



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

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July 31, 2013

Financial results for the 1st quarter of FYE March 2014

- Propelled by strong sales of the Forester and Impreza series in Japan and the US, consolidated auto sales hit new record high for the 1st quarter.
- Consolidated sales and revenues increased on a YoY basis, due to foreign exchange gain, increase in auto sales, and cost reduction efforts.
- Net sales, operating profit and ordinary income made new record high for the 1st quarter.

Projections for the FYE March 2014

- Figured in the results of the 1st quarter, net sales and each level of profit were revised upward. The projection remains on track to achieve the target.

| | Net sales | Operating income | Ordinary income | Net income | Consolidated automobile sales |
|------------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| Actual results 1Q (YoY) | ¥546.9bil (+118bil) | ¥69.6bil (+52.3bil) | ¥64.5bil (+45.4bil) | ¥48.5bil (+32.1) | 191.2k (+25.3k) |
| Plan Full year (vs. previous plan) | ¥2080.0bil (+30bil) | ¥198.0bil (+18bil) | ¥193.0bil (+18bil) | ¥121.0bil (+11bil) | 751.5k (±0) |

Business results for the 1st quarter of FYE March 2014



1st Quarter : Consolidated Automobile Sales

(Thousand Units)

| | 1Q Actual Results FYE March 2013 | 1Q Actual Results FYE March 2014 | Increase / Decrease |
|-----------------------|-------------------------------------|-------------------------------------|------------------------|
| Passenger car | 17.7 | 28.8 | +11.0 |
| Minicar | 13.2 | 12.0 | -1.2 |
| Domestic total | 30.9 | 40.7 | +9.9 |
| U.S. | 82.4 | 106.4 | +24.0 |
| Canada | 6.7 | 9.4 | +2.6 |
| Russia | 5.6 | 2.5 | -3.1 |
| Europe | 12.6 | 7.2 | -5.4 |
| Australia | 11.8 | 11.6 | -0.2 |
| China | 10.7 | 5.7 | -5.0 |
| Others | 5.1 | 7.6 | +2.5 |
| Overseas total | 135.0 | 150.4 | +15.4 |
| Total | 165.9 | 191.2 | +25.3 |



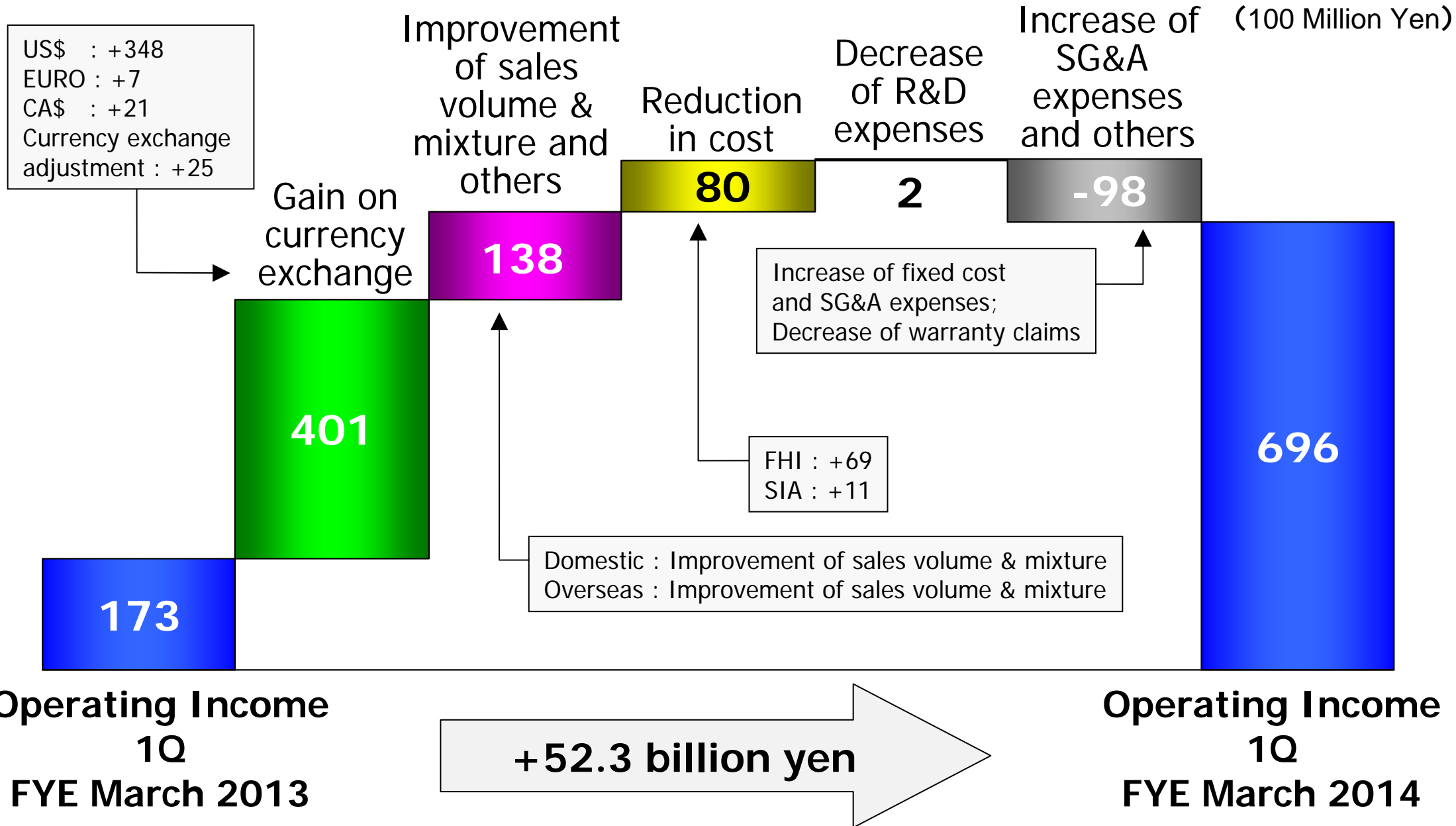
1st Quarter : Consolidated Statements Income

(100 Million Yen)

| | 1Q Actual Results FYE March 2013 | 1Q Actual Results FYE March 2014 | Increase / Decrease |
|--|-------------------------------------|-------------------------------------|------------------------|
| Net sales | 4,289 | 5,469 | +1,180 |
| Domestic | 1,427 | 1,577 | +151 |
| Overseas | 2,862 | 3,892 | +1,030 |
| Operating income | 173 | 696 | +523 |
| Ordinary income | 191 | 645 | +454 |
| Income before income taxes and minority interests | 190 | 641 | +451 |
| Net income | 164 | 485 | +321 |
| FHI exchange rate | ¥81/US\$ | ¥98/US\$ | +¥17/US\$ |

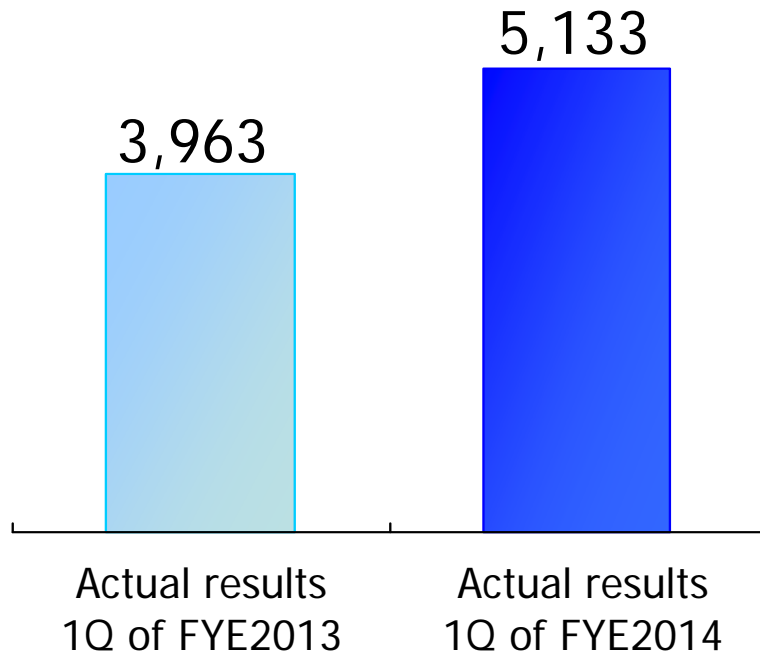


1st Quarter : Analysis of Increase and Decrease in Operating Income Changes (Consolidated)



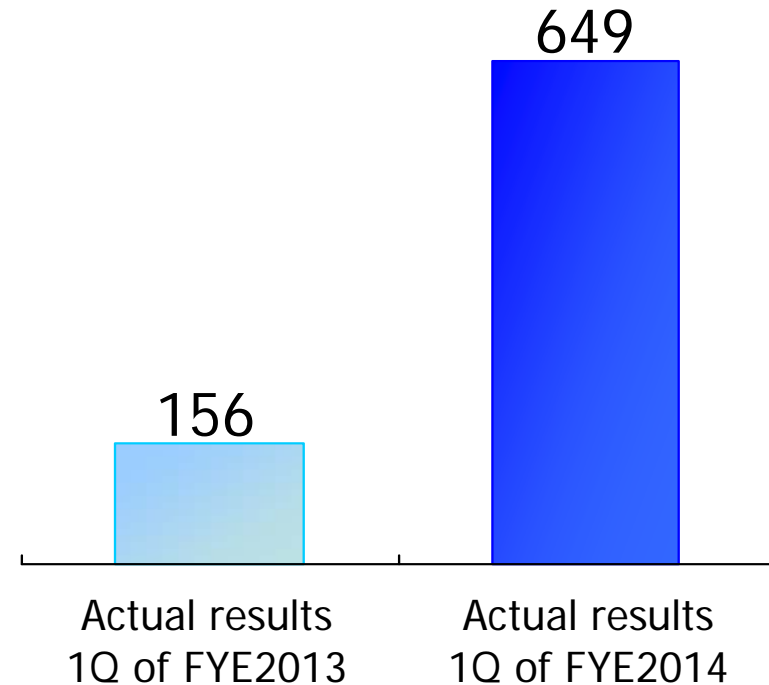
Net sales

+29.5 %



Operating income

+315.9 %



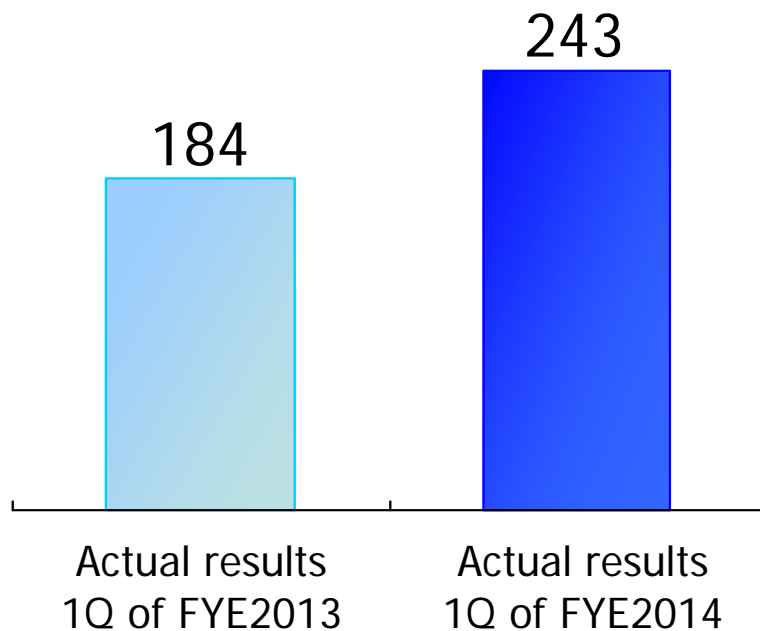
- Net sales increased on a YoY basis, mainly due to sales increase in Japan and the US and foreign exchange gain.
- Improvement of product mix and cost reduction efforts offset SG & A cost increase, achieving revenue growth.

Aerospace Segment (Consolidated)

(100 Million Yen)

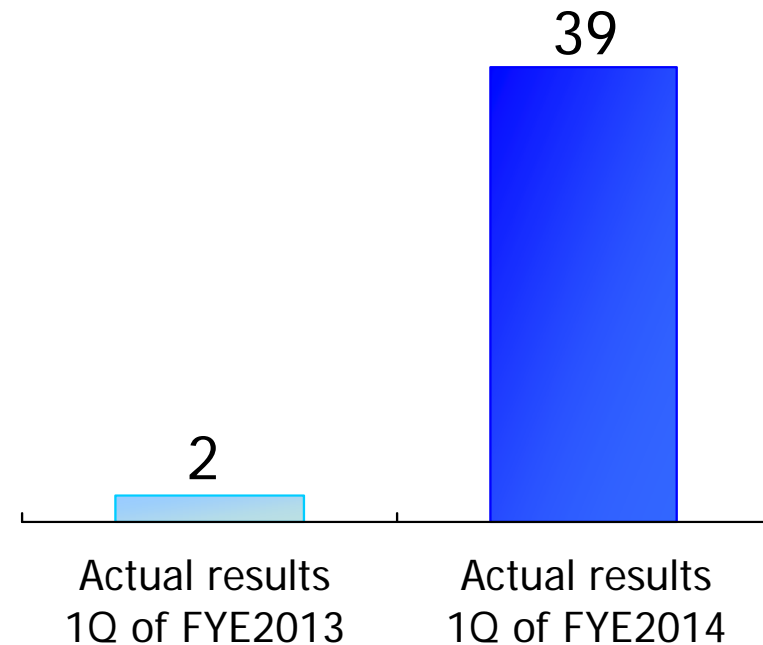
Net sales

+32.3 %



Operating income

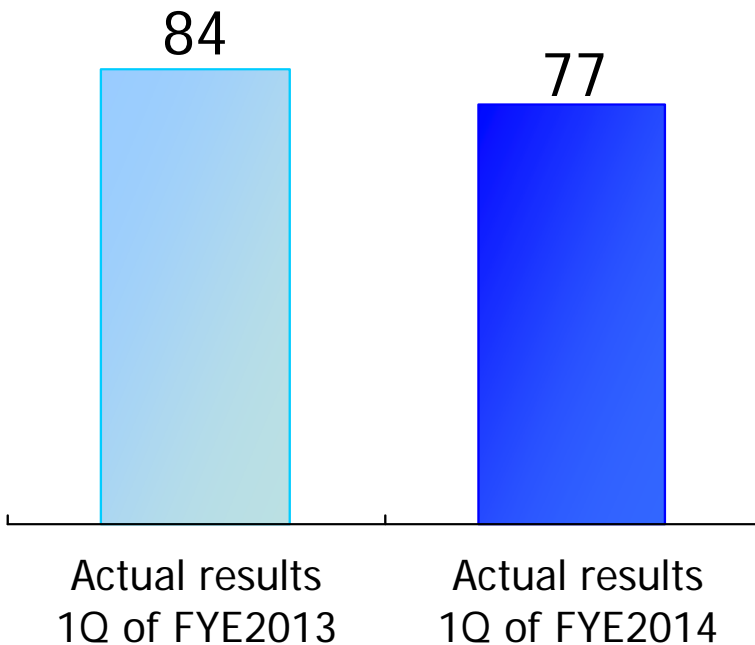
+1,604.8 %



- Both net sales and operating income increased on a YoY basis.
- In addition to foreign exchange gain, both Defense and Commercial sector businesses boosted revenue increase.

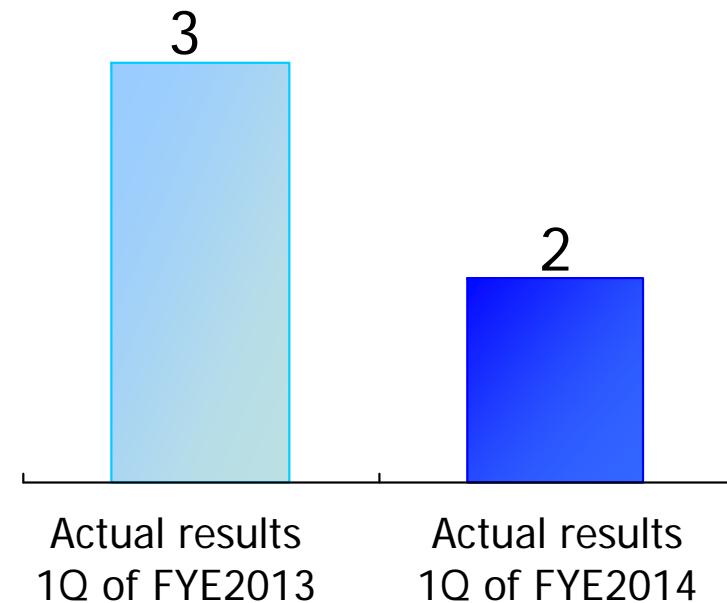
Net sales

-7.5 %



Operating income

-51.5 %



- Despite foreign exchange gain, both net sales and operating income decreased mainly by sales decrease in Europe.



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

(100 Million Yen)

| | 1Q Actual Results FYE March 2013 | 1Q Actual Results FYE March 2014 | Increase / Decrease |
|---|-------------------------------------|-------------------------------------|------------------------|
| Financial revenue and expenditure | -3 | 1 | +4 |
| FOREX effects | 23 | -52 | -75 |
| Other | -2 | 0 | +2 |
| Total non-operating income & expenses | 18 | -51 | -69 |
| Gain on sales of noncurrent assets | 1 | 0 | -0 |
| Gain on sales of investment securities | 3 | 1 | -2 |
| Loss on sales and retirement of noncurrent assets | -4 | -4 | -0 |
| Other | -1 | -1 | +0 |
| Total extraordinary income & loss | -1 | -4 | -3 |



Consolidated Balance Sheets

(100 Million Yen)

| | As of Mar. 2013 | As of Jun. 2013 | Increase / Decrease |
|--------------------------------------|-----------------|-----------------|---------------------|
| Total assets | 15,775 | 16,258 | +484 |
| Current assets | 9,440 | 9,719 | +279 |
| Noncurrent assets | 6,334 | 6,539 | +205 |
| Interest bearing debts | 3,072 | 2,967 | -104 |
| Net assets | 5,968 | 6,495 | +527 |
| Retained earnings | 3,014 | 3,420 | +407 |
| Shareholder's equity | 5,954 | 6,480 | +526 |
| Shareholder's equity to total assets | 37.7% | 39.9% | +2.2 |
| D/E ratio | 0.52 | 0.46 | -0.06 |



1st Quarter : Consolidated Statement of Cash Flows

(100 Million Yen)

| | 1Q Actual Results FYE March 2013 | 1Q Actual Results FYE March 2014 | Increase / Decrease |
|--|-------------------------------------|-------------------------------------|------------------------|
| Net cash provided by (used in) operating activities | 393 | 712 | +319 |
| Net cash provided by (used in) investing activities | -172 | -196 | -24 |
| Free cash flows | 221 | 516 | +295 |
| Net cash provided by (used in) financing activities | -243 | -186 | +58 |
| Effect of exchange rate change on cash and cash equivalents | -27 | 58 | +85 |
| Net increase (Decrease) in cash and cash equivalents | -49 | 389 | +437 |
| 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 | 2,745 | 3,679 | - |



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

(Million US\$)

| SOA | 1Q Actual Results FYE March 2013 | 1Q Actual Results FYE March 2014 | Increase / Decrease |
|----------------------------------|-------------------------------------|-------------------------------------|------------------------|
| Net sales | 2,014 | 2,633 | +619 |
| Operating income | 34 | 22 | -12 |
| Net income | 23 | 14 | -9 |
| Retail sales (Thousand units) | 83.6 | 111.8 | +28.2 |

| SIA | 1Q Actual Results FYE March 2013 | 1Q Actual Results FYE March 2014 | Increase / Decrease |
|---------------------------------------|-------------------------------------|-------------------------------------|------------------------|
| Net sales | 1,027 | 1,032 | +5 |
| Operating income | 21 | 37 | +16 |
| Net income | 13 | 24 | +11 |
| Subaru production (Thousand units) | 45.2 | 44.3 | -0.9 |

Outlook for the term ending FYE March 2014



Full year : Consolidated Operating Plan

(100 million yen / Thousand units)

| | FYE2013 | FYE2014 | | Increase / Decrease (b) – (a) |
|---|-----------------------|---------------|---------------------|-------------------------------------|
| | Actual Results (a) | Previous Plan | Revised Plan (b) | |
| Net sales | 19,130 | 20,500 | 20,800 | +1,670 |
| Operating income | 1,204 | 1,800 | 1,980 | +776 |
| Ordinary income | 1,006 | 1,750 | 1,930 | +924 |
| Income before income taxes and minority interests | 931 | 1,680 | 1,860 | +929 |
| Net income | 1,196 | 1,100 | 1,210 | +14 |
| FHI exchange rate | ¥82/US\$ | ¥90/US\$ | ¥92/US\$ | +¥10/US\$ |
| Consolidated automobile sales | 724.5 | 751.5 | 751.5 | +27.0 |

➤ Details of the change:

the number of share unit of FHI common stock to be changed from 1,000 shares to 100 shares

➤ Effective date (planned):

October 1, 2013

Appendix



1st Quarter : Net Sales and Operating Income by Business Segment (consolidated)

(100 Million Yen)

| | Net sales | | | Operating income | | |
|-------------------------|----------------------------|----------------------------|---------------------|----------------------------|----------------------------|---------------------|
| | 1Q Actual Results FYE 2013 | 1Q Actual Results FYE 2014 | Increase / Decrease | 1Q Actual Results FYE 2013 | 1Q Actual Results FYE 2014 | Increase / Decrease |
| Automobile | 3,963 | 5,133 | +1,169 | 156 | 649 | +493 |
| Aerospace | 184 | 243 | +59 | 2 | 39 | +37 |
| Industrial products | 84 | 77 | -6 | 3 | 2 | -2 |
| Others | 58 | 16 | -42 | 11 | 6 | -5 |
| Elimination & corporate | | | | 1 | 1 | +0 |
| Total | 4,289 | 5,469 | +1,180 | 173 | 696 | +523 |



1st Quarter : Consolidated Operating Income by Geographic Area

(100 Million Yen)

| | Net sales | | | Operating income | | |
|---------------------------|----------------------------|----------------------------|---------------------|----------------------------|----------------------------|---------------------|
| | 1Q Actual Results FYE 2013 | 1Q Actual Results FYE 2014 | Increase / Decrease | 1Q Actual Results FYE 2013 | 1Q Actual Results FYE 2014 | Increase / Decrease |
| Japan | 2,069 | 2,233 | +164 | 144 | 686 | +542 |
| North America | 1,844 | 2,950 | +1,107 | 24 | 73 | +49 |
| Other | 376 | 286 | -90 | 1 | -0 | -1 |
| Elimination and corporate | | | | 4 | -62 | -67 |
| Total | 4,289 | 5,469 | +1,180 | 173 | 696 | +523 |



1st Quarter : Overseas Net Sales

(100 Million Yen)

| | 1Q Actual Results FYE March 2013 | 1Q Actual Results FYE March 2014 | Increase / Decrease |
|---------------|-------------------------------------|-------------------------------------|------------------------|
| North America | 1,963 | 3,115 | +1,152 |
| Europe | 369 | 243 | -127 |
| Asia | 236 | 201 | -35 |
| Other | 294 | 333 | +39 |
| Total | 2,862 | 3,892 | +1,030 |



Capex / Depreciation / R&D / Interest bearing debt

(100 Million Yen)

| | FYE2013 | | FYE2014 | | Increase / Decrease (b) - (a) |
|-----------------------|---------------------------|----------------------------|----------------------------|------------------|-------------------------------|
| | 1Q Actual Results FYE2013 | Actual Results FYE2013 (a) | 1Q Actual Results FYE 2014 | Plan FYE2014 (b) | |
| Capex | 113 | 702 | 124 | 670 | -32 |
| Depreciation | 119 | 559 | 133 | 550 | -9 |
| R&D | 130 | 491 | 128 | 590 | +99 |
| Interest bearing debt | 3,381 | 3,072 | 2,967 | 2,800 | -272 |



1st Quarter : Non-Consolidated Automobiles Sales

(100 Million Yen)

| | 1Q Actual Results FYE March 2013 | 1Q Actual Results FYE March 2014 | Increase / Decrease |
|---------------------------------------|-------------------------------------|-------------------------------------|------------------------|
| Domestic production | 136.6 | 153.0 | +16.5 |
| Domestic sales | 31.9 | 44.4 | +12.5 |
| Passenger cars | 20.1 | 31.9 | +11.9 |
| Minicars | 11.8 | 12.5 | +0.7 |
| Number of vehicles exported | 95.1 | 117.1 | +22.0 |
| Components for overseas production | 42.7 | 42.9 | +0.2 |
| Total | 169.7 | 204.4 | +34.7 |

* Domestic Production figures include Toyota 86.



Full Year : Consolidated Automobile Sales

(Thousand Units)

| | Actual results FYE 2013 | Plan FYE 2014 | Increase / Decrease |
|-----------------------|----------------------------|------------------|------------------------|
| Passenger cars | 112.8 | 101.6 | -11.1 |
| Minicars | 50.4 | 53.9 | +3.5 |
| Domestic Total | 163.1 | 155.5 | -7.6 |
| U.S. | 357.6 | 384.9 | +27.3 |
| Canada | 32.6 | 35.5 | +2.9 |
| Russia | 14.7 | 12.6 | -2.1 |
| Europe | 46.4 | 41.8 | -4.6 |
| Australia | 38.1 | 42.5 | +4.4 |
| China | 50.2 | 51.2 | +1.0 |
| Others | 21.7 | 27.6 | +5.9 |
| Overseas Total | 561.3 | 596.0 | +34.7 |
| Total | 724.5 | 751.5 | +27.0 |

Full Year : Consolidated Operating Plan

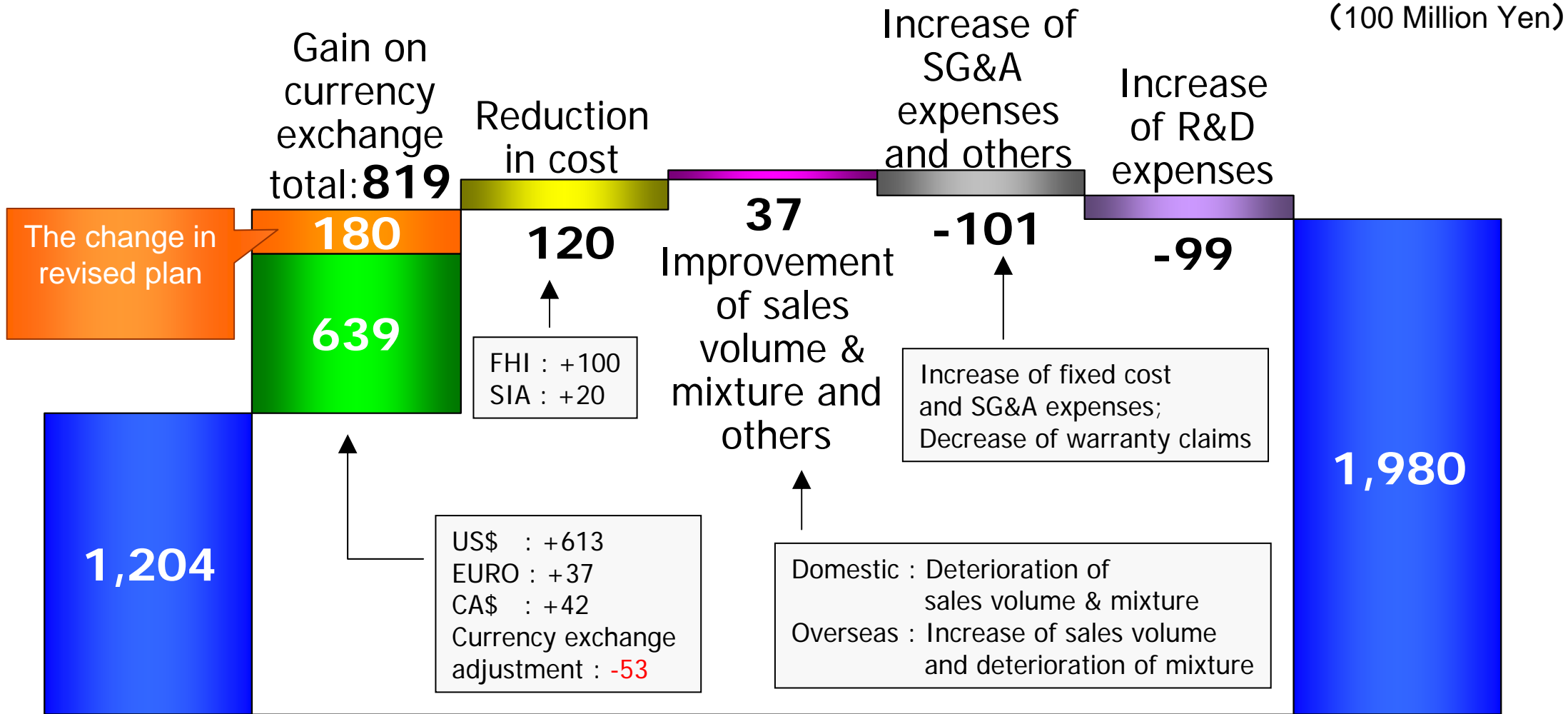
(100 Million Yen)

| | FYE2013 | FYE2014 | | Increase / Decrease (b) – (a) |
|--|-----------------------|---------------|------------------|-------------------------------------|
| | Actual Results (a) | Previous Plan | Revised Plan (b) | |
| Net sales | 19,130 | 20,500 | 20,800 | +1,670 |
| Domestic | 6,718 | 6,081 | 6,081 | -638 |
| Overseas | 12,411 | 14,419 | 14,719 | +2,308 |
| Operating income | 1,204 | 1,800 | 1,980 | +776 |
| Ordinary income | 1,006 | 1,750 | 1,930 | +924 |
| Income before income taxes and minority interests | 931 | 1,680 | 1,860 | +929 |
| Net income | 1,196 | 1,100 | 1,210 | +14 |
| FHI exchange rate | ¥82/US\$ | ¥90/US\$ | ¥92/US\$ | +¥10/US\$ |



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

(100 Million Yen)



Actual results
Operating Income
FYE March 2013

+77.6 billion yen

Plan
Operating Income
FYE March 2014



1st Half : Consolidated Automobile Sales Plan

(Thousand Units)

| | Actual Results 1st Half FYE 2013 | Plan 1st Half FYE 2014 | Increase / Decrease |
|-----------------------|--|------------------------------|------------------------|
| Passenger cars | 45.4 | 55.1 | +9.7 |
| Minicars | 26.6 | 25.9 | -0.7 |
| Domestic Total | 72.0 | 80.9 | +8.9 |
| U.S. | 164.4 | 210.5 | +46.2 |
| Canada | 16.3 | 18.7 | +2.4 |
| Russia | 11.1 | 4.6 | -6.5 |
| Europe | 25.4 | 16.7 | -8.7 |
| Australia | 22.0 | 20.6 | -1.4 |
| China | 26.6 | 20.8 | -5.8 |
| Others | 10.7 | 11.0 | +0.3 |
| Overseas Total | 276.4 | 303.0 | +26.5 |
| Total | 348.4 | 383.9 | +35.5 |

1st Half : Consolidated Operating Plan

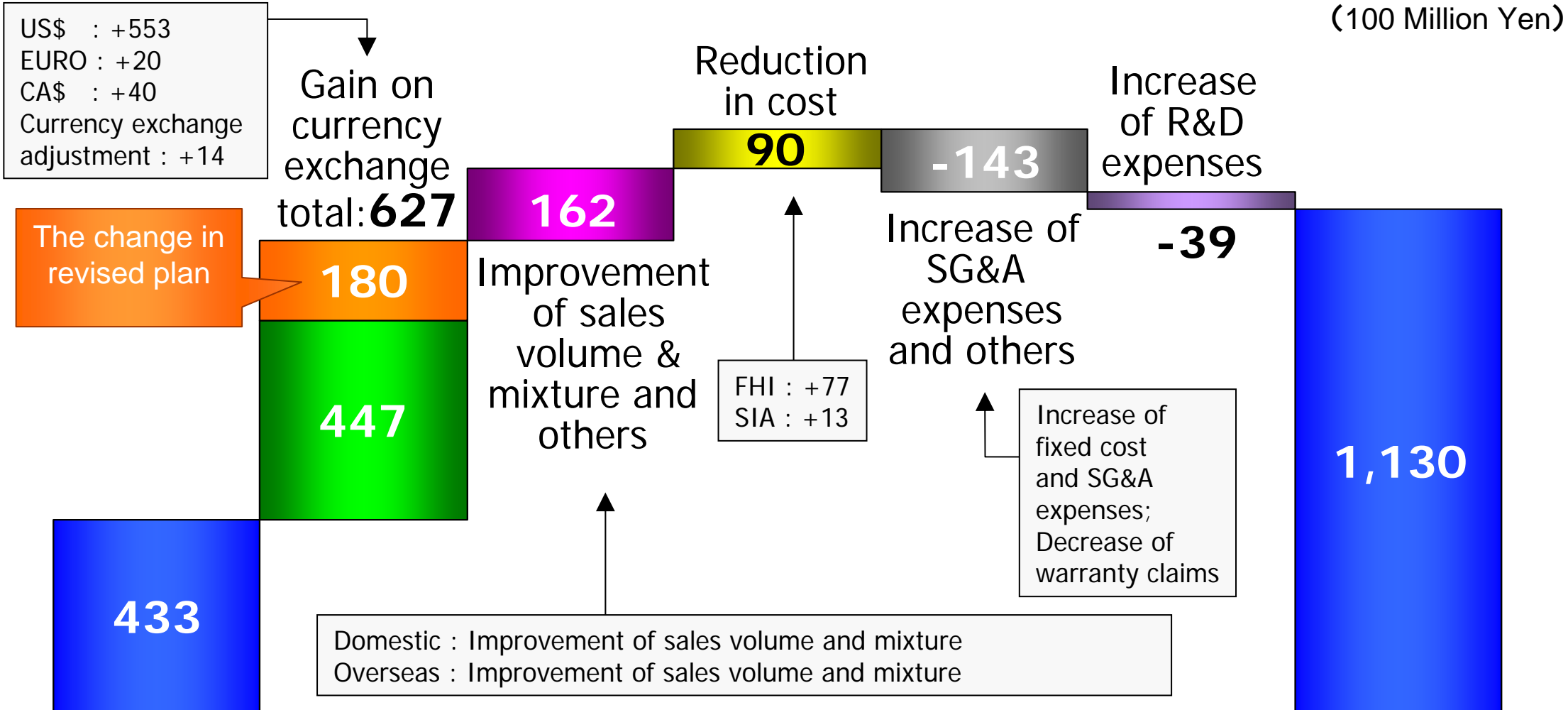
(100 Million Yen)

| | FYE2013 | FYE2014 | | Increase / Decrease (b) – (a) |
|--|--------------------------|---------------------|------------------------|-------------------------------------|
| | 1H Actual Results (a) | 1H Previous Plan | 1H Revised Plan (b) | |
| Net sales | 8,980 | 10,300 | 10,600 | +1,620 |
| Domestic | 3,098 | 3,100 | 3,100 | +3 |
| Overseas | 5,883 | 7,200 | 7,500 | +1,617 |
| Operating income | 433 | 950 | 1,130 | +697 |
| Ordinary income | 453 | 925 | 1,105 | +652 |
| Income before income taxes and minority interests | 459 | 910 | 1,090 | +631 |
| Net income | 404 | 570 | 680 | +276 |
| FHI exchange rate | ¥80/US\$ | ¥90/US\$ | ¥94/US\$ | +¥14/US\$ |



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

(100 Million Yen)



+69.7 billion yen

**Actual results
Operating Income
1st Half
FYE March 2013**

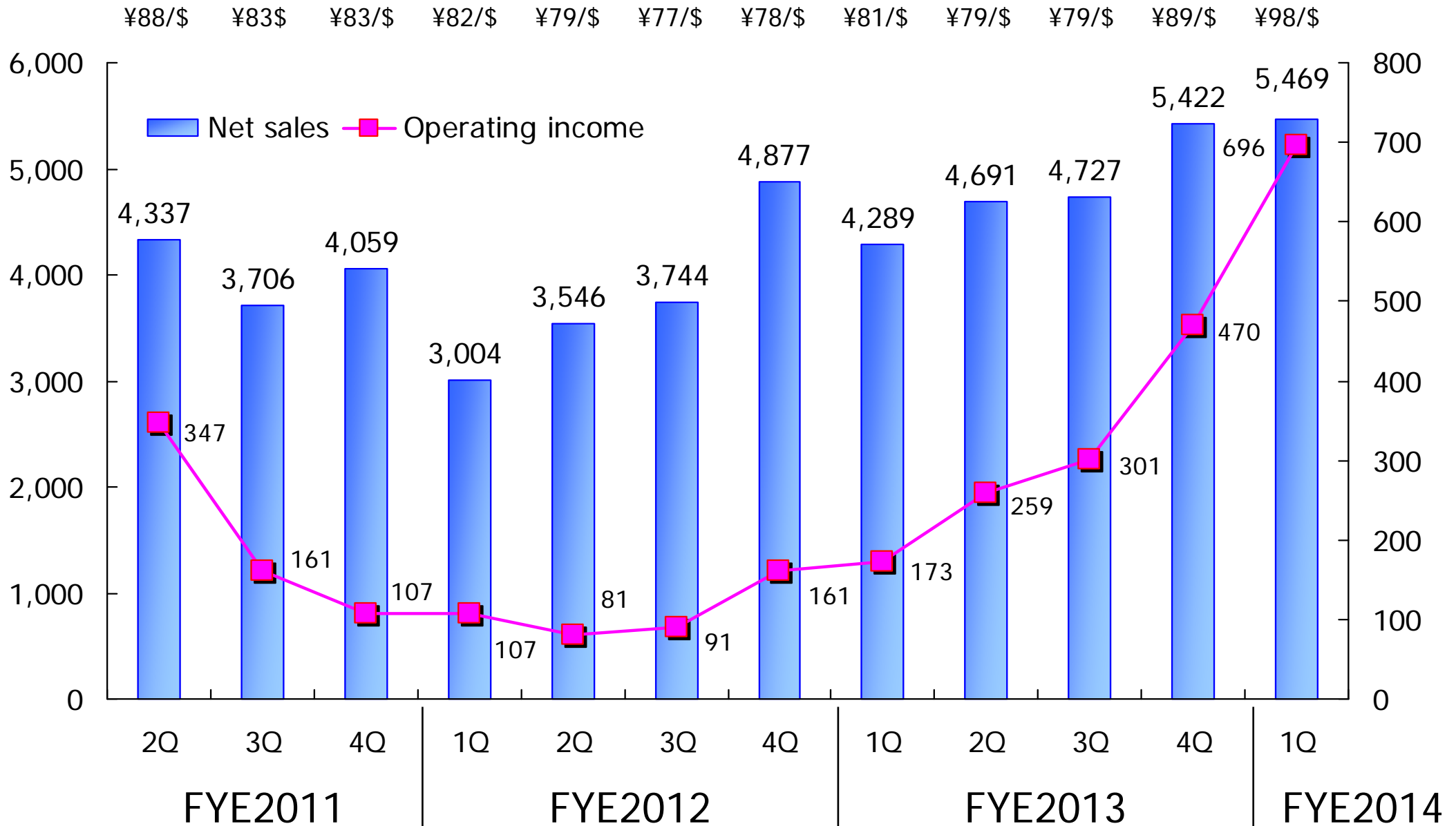
**Plan
Operating Income
1st Half
FYE March 2014**



Net Sales & Operating Income

Net Sales
(100 million yen)

Operating Income
(100 million yen)

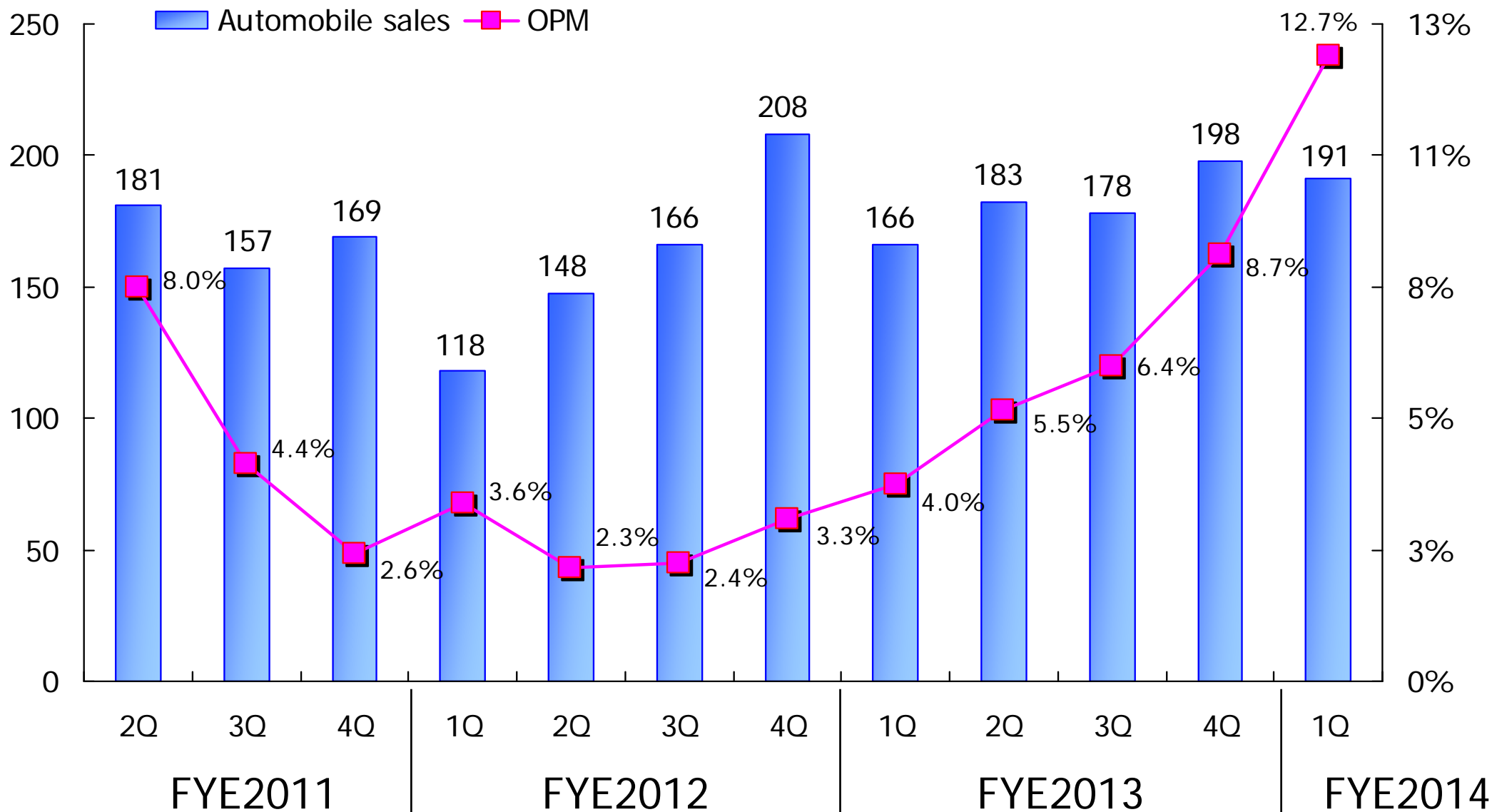




Consolidated Automobile Sales & Operating Income Margin

Automobile sales
(1,000 cars)

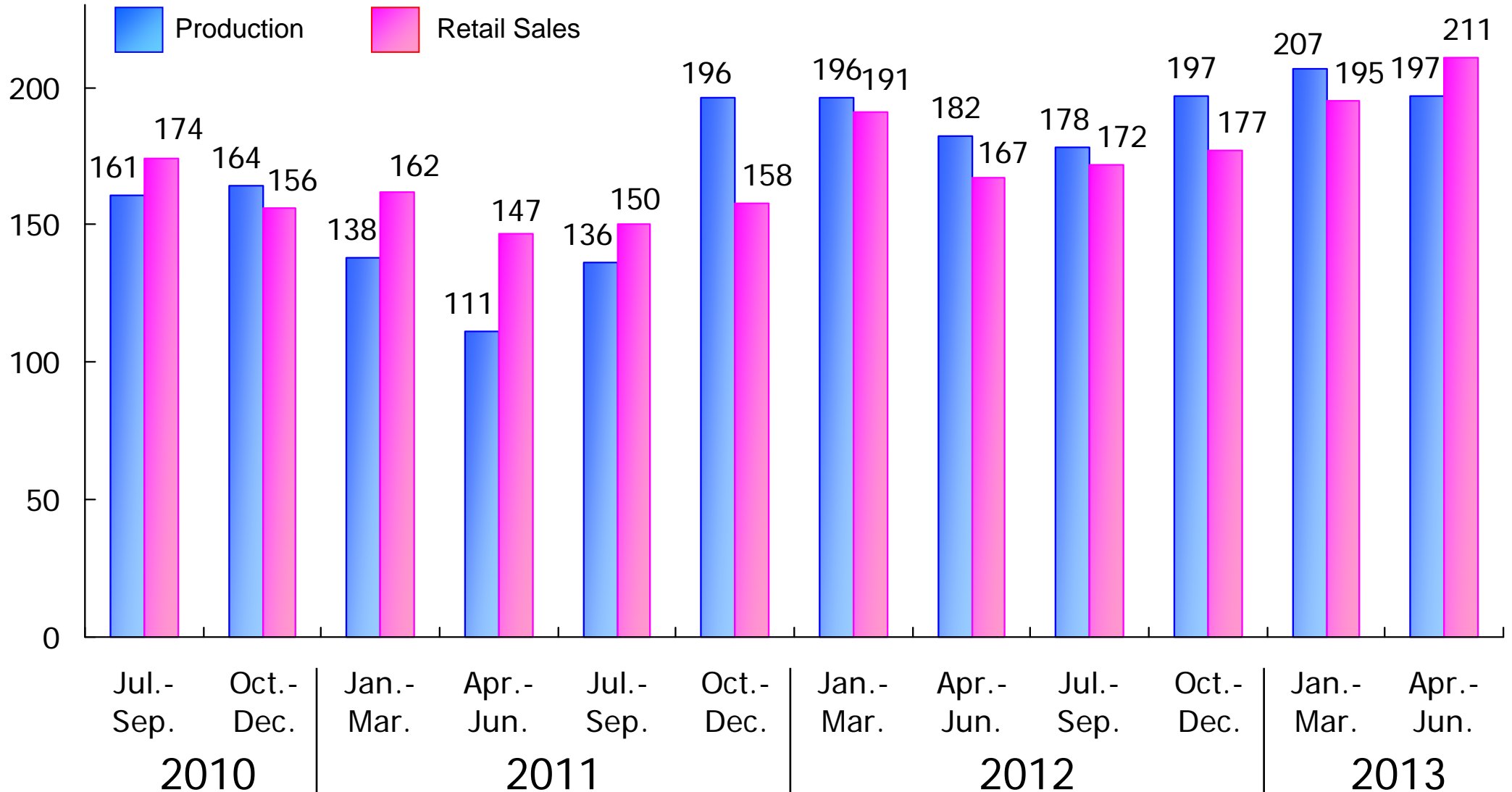
OPM





Retail Sales & Complete Cars Production

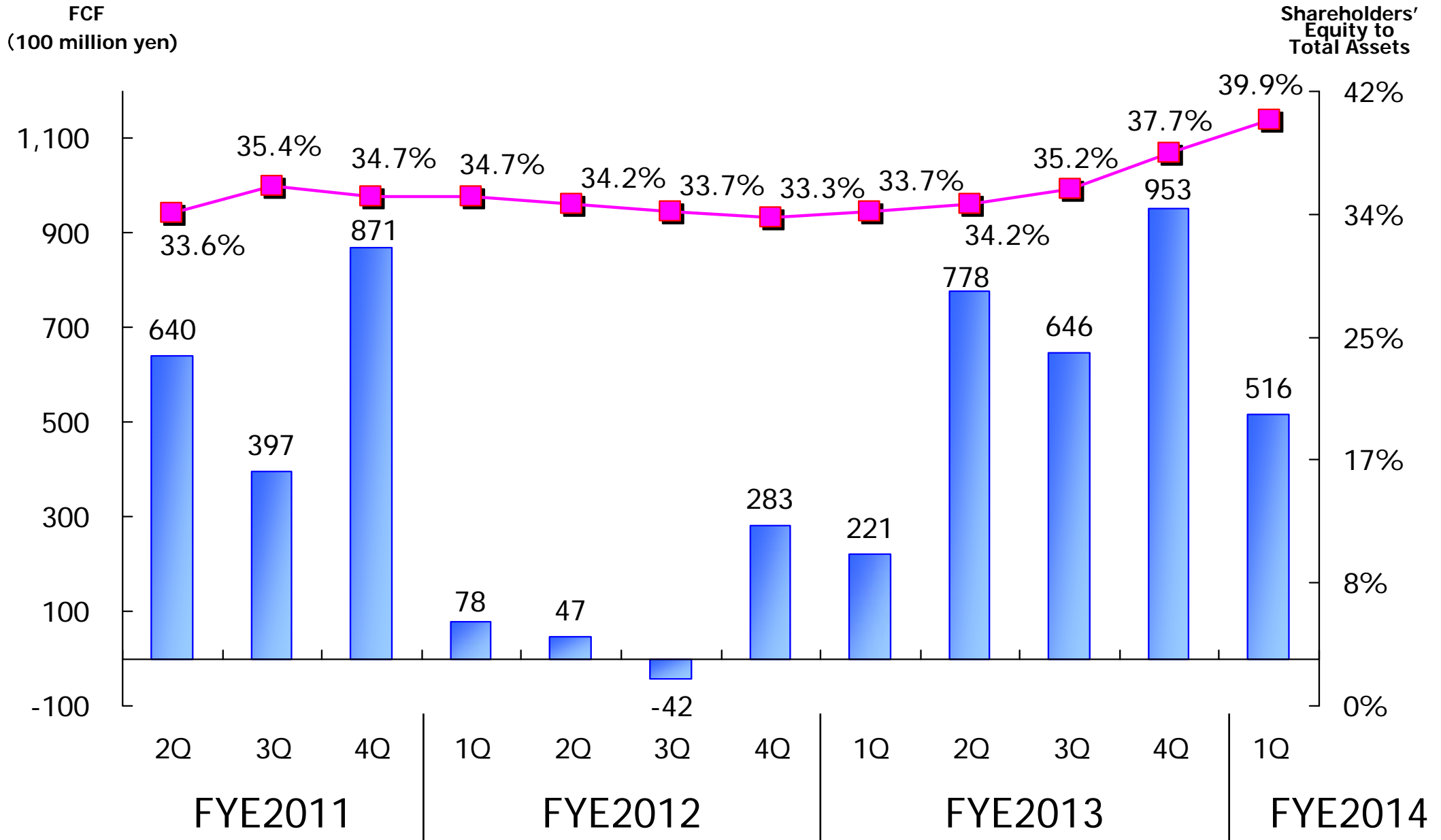
Units
(1000 units)



* Production figures include Toyota 86.



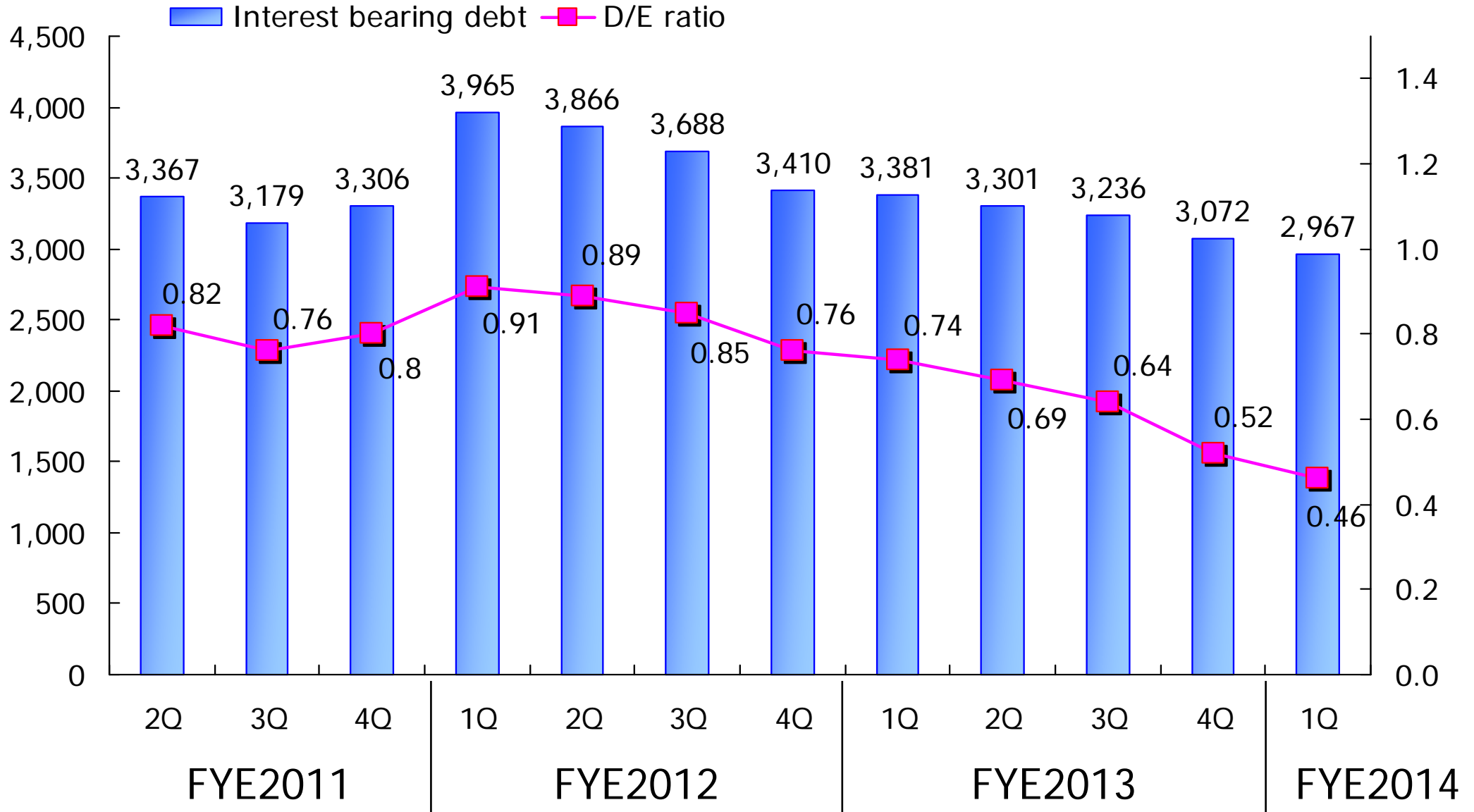
Free Cash Flows & Shareholders' Equity to Total Assets



Interest Bearing Debts & D/E Ratio

Interest Bearing Debts
(100 million yen)

D/E ratio





Forward-looking statements including projections and future strategies mentioned in this presentation are based on currently available information and assumptions and are subject to risks and uncertainties.

Actual results may vary materially as a result of various factors including, without limitation, economic conditions, market demand and fluctuations in foreign exchange rates.

Investors are asked not to rely solely on the information in this presentation when they make their final investment decisions.



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