



Consolidated Financial Results for the 1<sup>st</sup> Quarter of FYE 2017



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# Summary



## Consolidated Financial Results for the 1st Quarter (3 months) of FYE 2017

- Consolidated net sales and unit sales posted record results for a fiscal first quarter.
- Despite unit sales growth and cost reduction progress, operating income decreased for the first time in 5 years due to foreign exchange rate losses and increased R&D and SG&A expenses. The increase in SG&A expenses was due mainly to quality-related costs associated with airbag inflators. Net income attributable to owners of parent decreased for the first time in 4 years.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Actual results (YoY)	¥769.4bil. (+¥4.1bil.)	¥101.5bil. (-¥32.7bil.)	¥118.8bil. (-¥11.3bil.)	¥78.9bil. (-¥5.3bil.)	245.2k units (+20.0k units)

## Forecasts for FYE 2017

- In view of foreign exchange rate fluctuations and quality-related expenses associated with airbag inflators, FHI revised its full-year forecasts for the current fiscal year ending March 2017. (Currency rate assumptions: 106 yen/US\$, 121 yen/euro.)
- Forecasts for consolidated unit sales remains unchanged.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Forecasts (YoY)	¥3,190.0bil. (-¥42.3bil.)	¥400.0bil. (-¥165.6bil.)	¥410.0bil. (-¥167.0bil.)	¥285.0bil. (-¥151.7bil.)	1,049.7k units (+91.8k units)

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## Consolidated Financial Results for the 1st Quarter (3 months) of FYE 2017

## 1Q (3 months) : Consolidated Unit Sales



(Thousand Units)

	Actual Results 1Q (3 months) FYE 2016	Actual Results 1Q (3 months) FYE 2017	Variance
Passenger car	19.9	24.5	+4.6
Minicar	8.1	6.6	-1.5
<b>Domestic total</b>	<b>28.0</b>	<b>31.2</b>	<b>+3.2</b>
US	140.4	155.0	+14.6
Canada	13.9	15.4	+1.5
Russia	1.7	1.9	+0.3
Europe	8.3	8.7	+0.4
Australia	11.3	12.0	+0.7
China	10.1	9.5	-0.6
Others	11.5	11.4	-0.1
<b>Overseas total</b>	<b>197.1</b>	<b>214.0</b>	<b>+16.8</b>
<b>Total</b>	<b>225.1</b>	<b>245.2</b>	<b>+20.0</b>

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\* Figures of China are consolidated results on the calendar year basis from Jan. to Mar. 3

Consolidated automobile sales for the first quarter of the fiscal year ending March 2017 totaled 245.2 thousand units, up 20 thousand units year on year for a new first quarter sales record.

In the domestic market, passenger vehicle sales increased 4.6 thousand units year on year to total 24.5 thousand units thanks to strong sales of the Forester and the Impreza that underwent a partial facelift in October 2015. Minicar sales, on the other hand, declined 1.5 thousand units year on year to hit 6.6 thousand units due primarily to a tax hike for light vehicles. As a result, overall domestic sales totaled 31.2 thousand units for a year-on-year increase of 3.2 thousand units.

Sales in overseas markets rose 16.8 thousand units year on year to reach 214 thousand units thanks to robust sales of the Outback and the Crosstreck primarily in North America, which is our key market.

## 1Q (3 months) : Consolidated Income Statements



(100 Million Yen)

	Actual Results 1Q (3 months) FYE 2016	Actual Results 1Q (3 months) FYE 2017	Variance
<b>Net sales</b>	<b>7,653</b>	<b>7,694</b>	<b>+41</b>
Domestic	1,245	1,303	+58
Overseas	6,408	6,391	-17
<b>Operating income</b>	<b>1,342</b>	<b>1,015</b>	<b>-327</b>
Total non-operating income & expenses	-42	+173	+214
<b>Ordinary income</b>	<b>1,301</b>	<b>1,188</b>	<b>-113</b>
Total extraordinary income & loss	-9	-10	-1
<b>Income before taxes and minority interests</b>	<b>1,291</b>	<b>1,178</b>	<b>-113</b>
<b>Net income attributable to owners of parent</b>	<b>842</b>	<b>789</b>	<b>-53</b>
FHI exchange rate	¥120/US\$	¥111/US\$	-¥10/US\$

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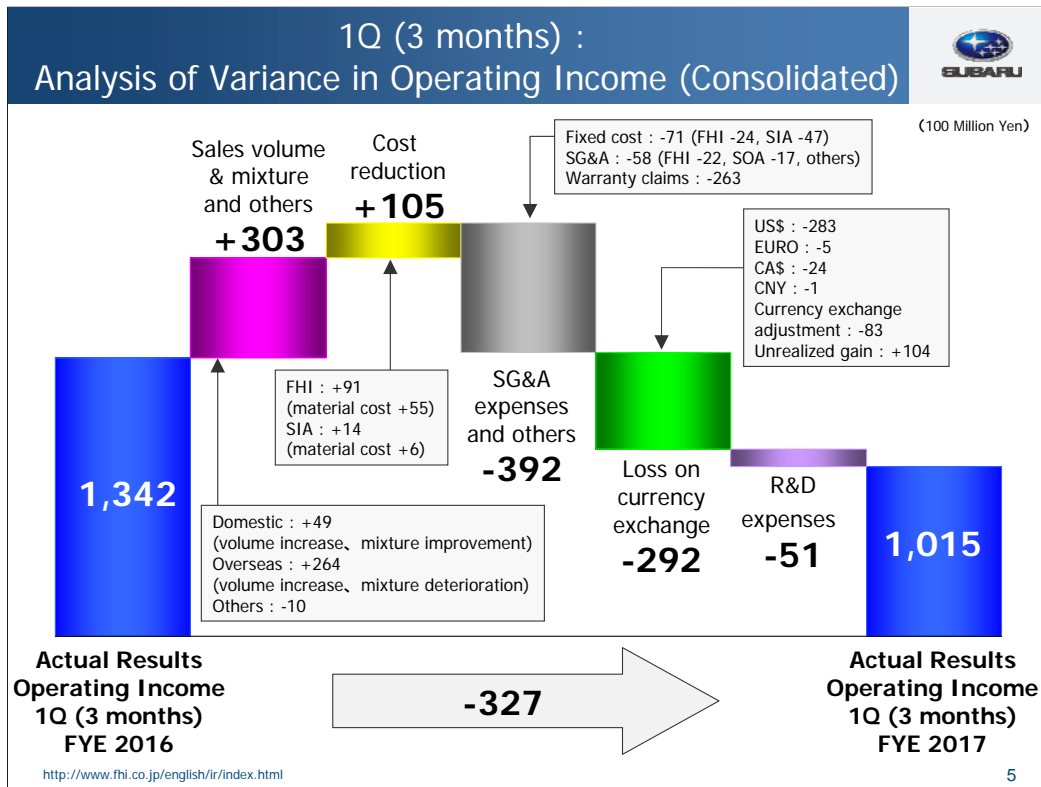
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Net sales grew once again for the fifth consecutive year and were the highest ever for any first quarter. However, operating income and ordinary income decreased for the first time in five years and net income attributable to owners of the parent decreased for the first time in 4 years.

Net sales totaled 769.4 billion yen, up 4.1 billion yen year on year. The main factors behind this increase include a gain of 71.9 billion yen due to a better sales mix resulting from higher sales volumes as well as a 0.9 billion yen increase in sales at Fuji Heavy Industries (FHI) companies, etc. despite a foreign exchange loss of 68.7 billion yen.

While unit sales grew and there was progress with cost reduction efforts, operating income dropped 32.7 billion to reach 101.5 billion. This decrease was due to foreign exchange losses on top of increased R&D and SG&A expenses consisting mainly of quality-related costs associated with airbag inflators.

Ordinary income dropped 11.3 billion yen to reach 118.8 billion yen while income before taxes and minority interests fell 11.3 billion yen to hit 117.8 billion yen. Net income attributable to owners of the parent also declined 5.3 billion yen to reach 78.9 billion yen.



Now let's look at the reasons behind the year-on-year decrease of 32.7 billion yen in operating income that went from 134.2 billion yen to 101.5 billion yen.

The primary reason for the increase in operating income was a gain of 30.3 billion yen due to better sales mix variances. This gain can be broken down into the following three areas.

First, we saw a gain of 4.9 billion yen in domestic new car sales. Passenger vehicle sales offset the decline in minicar unit sales, resulting in a healthy sales volume and mix.

Next, we saw a gain of 26.4 billion yen in new car sales overseas thanks to increasing sales volumes in North America.

Finally, we had a loss of 1.0 billion yen due to inventory adjustments and other factors.

Another factor that brought operating income up was a gain of 10.5 billion yen resulting from cost reductions. This includes a gain of 9.1 billion yen generated by FHI as well as a gain of 1.4 billion yen from SIA. FHI generated a gain of 3.6 billion yen from cost reductions on top of a gain of 5.5 billion yen due to lower material costs and better market conditions. SIA yielded a gain of 0.8 billion yen through cost reductions and a gain of 0.6 billion yen due to lower material prices, etc.

The main factor bringing operating income down was a loss of 39.2 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 7.1 billion yen due to an increase in fixed manufacturing costs. This includes a loss of 2.4 billion yen generated by FHI as well as a loss of 4.7 billion yen from SIA.

FHI generated a gain of 0.2 billion yen due to lower costs for supplier dies and a loss of 2.6 billion yen due to higher fixed processing costs while SIA lost 0.4 billion yen due to mounting costs for supplier dies and 4.3 billion yen due to an increase in fixed processing costs.

The second factor is a loss of 5.8 billion yen due to an increase in SG&A expenses.

FHI lost 2.2 billion yen due to increased advertising costs, incentives, etc. The 5.8 billion yen loss also includes zero gains or losses at domestic dealers, a loss of 1.7 billion yen generated at SOA, a loss of 1.5 billion yen at our Canadian subsidiary, and a loss of 0.4 billion yen from other operations.

SOA saw a year-on-year decrease in advertising costs, etc., which resulted in a gain of 1.2 billion yen.

The third factor includes an increase in costs associated with warranty claims that led to a loss of 26.3 billion yen.

Another contributing factor that brought operating income down was a foreign exchange loss of 29.2 billion yen.

This includes a loss of 28.3 billion yen due to an approximate 10 yen appreciation against the U.S. dollar, a loss of 0.5 billion yen due to an approximate 8 yen appreciation against the euro, and another loss of 2.4 billion yen due to an approximate 12 yen appreciation against the Canadian dollar. On top of that we lost 0.1 billion yen due to foreign currency translations between the yen and the Chinese yuan and lost 8.3 billion yen due to currency exchange adjustments on transactions between FHI and its overseas subsidiaries despite a 10.4 billion yen gain from unrealized inventory.

Finally, an increase in R&D expenses resulted in a loss of 5.1 billion yen.

These factors combined brought consolidated operating income for the first quarter of the fiscal year ending March 2017 down 32.7 billion yen to total 101.5 billion yen.

## Consolidated Balance Sheets



(100 Million Yen)

	As of March 2016	As of June 2016	Variance
<b>Total assets</b>	<b>25,924</b>	<b>25,244</b>	<b>-680</b>
Current assets	17,841	17,064	-777
Noncurrent assets	8,083	8,180	+97
<b>Total liabilities</b>	<b>12,430</b>	<b>11,852</b>	<b>-578</b>
Interest bearing debts	1,700	1,654	-45
<b>Net assets</b>	<b>13,494</b>	<b>13,392</b>	<b>-102</b>
Retained earnings	10,490	10,717	+227
Shareholders' equity	13,437	13,338	-99
Ratio of shareholders' equity to total assets	51.8%	52.8%	+1.0
D/E ratio	0.13	0.12	-0.01

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The balance sheet shows total assets as of the end of the first quarter decreasing by 68.0 billion yen from the end of March 2016 to total 2,524.4 billion yen.

The main factor behind this drop includes a 64.0 billion yen decrease in cash in hand, which is the total amount of cash and deposits as well as marketable securities.

Total liabilities declined by 57.8 billion yen from what they were at the end of March 2016 to reach 1,185.2 billion yen due primarily to a decrease of 69.5 billion yen in corporate income taxes payable. Interest bearing debts fell 4.5 billion yen to reach 165.4 billion yen while net assets decreased 10.2 billion yen from what they were at the end of March 2016 to total 1,339.2 billion yen. The ratio of shareholders' equity to total assets was 52.8% while the debt-to-equity ratio stood at 0.12.

## 1Q (3 months) : Consolidated Statement of Cash Flows



(100 Million Yen)

	Actual Results 1Q (3 months) FYE 2016	Actual Results 1Q (3 months) FYE 2017	Variance
<b>Net cash provided by (used in) operating activities</b>	<b>1,097</b>	<b>621</b>	<b>-477</b>
<b>Net cash provided by (used in) investing activities</b>	<b>-328</b>	<b>-647</b>	<b>-319</b>
Free cash flows	769	-26	-795
<b>Net cash provided by (used in) financing activities</b>	<b>-385</b>	<b>-610</b>	<b>-224</b>
Effect of exchange rate change on cash and cash equivalents	37	-198	-236
Net increase (decrease) in cash and cash equivalents	421	-834	-1,255
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-1	-	+1
<b>Cash and cash equivalents at end of period</b>	<b>6,541</b>	<b>7,460</b>	<b>-</b>

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Net cash flow from operating activities amounted to an inflow of 62.1 billion yen due to net income before taxes and minority interests totaling 117.8 billion yen, an 18.1 billion yen decrease in accounts payable, and a payment of 104.2 billion yen in corporate income taxes, etc. (compared to 58.4 billion yen last fiscal year).

Net cash flow from investing activities amounted to an outflow of 64.7 billion yen for investments aimed at boosting production capacity.

Free cash flow was a negative 2.6 billion yen.

Net cash flow from financing activities came to an outflow of 61.0 billion yen due to dividend payments totaling 54.8 billion yen, a redemption of corporate bonds amounting to 10.0 billion yen, etc.



## 1Q (3 months) : Operating Results of Subsidiaries in U.S.



(Million US\$)

<b>SOA</b>	Actual Results 1Q (3 months) FYE 2016	Actual Results 1Q (3 months) FYE 2017	Variance
Net sales	3,613	4,079	+466
Operating income	168	219	+51
Net income	99	135	+36
Retail sales (Thousand units)	140.8	146.7	+5.9

<b>SIA</b>	Actual Results 1Q (3 months) FYE 2016	Actual Results 1Q (3 months) FYE 2017	Variance
Net sales	1,326	1,496	+170
Operating income	33	28	-5
Net income	21	18	-3
Subaru production (Thousand units)	57.8	65.1	+7.3

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SOA's retail sales climbed 5.9 thousand units year on year to reach a total of 146.7 thousand units as sales of the Outback and the Crosstreck remained upbeat.

Net sales also jumped 466 million dollars year on year to total 4,079 million dollars.

Despite a loss of 13 million dollars from higher SG&A expenses, favorable sales volume and mix variances resulted in a gain of 64 million dollars that brought operating income up 51 million dollars year on year for a total of 219 million dollars.

SIA saw net sales rise 170 million dollars year on year to hit 1,496 million dollars. However, operating income fell 5 million dollars year on year to reach 28 million dollars. The factors behind this decrease include a loss of 39 million dollars due to an increase in fixed costs despite a gain of 22 million dollars due to sales price and volume variances and a gain of 12 million dollars brought by overall cost reduction efforts.



## Forecasts for FYE 2017

## FYE 2017 : Consolidated Operating Plan



(100 Million Yen)

	Actual results FYE 2016 (a)	Plan FYE 2017		Variance (b) - (a)
		Original	Revised (b)	
<b>Net sales</b>	<b>32,323</b>	<b>31,700</b>	<b>31,900</b>	<b>-423</b>
Domestic	6,054	6,103	6,103	+49
Overseas	26,269	25,597	25,797	-472
<b>Operating income</b>	<b>5,656</b>	<b>4,200</b>	<b>4,000</b>	<b>-1,656</b>
<b>Ordinary income</b>	<b>5,770</b>	<b>4,200</b>	<b>4,100</b>	<b>-1,670</b>
<b>Net income attributable to owners of parent</b>	<b>4,367</b>	<b>2,930</b>	<b>2,850</b>	<b>-1,517</b>
FHI exchange rate	¥121/US\$	¥105/US\$	¥106/US\$	-¥15/US\$
<b>Consolidated Automobile Unit Sales</b>	<b>957.9k units</b>	<b>1,049.7k units</b>	<b>1,049.7k units</b>	<b>+91.8k units</b>

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

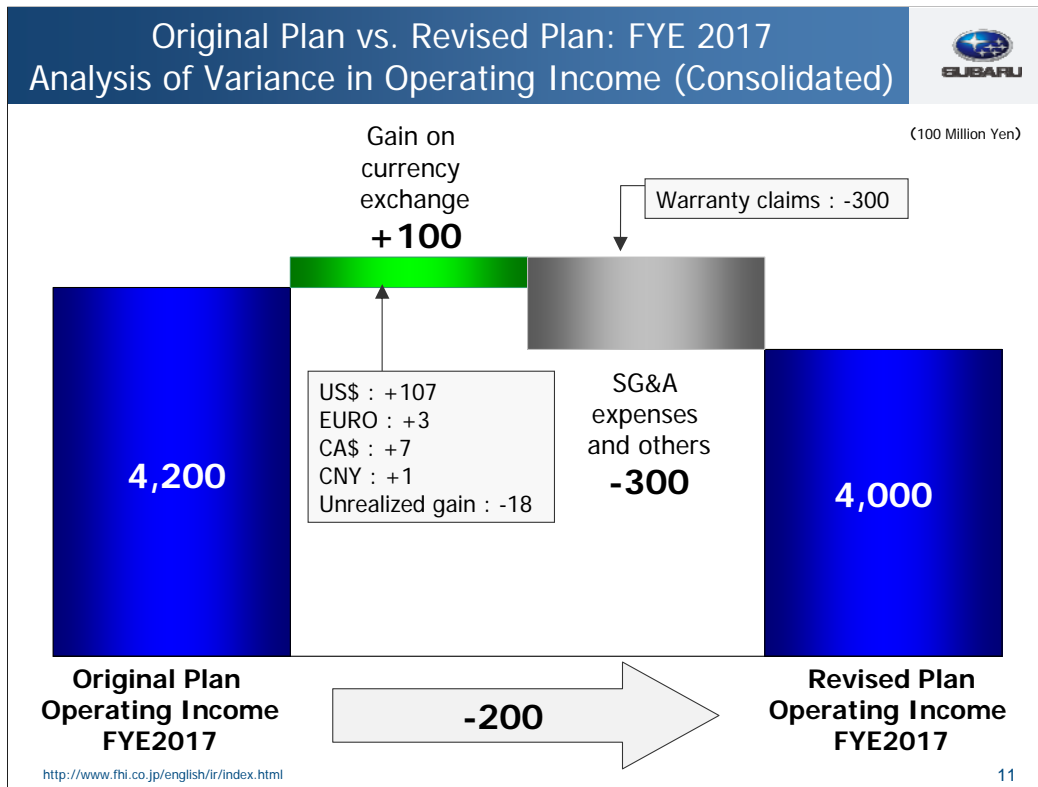
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Looking at the consolidated operating plan for the fiscal year ending March 2017, we have revised the initial full-year forecasts for the current fiscal year which were announced on May 12, 2016 in light of foreign exchange rate fluctuations and quality-related costs associated with airbag inflators. Under the revised forecasts, we expect that net sales will total 3,190 billion yen, operating income 400 billion yen, ordinary income 410 billion yen, and net income attributable to owners of the parent 285 billion yen.

No revision has been made to our dividend forecast. The dividend for this fiscal year will be 144 yen as initially announced, with an interim dividend of 72 yen and a year-end dividend of 72 yen.

Consolidated automobile sales forecast figures also remain as initially announced.

We will go into further detail about the revisions on the following page.



First of all we revised our projection for exchange rates in light of the current currency fluctuations.

The projected exchange rate for the US dollar has been revised from 105 yen to 106 yen, the euro from 120 yen to 121 yen, and the Canadian dollar from 80 yen to 81 yen.

Due to these revisions we expect operating income to be 10 billion yen more than originally projected. This will include a gain of 10.7 billion yen due to an approximate 1 yen depreciation against the U.S. dollar, a gain of 0.3 billion yen due to an approximate 1 yen depreciation against the euro, and a gain of 0.7 billion yen due to an approximate 1 yen depreciation against the Canadian dollar. On top of that, there will be a gain of 0.1 billion yen resulting from currency translations between the yen and the Chinese yuan and a loss of 1.8 billion yen from unrealized inventory.

On the other hand, we expect a loss of 30 billion yen due to mounting SG&A expenses as a result of the higher-than-expected quality-related costs associated with airbag inflators.

While all other factors contributing to operating income remain the same, the changes will bring our initial operating income projection for the fiscal year ending March 2017 down 20 billion yen to total 400 billion yen.

Please refer to the appendix (page 21) for the factors behind the projected year-on-year change in the operating income forecast for this fiscal year.

## Capex / Depreciation / R&D / Interest bearing debt



(100 Million Yen)

	Actual Results 1Q (3 months) FYE2016	Actual Results FYE2016 (a)	Actual Results 1Q (3 months) FYE 2017	Plan FYE2017 (b)	Variance (b) - (a)
Capex	171	1,357	368	1,600	+243
Depreciation	154	650	159	800	+150
R&D	185	1,024	236	1,200	+176
Interest bearing debt	2,011	1,700	1,654	1,650	-50

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Finally, among the expenditure items planned for the full year, capital investments, depreciation costs, R&D expenses, and interest bearing debts all remain the same.

We will make investments aimed at boosting production capacity, implementing R&D initiatives focused on future products, as well as other initiatives aligned with our carefully planned investment strategies.

The following pages provide segment information, various KPIs, and other data for your reference.

This concludes the briefing on our financial results for the first quarter of the fiscal year ending March 2017.

Thank you very much.

## Appendix(1)

- Non-operating income&expenses and extraordinary income&loss (1Q)
- Segment information by business & geographic (1Q)
- Overseas net sales (1Q)
- Non-consolidated unit sales (1Q)
- Revised plan for FYE 2017
- Revised plan for 1st half of FYE 2017

## 1Q (3 months) : Non-operating Income & Expenses and Extraordinary Income & Loss (Consolidated)



(100 Million Yen)

	Actual Results 1Q (3 months) FYE2016	Actual Results 1Q (3 months) FYE 2017	Variance
Financial revenue and expenditure	6	6	+0
FOREX effects	-46	+171	+218
Other	-1	-5	-4
<b>Total non-operating income &amp; expenses</b>	<b>-42</b>	<b>+173</b>	<b>+214</b>
Gain on sales of noncurrent assets	0	0	-0
Gain on sales of investment securities	1	1	+0
Loss on sales and retirement of noncurrent assets	-12	-10	-1
Other	1	-0	-2
<b>Total extraordinary income &amp; loss</b>	<b>-9</b>	<b>-9</b>	<b>-1</b>

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## 1Q (3 months) : Net Sales and Operating Income by Business Segment (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	Actual Results 1Q (3 months) FYE 2016	Actual Results 1Q (3 months) FYE 2017	Variance	Actual Results 1Q (3 months) FYE 2016	Actual Results 1Q (3 months) FYE 2017	Variance
<b>Automobile</b>	7,188	7,245	+56	1,288	993	-295
<b>Aerospace</b>	358	352	-6	44	17	-27
<b>Industrial products</b>	90	80	-10	2	-3	-5
<b>Others</b>	17	17	+0	7	6	-0
<b>Elimination &amp; Corporate</b>	/	/	/	2	2	+0
<b>Total</b>	7,653	7,694	+41	1,342	1,015	-327

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## 1Q (3 months) : Net Sales and Operating Income by Geographic Area (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	Actual Results 1Q (3 months) FYE 2016	Actual Results 1Q (3 months) FYE 2017	Variance	Actual Results 1Q (3 months) FYE 2016	Actual Results 1Q (3 months) FYE 2017	Variance
<b>Japan</b>	2,140	2,217	+76	1,009	667	-342
<b>North America</b>	4,872	4,871	-1	266	240	-26
<b>Others</b>	640	606	-34	27	16	-12
<b>Elimination &amp; Corporate</b>	/	/	/	39	93	+53
<b>Total</b>	7,653	7,694	+41	1,342	1,015	-327

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## 1Q (3 months) : Overseas Net Sales (Consolidated)



(100 Million Yen)

	Actual Results 1Q (3 months) FYE 2016	Actual Results 1Q (3 months) FYE 2017	Variance
<b>North America</b>	5,183	5,177	-6
<b>Europe</b>	272	269	-2
<b>Asia</b>	551	531	-20
<b>Other</b>	403	413	+10
<b>Total</b>	6,408	6,391	-17

## 1Q (3 months) : Non-consolidated Unit Sales



(Thousand Units)

	Actual Results 1Q (3 months) FYE 2016	Actual Results 1Q (3 months) FYE 2017	Variance
<b>Domestic production</b>	<b>171.0</b>	<b>179.4</b>	<b>+8.4</b>
<b>Domestic sales</b>	<b>31.3</b>	<b>32.8</b>	<b>+1.5</b>
Passenger cars	21.7	26.0	+4.3
Minicars	9.6	6.8	-2.8
<b>Number of exported vehicles</b>	<b>137.2</b>	<b>148.2</b>	<b>+11.0</b>
<b>Components for overseas production</b>	<b>54.5</b>	<b>75.2</b>	<b>+20.8</b>
<b>Total</b>	<b>223.0</b>	<b>256.3</b>	<b>+33.3</b>

\* Domestic production figures include Toyota 86.

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

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## Plan for FYE 2017 : Consolidated Unit Sales



(Thousand Units)

	Actual Results FYE2016	Plan FYE2017	Variance
Passenger car	111.6	119.0	+7.5
Minicar	33.7	37.3	+3.6
<b>Domestic total</b>	<b>145.3</b>	<b>156.3</b>	<b>+11.0</b>
US	582.7	643.1	+60.4
Canada	47.6	52.6	+5.0
Russia	5.7	9.6	+3.9
Europe	41.8	40.1	-1.7
Australia	44.6	48.2	+3.6
China	44.4	48.5	+4.1
Others	45.8	51.2	+5.4
<b>Overseas total</b>	<b>812.6</b>	<b>893.4</b>	<b>+80.8</b>
<b>Total</b>	<b>957.9</b>	<b>1,049.7</b>	<b>+91.8</b>

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

\* China figures are consolidated on the calendar year basis from Jan. to Dec. 19

## Revised Plan for FYE 2017 : Consolidated Income Statements



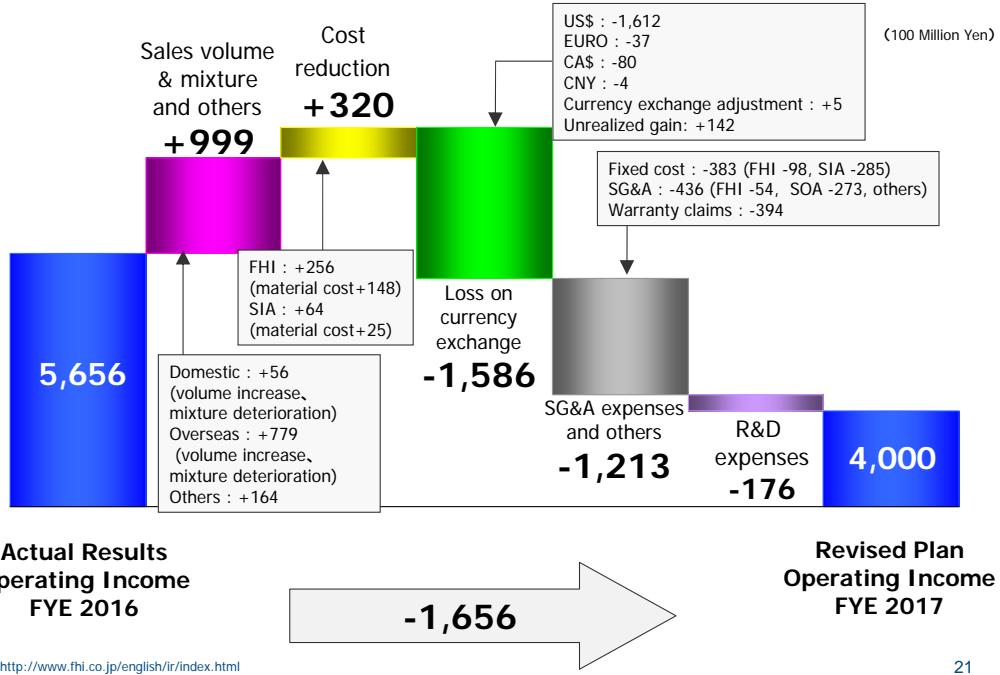
(100 Million Yen)

	Actual Results FYE2016	Revised Plan FYE2017	Variance
<b>Net sales</b>	<b>32,323</b>	<b>31,900</b>	<b>-423</b>
Domestic	6,054	6,103	+49
Overseas	26,269	25,797	-472
<b>Operating income</b>	<b>5,656</b>	<b>4,000</b>	<b>-1,656</b>
<b>Ordinary income</b>	<b>5,770</b>	<b>4,100</b>	<b>-1,670</b>
<b>Income before taxes and minority interests</b>	<b>6,190</b>	<b>4,030</b>	<b>-2,160</b>
<b>Net income attributable to owners of parent</b>	<b>4,367</b>	<b>2,850</b>	<b>-1,517</b>
FHI exchange rate	¥121/US\$	¥106/US\$	-¥15/US\$

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# Revised Plan FYE 2017: Analysis of Variance in Operating Income (Consolidated)



## Revised Plan for 1<sup>st</sup> Half of FYE 2017: Consolidated Unit Sales Plan



(Thousand Units)

	1 <sup>st</sup> Half Actual Results FYE 2016	1 <sup>st</sup> Half Plan FYE 2017	Variance
Passenger car	49.8	50.5	+0.7
Minicar	16.7	14.6	-2.1
<b>Domestic total</b>	<b>66.5</b>	<b>65.1</b>	<b>-1.4</b>
US	290.6	315.1	+24.5
Canada	26.1	28.2	+2.1
Russia	3.5	5.3	+1.9
Europe	19.6	19.3	-0.3
Australia	23.0	22.3	-0.7
China	20.5	24.0	+3.5
Others	22.5	22.5	+0.0
<b>Overseas total</b>	<b>405.7</b>	<b>436.7</b>	<b>+31.0</b>
<b>Total</b>	<b>472.2</b>	<b>501.8</b>	<b>+29.6</b>

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

※ China figures are consolidated on the calendar year basis from Jan to June.

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## Revised Plan for 1<sup>st</sup> Half of FYE 2017 : Consolidated Income Statements



(100 Million Yen)

	1 <sup>st</sup> Half Actual Results FYE 2016(a)	1 <sup>st</sup> Half Plan FYE 2017		Variance (b) - (a)
		Original	Revised (b)	
<b>Net sales</b>	<b>16,015</b>	<b>15,335</b>	<b>15,535</b>	<b>-480</b>
Domestic	2,852	2,796	2,796	-56
Overseas	13,163	12,539	12,739	-424
<b>Operating income</b>	<b>2,851</b>	<b>2,100</b>	<b>2,040</b>	<b>-811</b>
<b>Ordinary income</b>	<b>2,850</b>	<b>2,140</b>	<b>2,140</b>	<b>-710</b>
<b>Income before taxes and minority interests</b>	<b>2,831</b>	<b>2,120</b>	<b>2,120</b>	<b>-711</b>
<b>Net income attributable to owners of parent</b>	<b>1,932</b>	<b>1,480</b>	<b>1,480</b>	<b>-452</b>
FHI exchange rate	¥122/US\$	¥105US\$	¥107US\$	-¥15/US\$

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

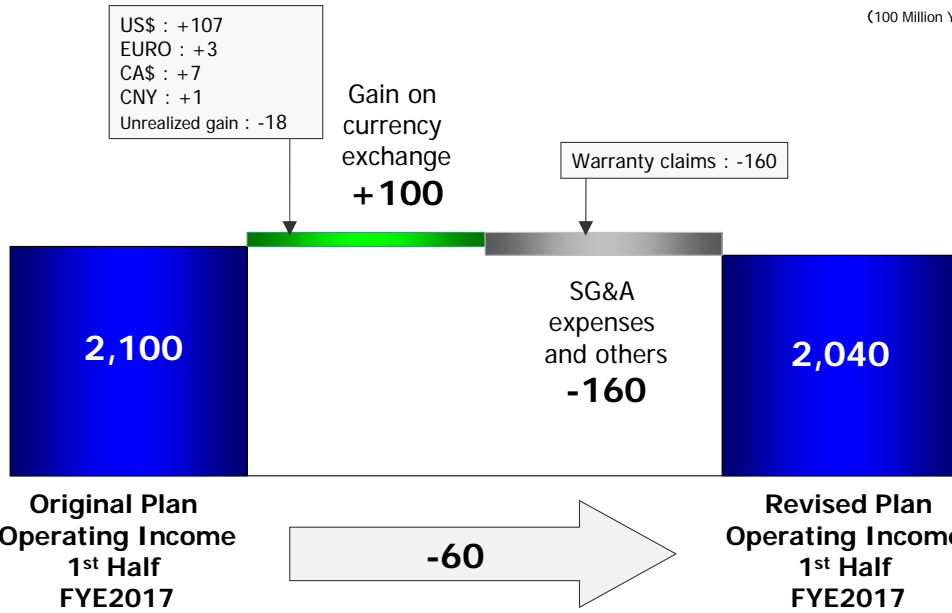
23



# Original Plan vs. Revised Plan: 1<sup>st</sup> Half of FYE 2017 Analysis of Variance in Operating Income (Consolidated)



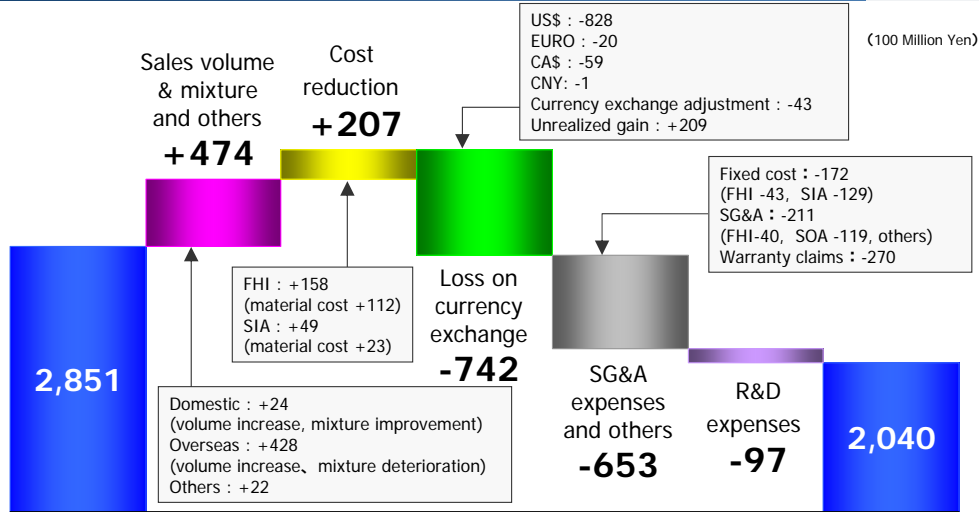
(100 Million Yen)



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

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# Revised Plan for 1<sup>st</sup> Half of FYE 2017: Analysis of Variance in Operating Income (Consolidated)



**Original Plan  
Operating Income  
1<sup>st</sup> Half  
FYE2017**

**-811** →

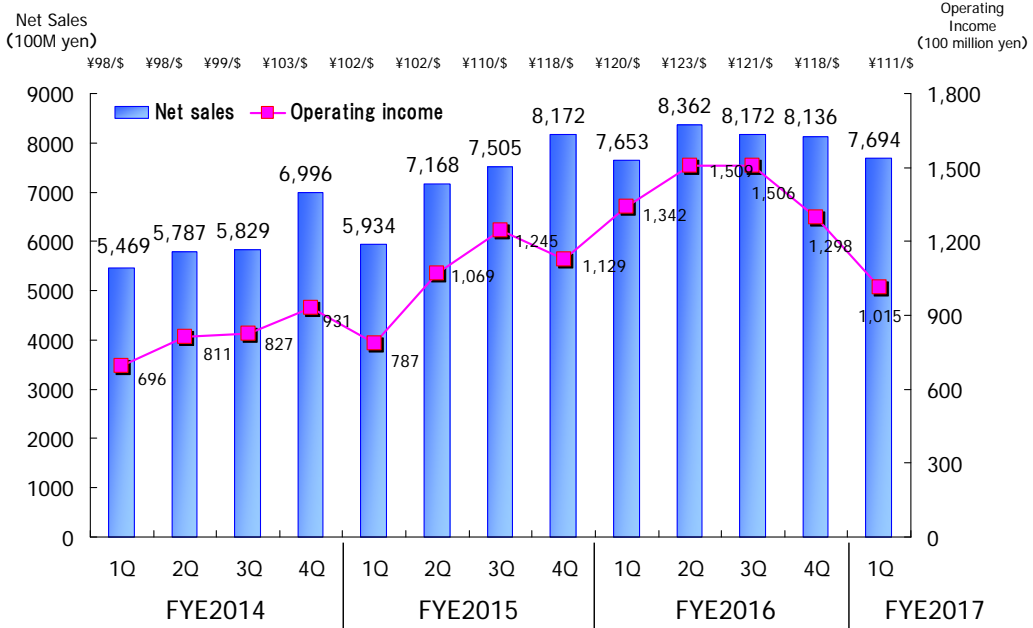
**Revised Plan  
Operating Income  
1<sup>st</sup> Half  
FYE2017**

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

## Appendix (2)

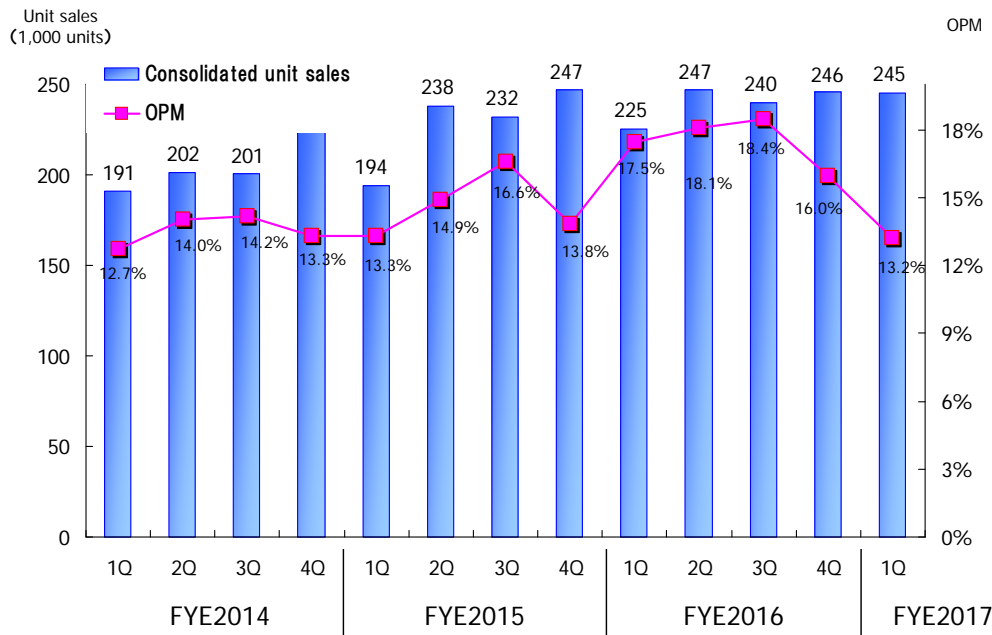
- Net sales / Operating income
- Consolidated unit sales / OPM
- Complete cars production / Retail sales units
- FCF / Shareholder's equity to total assets
- Interest-bearing debt / D/E ratio

# Net Sales / Operating Income



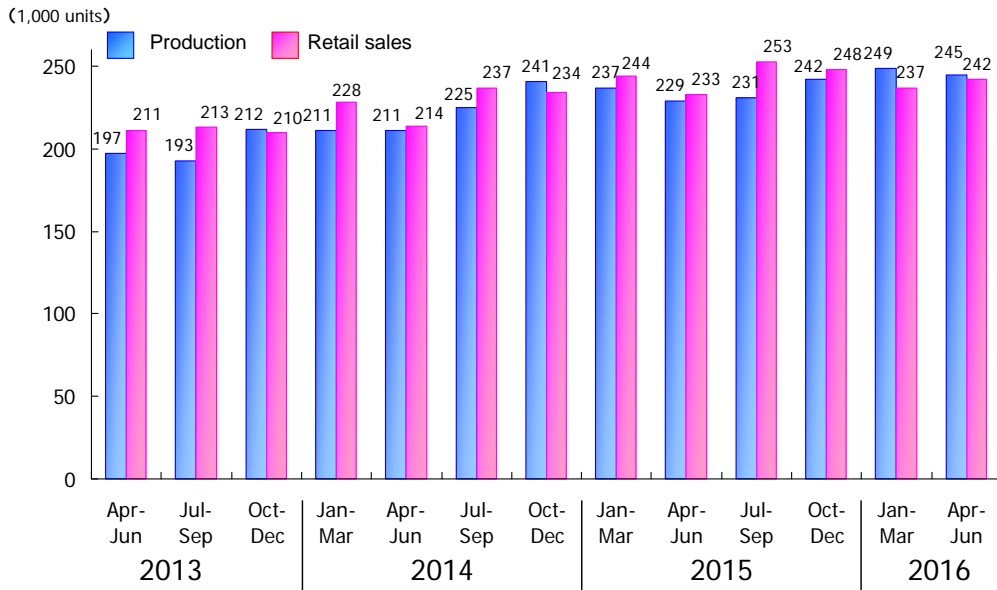
<http://www.fhi.co.jp/english/ir/index.html>

# Consolidate Unit Sales & Operating Income Margin



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

# Complete Cars Production / Retail Sales Units

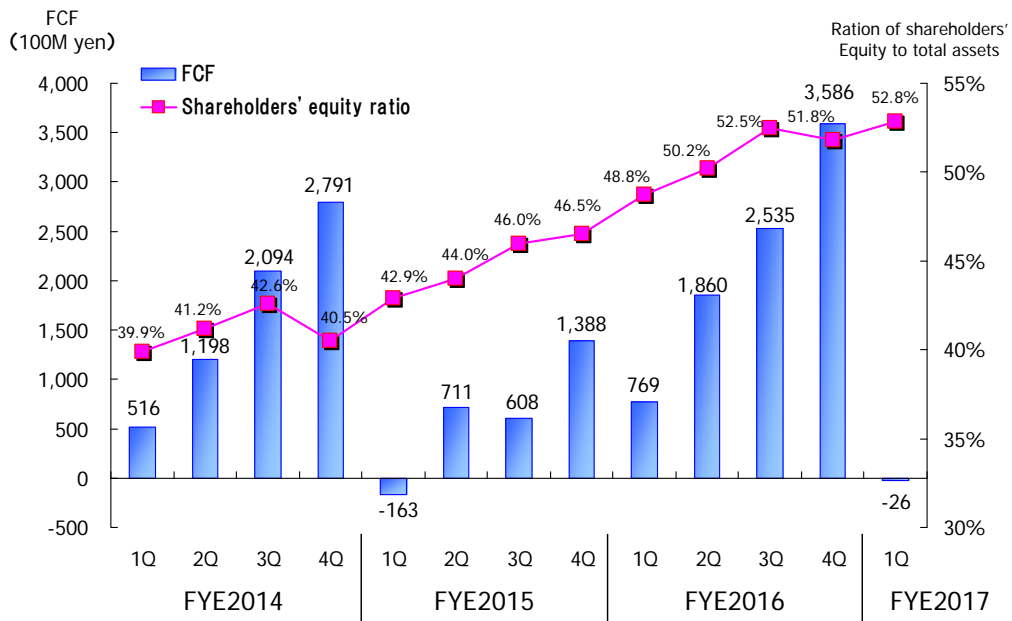


※ Production figures include Toyota 86

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

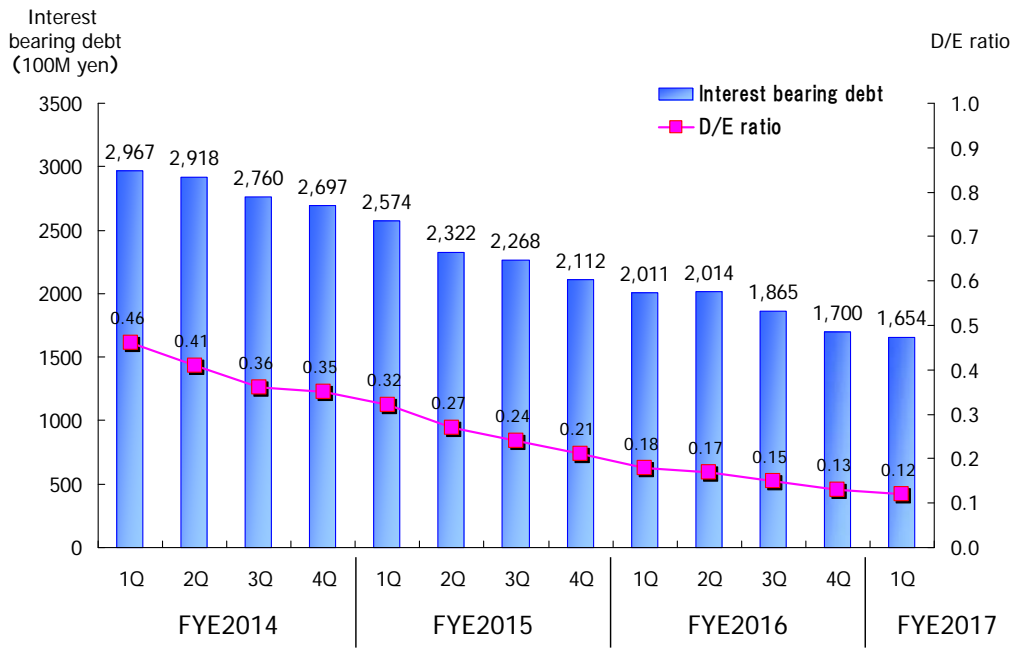
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# Free Cash Flows & Ratio of Shareholders' Equity to Total Assets



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# Interest Bearing Debt & 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.

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



**SUBARU**

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