.html>



Summary

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)

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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

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* China figures are consolidated on the calendar year basis from Jan. to Jun.

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Consolidated automobile sales for the first half of the fiscal year ending March 2014 totaled 392.6 thousand units. This was the highest first half sales figure ever thanks to robust sales of the Impreza and the Forester mainly in Japan and the U.S.

Domestic sales were up 15.4 thousand units year on year to reach 87.3 thousand units due to healthy sales of passenger vehicles like the Forester and the Impreza that offset the decline in minicar sales.

Sales in overseas markets rose 28.9 thousand units to total 305.3 thousand units thanks to our booming business in the U.S. where the semiannual sales volume hit a record high. Sales in Russia, Europe, Australia and China, however, fell below last year's levels.



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\$

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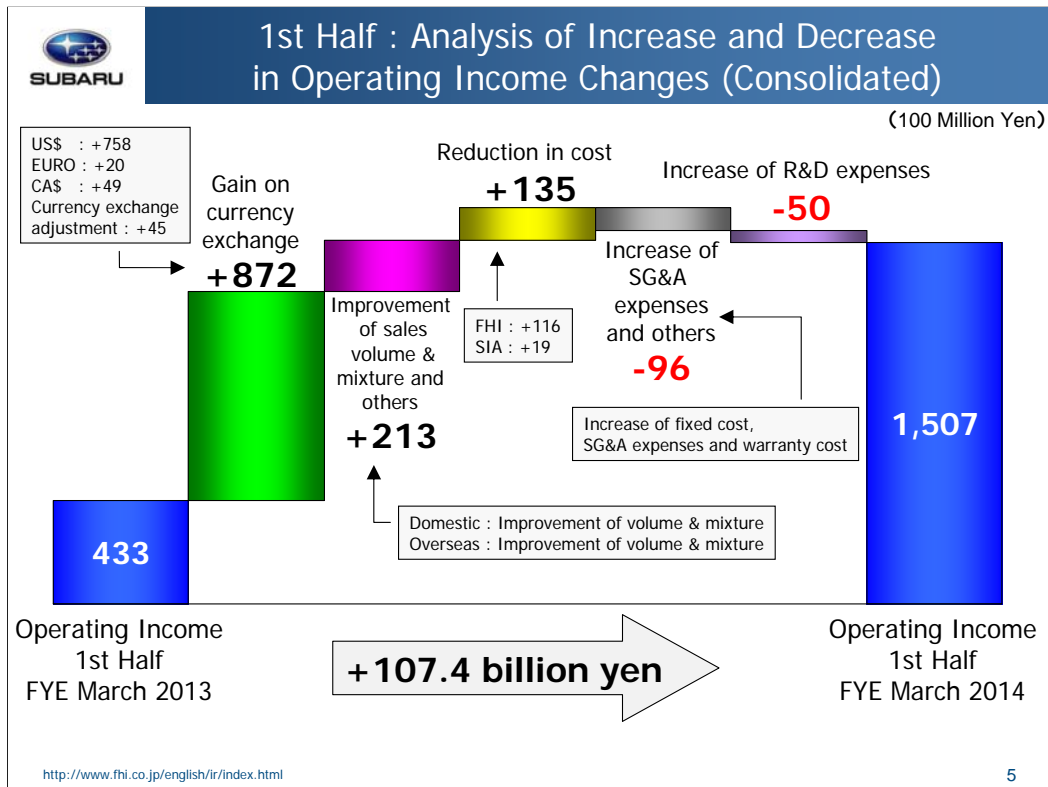
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Looking at our consolidated results for the first fiscal half, we see that both net sales and income were the highest ever for any six-month period. Net sales increased 227.6 billion yen year on year to total 1,125.6 billion yen. The main factors behind this increase include a gain of 92.8 billion yen, due to better sales mix variances resulting from increased new car sales in Japan and the U.S., as well as foreign exchange gains totaling 136.7 billion yen, despite a 1.9 billion yen drop in sales at FHI internal companies, etc.

Operating income rose 107.4 billion yen year on year to total 150.7 billion yen. This increase was mainly due to foreign exchange gains, improved sales mix variances, and reduced materials costs, etc., all of which offset an increase in SG&A and R&D expenses.

Ordinary income was up 100.9 billion yen year on year to total 146.2 billion yen while income before income taxes and minority interests rose 99.4 billion yen to reach 145.3 billion yen.

Net income was up 59.4 billion yen to total 99.8 billion yen.



Now let's look at the reasons behind the year-on-year increase of 107.4 billion yen in operating income that went from 43.3 billion yen to 150.7 billion yen.

The primary reason for the increase in operating income was

a foreign exchange gain of 87.2 billion yen. This includes a gain of 75.8 billion yen due to an approximate 18 yen depreciation against the U.S. dollar,

a gain of 2.0 billion yen due to an approximate 26 yen depreciation against the euro, and a gain of 4.9 billion yen due to an approximate 17 yen depreciation against the Canadian dollar.

This figure also includes a gain of 4.5 billion yen due to foreign exchange adjustments for transactions between FHI and its overseas subsidiaries.

Another contributing factor that brought operating income up is a favorable sales mix variance that led to a gain of 21.3 billion yen. This gain can be broken down into the following three areas.

First, we saw a gain of 13.9 billion yen in domestic new car sales.

Steady sales of the Forester and the Impreza offset the drop in Legacy and minicar sales, leading to a higher sales volume and better sales mix than last year.

Next, we saw a gain of 14.9 billion yen in new car sales overseas.

Both the sales volume and sales mix improved thanks to strong sales of the Forester and the Impreza in the U.S.

Finally, we had a loss of 7.5 billion yen due to inventory adjustments.

Another factor behind the jump in operating income was a gain of 13.5 billion yen due to cost cuts. This includes a gain of 11.6 billion yen generated by FHI as well as a gain of 1.9 billion yen coming from SIA.

FHI saw a gain of 11.0 billion yen due to cost reductions as a result of increased production, etc. and another gain of 0.6 billion yen due to lower material costs and better market conditions.

SIA yielded a gain of 1.6 billion yen through cost reductions and a gain of 0.3 billion yen due to materials prices, etc.

The main factor bringing operating income down was

a loss of 9.6 billion yen due to increases in SG&A expenses. This loss can be broken down into the following three areas.

First, we saw a loss of 2.4 billion yen due to an increase in fixed manufacturing costs. This includes a loss of 3.5 billion yen generated by FHI as well as a gain of 1.1 billion yen coming from SIA.

FHI generated a loss of 1.8 billion yen due to increased costs for suppliers' dies and a loss of 1.7 billion yen due to higher fixed processing costs while

SIA gained 1.1 billion yen due to lower costs for suppliers' dies.

The second factor is a loss of 12.0 billion yen due to an increase in SG&A expenses.

FHI lost 5.7 billion yen due to an increase in advertising costs as well as mounting transportation and packing costs that went hand in hand with the increasing sales volume.

The 12.0 billion yen loss also includes a loss of 1.5 billion yen at domestic dealers, a loss of 5.5 billion yen generated at SOA, a loss of 1.4 billion yen at our Canadian subsidiary, and a gain of 2.1 billion yen from other operations.

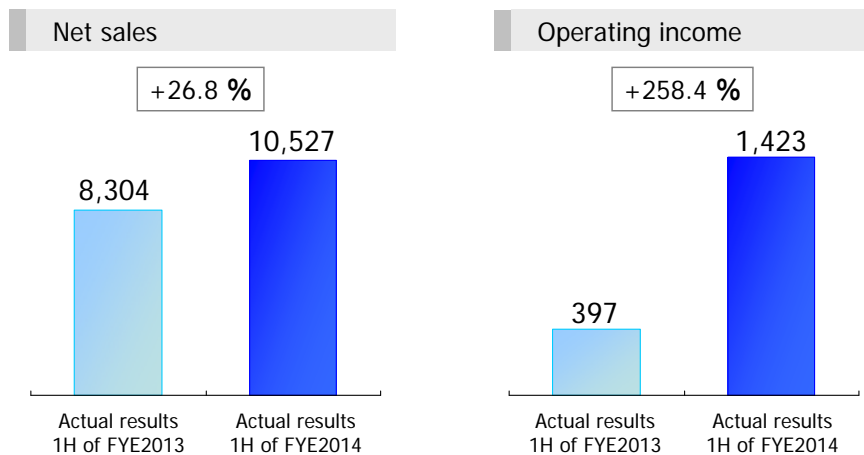
The third factor includes a decrease in costs associated with warranty claims that led to a gain of 4.8 billion yen. Finally, an increase in R&D expenses resulted in a loss of 5.0 billion yen.

These factors combined brought consolidated operating income for the first six-month period of the fiscal year ending March 2014 up 107.4 billion yen to total 150.7 billion yen.



Automobile Segment (Consolidated)

(100 Million Yen)



- 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.

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Let's move on to net sales by business segment.

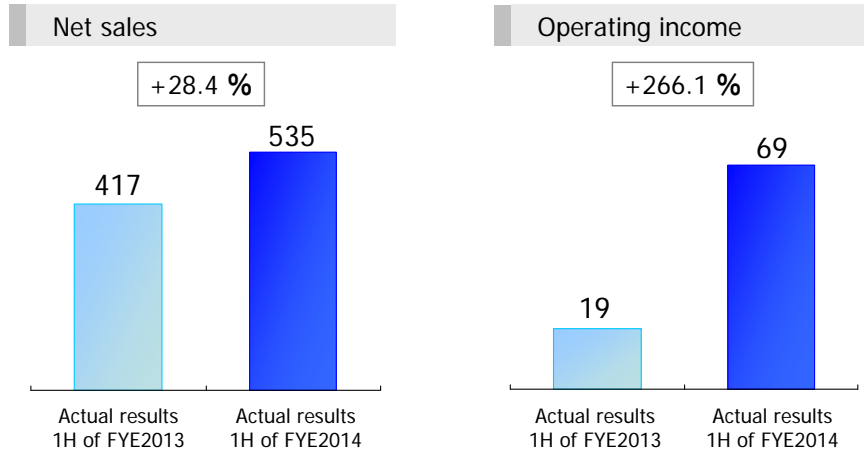
The automobile segment saw net sales rise by 222.3 billion yen year on year to total 1,052.7 billion yen. This increase was due to climbing sales volumes for new models in Japan and the U.S. on top of a foreign exchange gain of 129.5 billion yen despite declining sales volumes in Europe, China, and other markets.

Operating income rose 102.6 billion yen year on year to total 142.3 billion yen. This increase was mainly due to foreign exchange gains totaling 75.8 billion yen, improved sales mix variances, and reduced materials costs, etc., all of which offset an increase in SG&A, R&D and other expenses.



Aerospace Segment (Consolidated)

(100 Million Yen)



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

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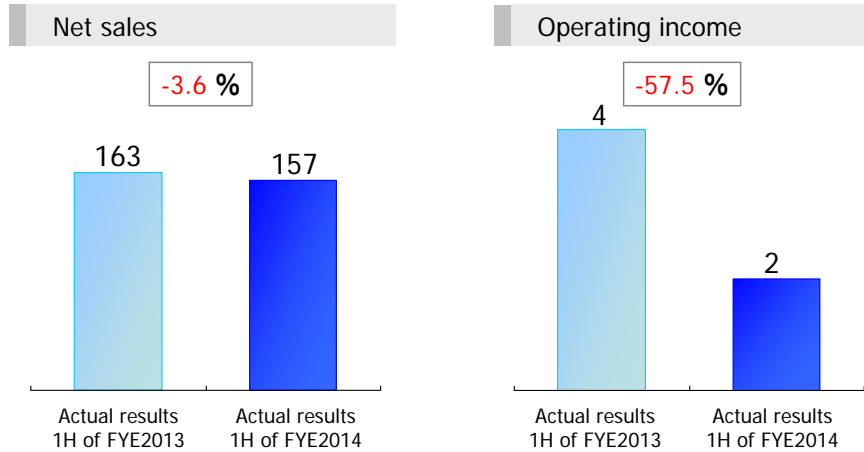
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The aerospace segment saw sales rise 11.9 billion yen year on year to reach 53.5 billion yen due to foreign exchange gains as well as soaring sales in the defense and commercial aircraft sectors, especially for the Boeing 777 and 787. Operating income for the segment was also up 5.0 billion yen to total 6.9 billion yen



Industrial Products Segment (Consolidated)

(100 Million Yen)



➤ 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.

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While sales of the industrial products segment's leisure vehicle engines were down in North America, there were some upbeat developments, including rising pump sales in Japan and the Middle East, a jump in engine sales in Asia, as well as foreign exchange gains as a result of the correction to the overly strong yen. These factors combined brought the segment's net sales down 0.6 billion yen year on year to total 15.7 billion yen. Operating income also fell 0.2 billion yen to hit 0.2 billion yen.



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

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Let's move on to non-operating income and expenses as well as extraordinary income and loss.

Net non-operating income fell 6.5 billion yen year on year, leading to a loss of 4.5 billion yen.

This includes a loss of 3.9 billion yen due to foreign exchange fluctuations that led to a 7.3 billion yen year-on-year loss.

Foreign exchange fluctuations had a significant impact on non-operating income and expenses mainly in the following two areas: (1) gains and losses on revaluation of derivatives, and (2) foreign exchange gains and losses.

Net gain on revaluation of derivatives was up 2.4 billion yen year on year, rising from 8.5 billion yen to 10.9 billion yen.

Looking at foreign exchange gains and losses, we saw a year-on-year loss of 4.4 billion yen in foreign exchange adjustments with overseas subsidiaries as well as a loss of 5.3 billion yen due to the difference between market and hedge rates. These factors combined generated a loss of 9.7 billion yen, resulting in a net foreign exchange loss of 14.8 billion yen.

While a 1.5 billion yen year-on-year decrease in extraordinary income led to an extraordinary loss of 0.9 billion yen, there were no major extraordinary income or loss items of note.



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

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The balance sheet shows

total assets as of the end of September 2013 increasing by 141.8 billion from the end of March 2013 to total 1,719.3 billion yen.

This increase was due primarily to a jump in net income resulting from higher sales volumes as well as the positive impact of currency fluctuations which generated a gain of 21.1 billion yen.

Interest-bearing debt declined 15.3 billion yen to reach 291.8 billion yen due to the repayment of loans.

Net assets totaled 711.2 billion yen, up 114.4 billion yen, due primarily to a 92.0 billion yen increase in retained earnings as a result of better performance.

The shareholders' equity to total assets ratio rose 3.5 percentage points from what it was at the end of the previous fiscal year to hit 41.2%. The debt-to-equity ratio climbed 0.10 points to reach 0.41, due primarily to an increase in retained earnings as well as a decrease in interest-bearing debt.



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	-

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Moving on to cash flows,

we see that net cash provided by operating activities totaled 157.9 billion yen for a 47.7 billion yen year-on-year increase. This jump is due to growing sales that brought net income before income taxes and minority interests up as well as the correction to the yen rate against other currencies.

Net cash used for investment activities dropped 5.7 billion yen to hit negative 38.1 billion yen. This decline was due to ongoing initiatives to boost production capacity as well as other investments made according to our carefully planned investment strategies.

Free cash flows increased by 42.0 billion yen to reach 119.8 billion yen.

Net cash from financing activities totaled negative 24.3 billion yen due primarily to the repayment of loans as well as dividend payments.

This is an increase of 8.4 billion yen compared with last year when we redeemed corporate bonds amounting to 20.0 billion yen.

Cash and cash equivalents totaled 430.5 billion yen.



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

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SOA's retail sales climbed 55.9 thousand units year on year to reach 220.3 thousand units as sales, for mainly the new Forester and the XV, continued to exceed our projections.

Net sales also jumped 1,105 million dollars year on year to total 5,179 million dollars.

Operating income was up 17 million dollars year on year to total 117 million dollars. This increase comes from a gain of 87 million dollars due to favorable sales volume and mix variances despite a loss of 70 million dollars from higher SG&A expenses.

SIA's net sales, totaling 1,883 million dollars, were down 112 million dollars year on year.

Operating income rose 70 million dollars year on year to reach 88 million dollars. The factors behind the increase include a gain of 32 million dollars due to sales price and volume variances, a gain of 24 million dollars brought by overall cost reduction efforts as well as a gain of 14 million dollars due to a decrease in fixed costs.

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

<http://www.fhi.co.jp/english/ir/index.html>

* China figures are consolidated on the calendar year basis from Jan. to Dec.

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Consolidated automobile sales for the fiscal year ending March 2014 is projected to reach an all-time high of 807.3 thousand units. In light of current sales performance, we expect sales to rise 55.8 thousand units above the forecast we announced at the beginning of this fiscal year.

We believe that strong sales of the Forester and the Impreza will bring the domestic sales volume up 6.7 thousand units year on year to reach 169.9 thousand units despite the drop in sales expected for the aging Legacy as well as waning sales of the BRZ, which was launched last year.

Sales in overseas markets will increase 76.1 thousand units year on year to total 637.4 thousand units. Overseas earnings are expected to be fueled by steady sales of the new Forester in all markets as well as growing sales in the U.S.



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\$

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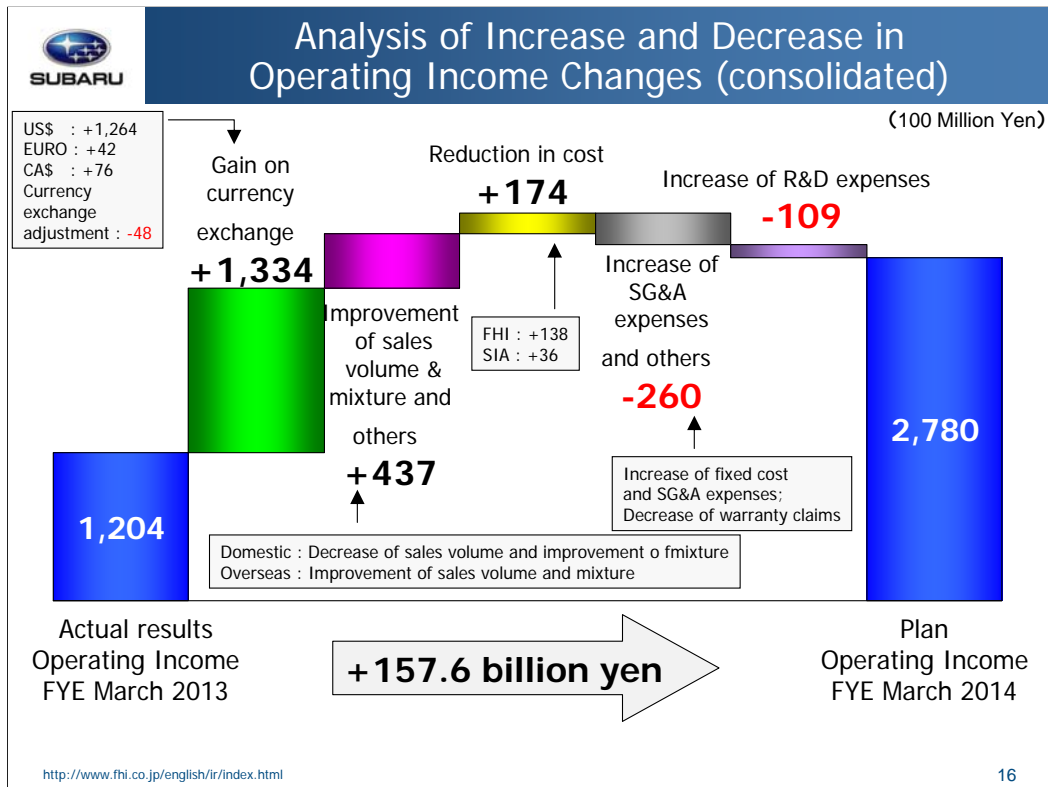
Moving on to our consolidated operating plan,

we made upward revisions to our forecasts for net sales and each income category, which we announced at the end of the first quarter. The changes were made in light of the revisions to projected currency rates and also because we expect sales volumes to climb higher.

Net sales are expected to rise 387.0 billion yen year on year to total 2.3 trillion yen. This surge will come from a gain of 155.7 billion yen resulting from a better sales mix variance in the North American and other markets as well as a gain of 11.4 billion yen from increased sales at the FHI companies, etc. on top of a foreign exchange gain of 219.9 billion yen.

Operating income is projected to be up 157.6 billion yen year on year to total 278.0 billion yen. Factors behind this increase include foreign exchange gains, a better sales mix variance, and reduced materials costs, which will offset the higher SG&A and R&D expenses. We will take a look at this in further detail later on.

Ordinary income is projected to total 272.0 billion yen, up 171.4 billion yen, while income before income taxes and minority interests will rise 170.9 billion yen to reach 264.0 billion yen. Net income is projected to increase 58.4 billion yen over what it was last fiscal year when we reposted deferred tax assets. The total for net income will reach 178.0 billion yen since we expect tax expenses to be at a normal level.



Now let's look at the factors behind the projected year-on-year 157.6 billion yen increase in operating income that will take us from 120.4 billion yen to 278.0 billion yen.

The primary reason for the increase in operating income will be

a foreign exchange gain of 133.4 billion yen. This includes a gain of 126.4 billion yen due to an approximate 14 yen depreciation against the U.S. dollar,

a gain of 4.2 billion yen due to an approximate 21 yen appreciation against the euro,

and a gain of 7.6 billion yen due to an approximate 13 yen drop against the Canadian dollar.

This figure also includes a loss of 4.8 billion yen due to foreign exchange adjustments for transactions between FHI and its overseas subsidiaries.

Another contributing factor that will bring operating income up is a favorable sales mix variance that will lead to a gain of 43.7 billion yen. This gain can be broken down into the following three areas.

First off there will be a loss of 3.1 billion yen associated with domestic sales of new models.

We expect the sales volumes will decline for the Legacy and the BRZ, whose sales have hit bottom, although sales of the Forester and the Impreza are expected to remain robust.

Next, we will see a gain of 46.0 billion yen from sales of new models in overseas markets.

Earnings will be fueled by growing sales volumes in North America and the Forester which is selling well in all markets.

Finally, we expect a gain of 0.8 billion yen due to inventory adjustments.

Another factor behind the jump in operating income will be a gain of 17.4 billion yen from cost cuts. This will include a gain of 13.8 billion yen to be generated by FHI as well as a gain of 3.6 billion yen coming from SIA.

FHI is expected to generate a gain of 18.6 billion yen through cost reductions and a loss of 4.8 billion yen due to increasing materials costs and other negative market factors.

SIA will generate a gain of 2.8 billion yen due to cost cuts and a loss of 0.8 billion yen resulting from higher materials costs.

The primary factor that will bring operating income down will be

a loss of 26.0 billion yen due to increases in SG&A expenses. This loss can be broken down into the following three areas.

First, we will see a loss of 2.8 billion yen due to an increase in fixed manufacturing costs. This includes a loss of 5.4 billion yen coming from FHI as well as a gain of 2.6 billion yen coming from SIA.

FHI is expected to generate a loss of 0.9 billion yen due to increased costs for suppliers' dies and a loss of 4.5 billion yen due to higher fixed processing costs.

SIA is expected to gain 2.7 billion yen due to lower costs for suppliers' dies and lose 0.1 billion yen due to an increase in fixed processing costs.

Next we will see a loss of 28.7 billion yen due to an increase in SG&A expenses. This will include losses of 7.1 billion yen at FHI, 1.1 billion yen at domestic dealers, 16.9 billion yen at SOA, 2.5 billion yen at our Canadian subsidiary, and 1.1 billion yen coming from other operations.

The third factor includes a decrease in costs associated with warranty claims that will lead to a gain of 5.5 billion yen.

Finally, an increase in R&D expenses is expected to result in a loss of 10.9 billion yen.

All these factors combined will bring consolidated operating income for the fiscal year ending March 2014 up 157.6 billion yen year on year to total 278.0 billion yen.



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

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SOA's retail sales for this fiscal year is expected to jump 82.9 thousand units year on year to total 430 thousand units as we work to keep the momentum up.

Net sales will increase 2,003 million dollars year on year to reach 10,808 million dollars while operating income will rise 42 million dollars year on year to total 175 million dollars. This increase will come from a gain of 243 million dollars from favorable sales volumes and mix variances despite a loss of 201 million dollars due to higher SG&A expenses.

SIA's net sales are expected to decline 367 million dollars and total out at 3,791 million dollars.

Operating income will rise 162 million dollars year on year to reach 233 million dollars. Factors for the increase will include a gain of 88 million dollars due to sales price and volume variances, a gain of 43 million dollars to be brought by cost reduction efforts, as well as a gain of 31 million dollars due to a decrease in fixed costs.



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

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Let's look at capital expenditures, depreciation costs, R&D expenses, and interest-bearing debt.

Capital expenditures will total 72.0 billion yen. We added 5.0 billion yen to the previously announced forecast since we plan to boost production capacity at our main factory to 200 thousand units this summer.

We have not made any revision to the projected figures for depreciation costs, which stand at 55.0 billion yen.

R&D expenses will total 60.0 billion yen. We made a 1.0 billion yen upward revision to the previously announced figure with an eye to bringing our technological capability for developing environmentally friendly features, etc. to new heights.

Interest-bearing debt is expected to total 280.0 billion yen.

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

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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

<http://www.fhi.co.jp/english/ir/index.html>

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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.

<http://www.fhi.co.jp/english/ir/index.html>

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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

<http://www.fhi.co.jp/english/ir/index.html>

* China figures are consolidated on the calendar year basis from Apr. to Jun. 24



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\$

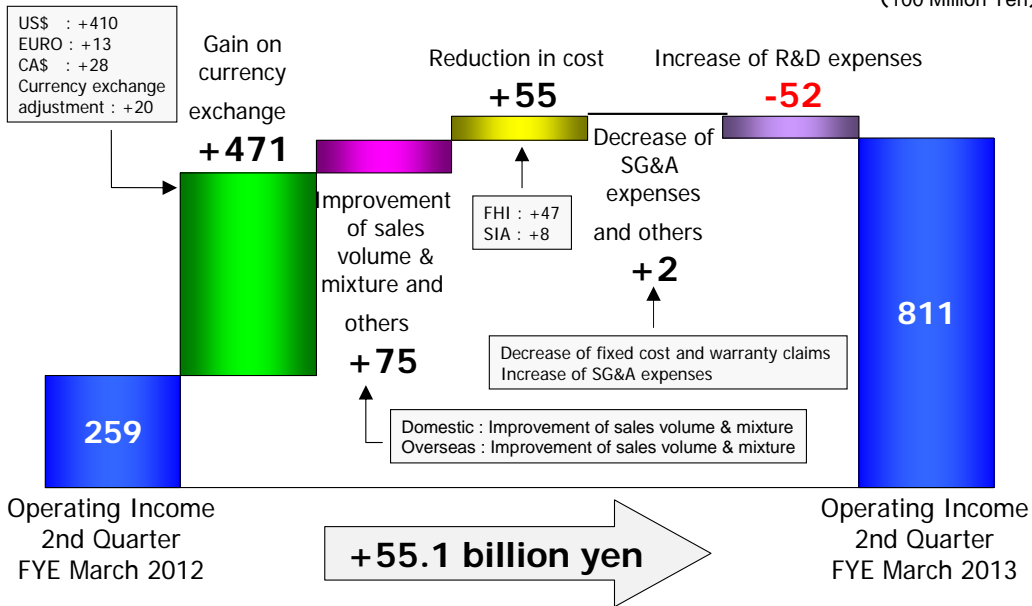
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2nd Quarter : Analysis of Increase and Decrease in Operating Income Changes (Consolidated)

(100 Million Yen)



<http://www.fhi.co.jp/english/ir/index.html>

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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

<http://www.fhi.co.jp/english/ir/index.html>

* China figures are consolidated on the calendar year basis from Jul. to Dec. 27



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\$

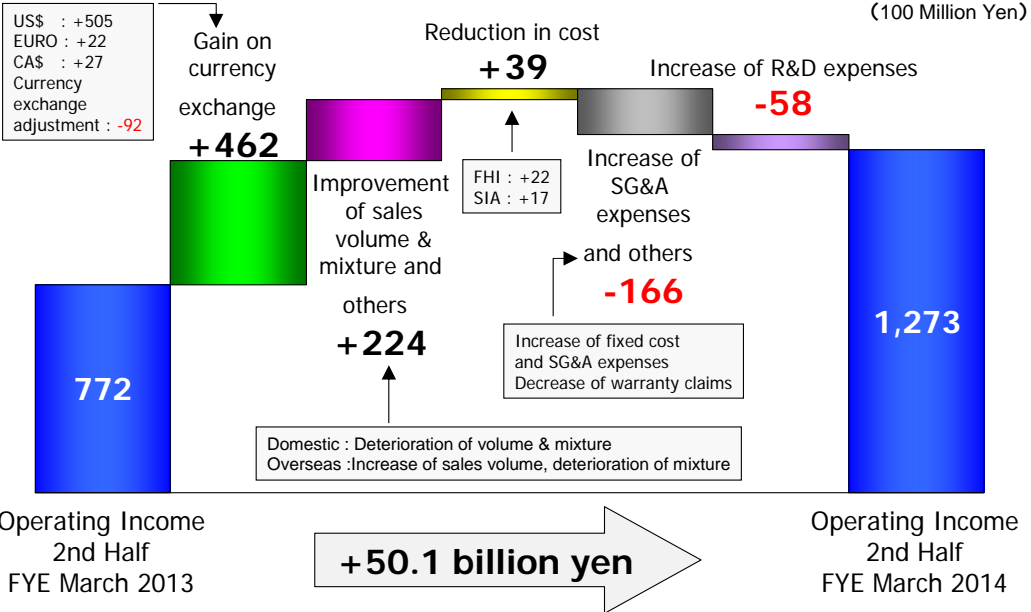
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2nd Half : Analysis of Increase and Decrease in Operating Income Changes (Consolidated)

(100 Million Yen)



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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

<http://www.fhi.co.jp/english/ir/index.html>

* China figures are consolidated on the calendar year basis from Jan. to Jun.

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

(100 Million Yen)

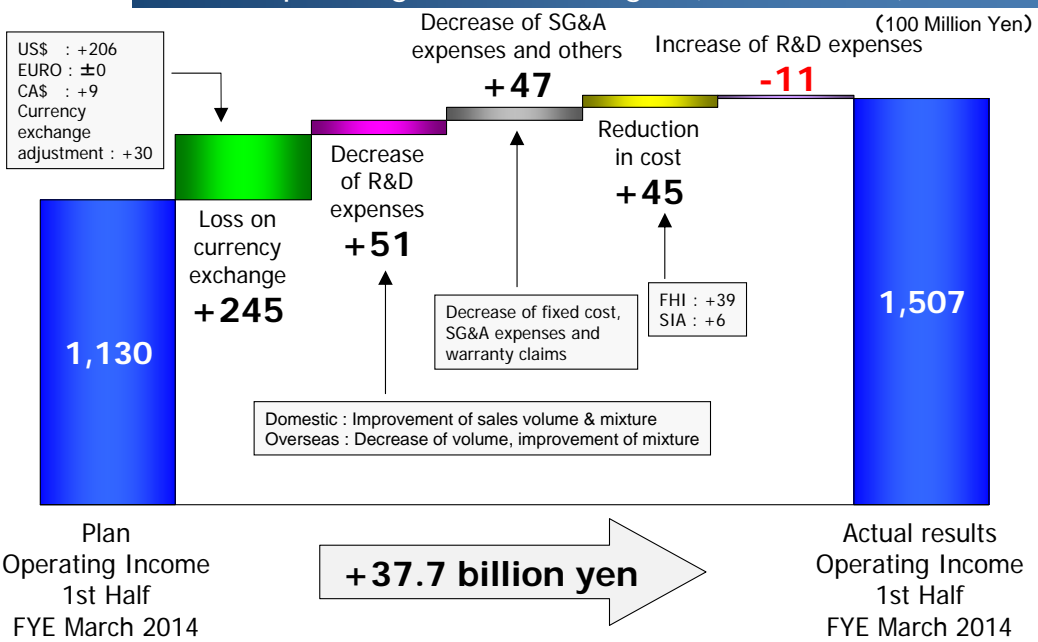
	Plan 1st Half FYE March 2014	Actual Results 1st Half FYE March 2014	Increase / Decrease
Net sales	10,600	11,256	+656
Domestic	3,100	3,306	+205
Overseas	7,500	7,951	+451
Operating income	1,130	1,507	+377
Ordinary income	1,105	1,462	+357
Income before income taxes and minority interests	1,090	1,453	+363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

<http://www.fhi.co.jp/english/ir/index.html>

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



<http://www.fhi.co.jp/english/ir/index.html>



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

<http://www.fhi.co.jp/english/ir/index.html>

* China figures are consolidated on the calendar year basis from Jan. to Dec.

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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\$

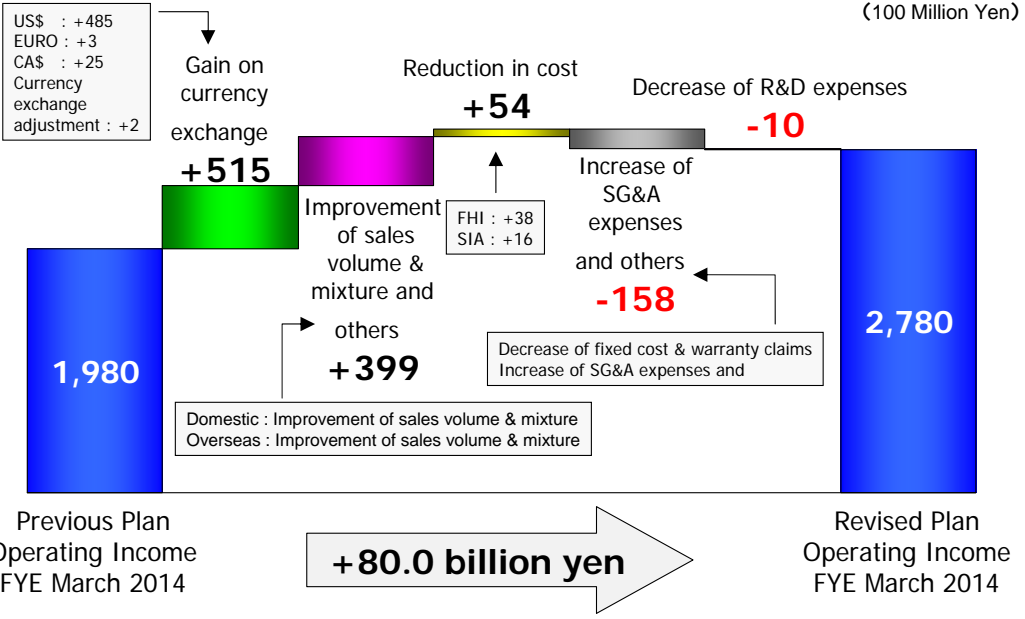
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Full year : Analysis of Increase and Decrease in Operating Income Changes (Consolidated)

(100 Million Yen)



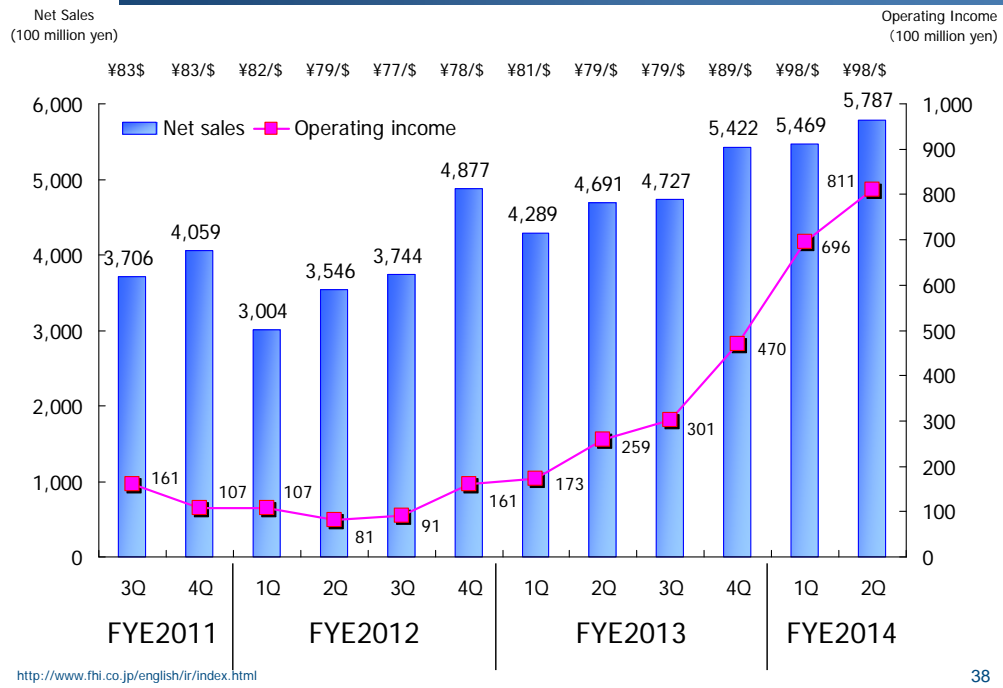
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Appendix (3)

- 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

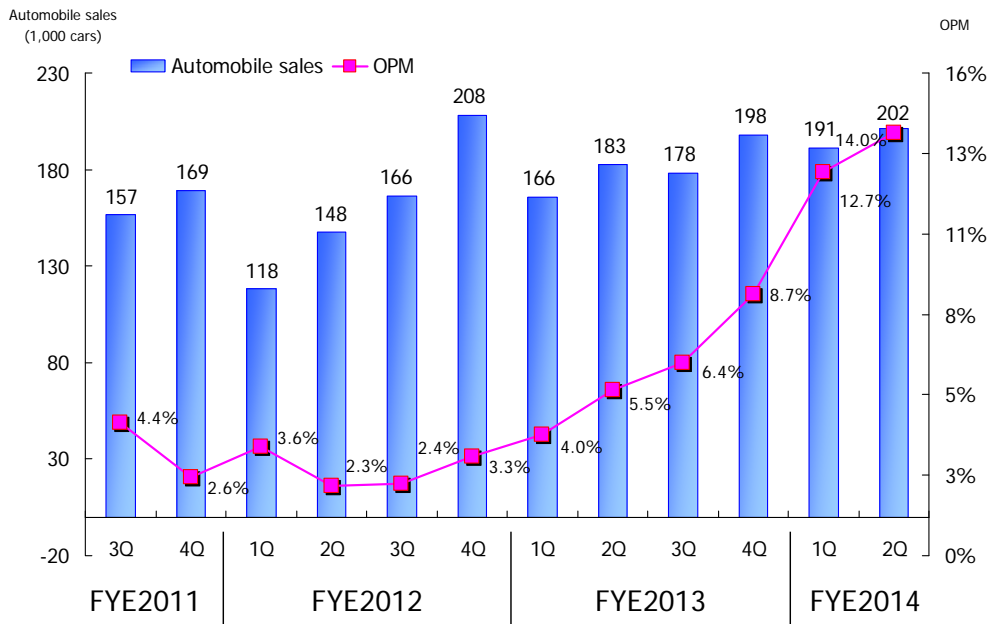


Net Sales & Operating Income





Consolidated Automobile Sales & Operating Income Margin



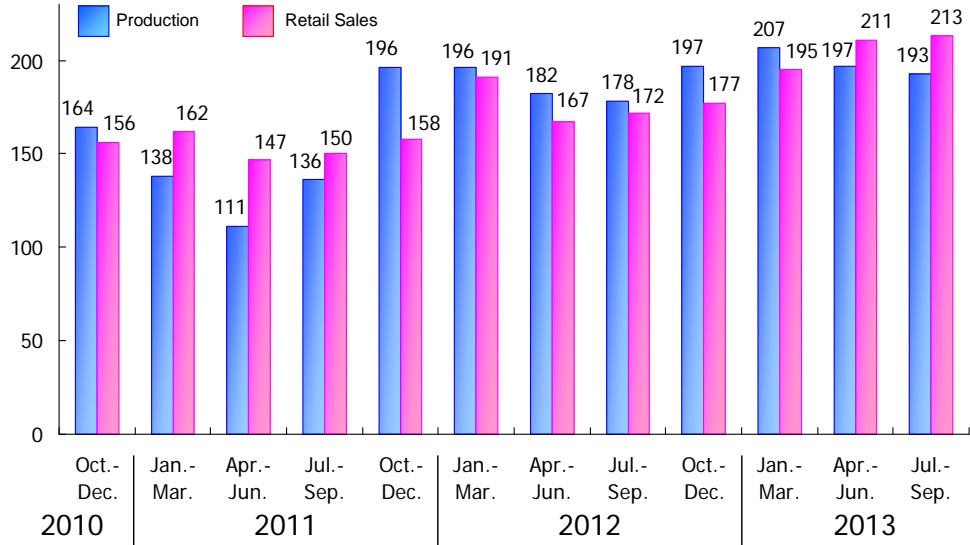
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Complete Cars Production & Retail Sales

Units
(1000 units)



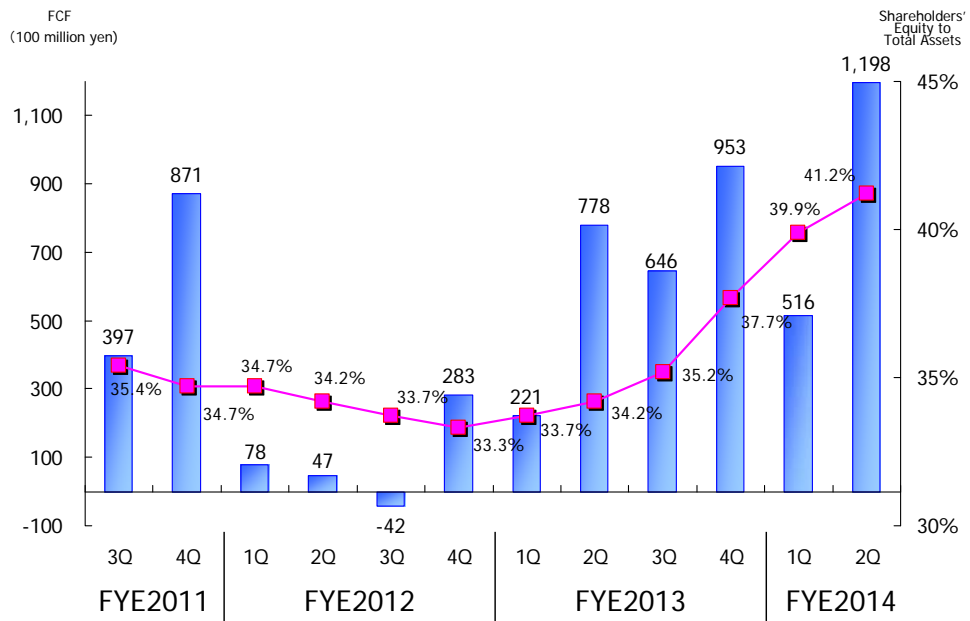
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* Production figures include Toyota 86.

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Free Cash Flows & Shareholders' Equity to Total Assets

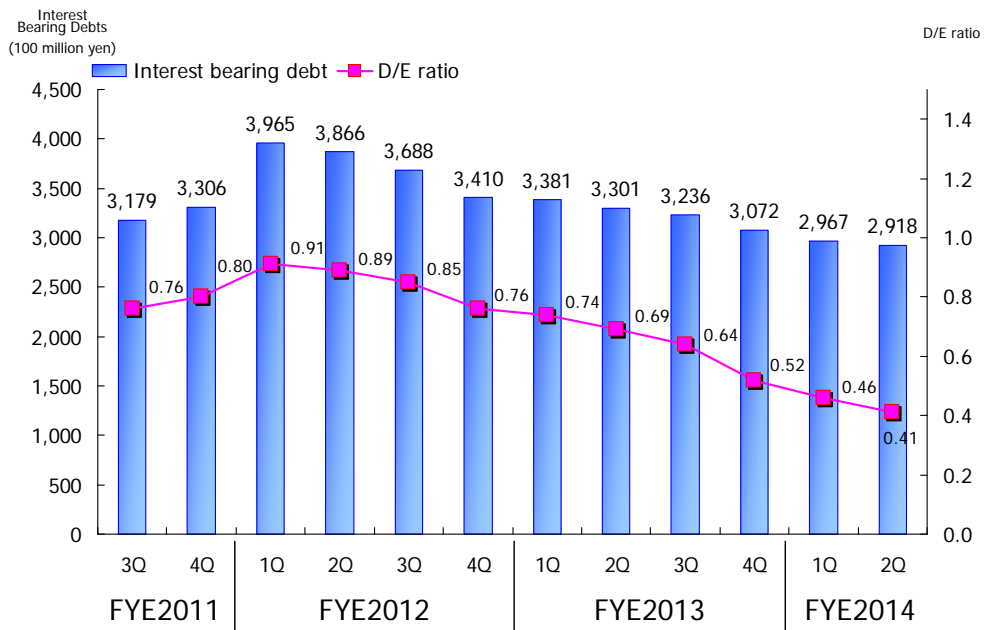


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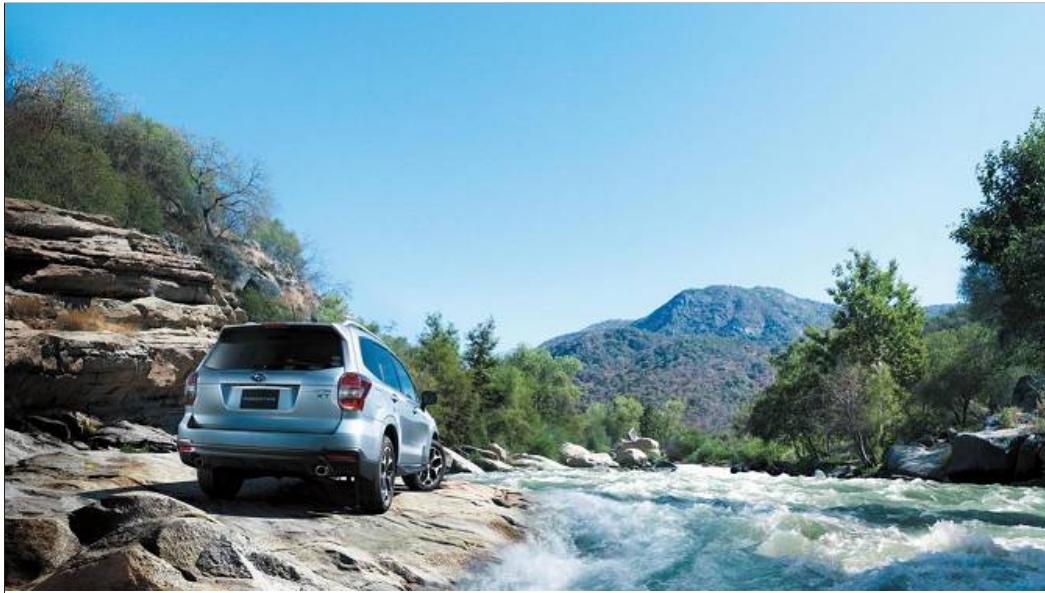


Interest Bearing Debts & D/E Ratio



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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.

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