



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

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July 31, 2013

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



## Summary

### 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)	<b>¥546.9bil</b> (+118bil)	<b>¥69.6bil</b> (+52.3bil)	<b>¥64.5bil</b> (+45.4bil)	<b>¥48.5bil</b> (+32.1)	<b>191.2k</b> (+25.3k)
Plan Full year (vs. previous plan)	<b>¥2080.0bil</b> (+30bil)	<b>¥198.0bil</b> (+18bil)	<b>¥193.0bil</b> (+18bil)	<b>¥121.0bil</b> (+11bil)	<b>751.5k</b> (±0)

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1



## 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
<b>Domestic total</b>	<b>30.9</b>	<b>40.7</b>	<b>+9.9</b>
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
<b>Overseas total</b>	<b>135.0</b>	<b>150.4</b>	<b>+15.4</b>
<b>Total</b>	<b>165.9</b>	<b>191.2</b>	<b>+25.3</b>

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

3

Consolidated automobile sales for the first quarter of the fiscal year ending March 2014 came to 191.2 thousand units. This was the highest first quarter sales figure ever thanks to booming sales in Japan and the U.S. of the Forester which underwent a major face-lift in the second half of the last fiscal year as well as the Impreza which continued to enjoy excellent sales.

Domestic sales were up 9.9 thousand units year on year to reach a total of 40.7 thousand units as sales of the Forester increased nearly fivefold from last year while sales of the Impreza almost doubled despite a year-on-year drop in minicar sales.

In overseas markets, sales rose by 15.4 thousand units to total 150.4 thousand units thanks to healthy performance in the U.S. and Canada where sales of the Forester, Impreza and BRZ remained upbeat. Sales in Russia, Europe, Australia and China, however, fell below last year's levels.



## 1st Quarter : Consolidated Statements Income

(100 Million Yen)

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

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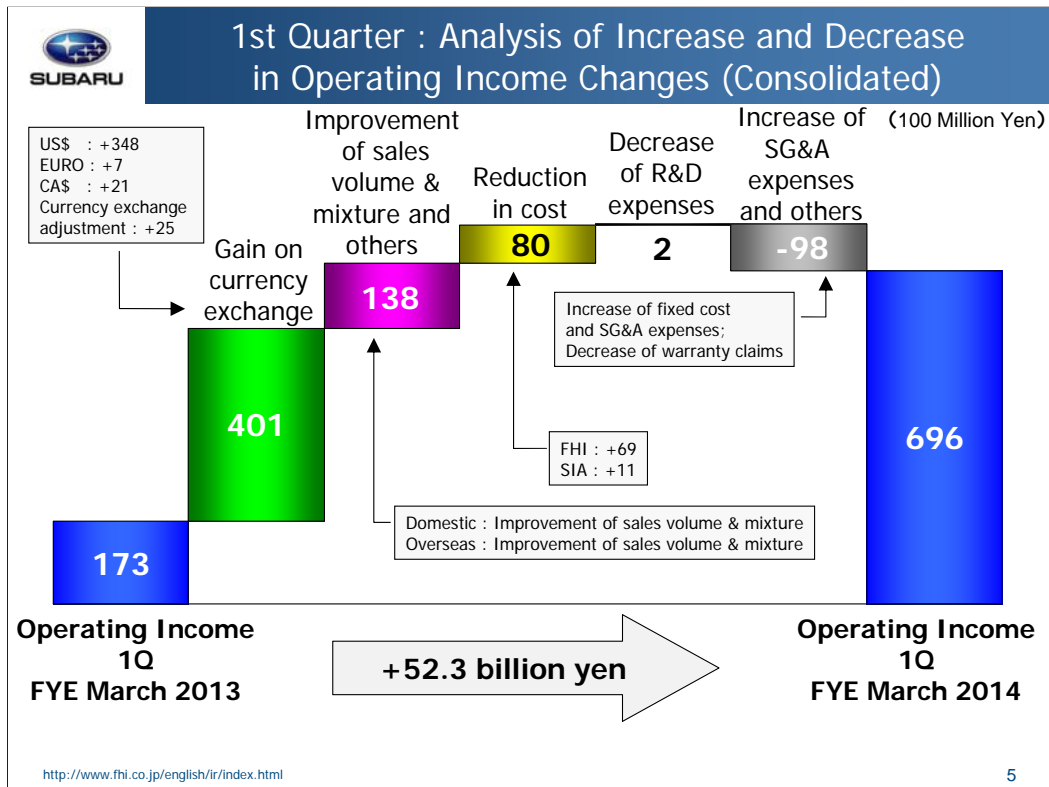
4

Looking at our consolidated results for the first quarter, we see net sales increasing 118.0 billion yen year on year to total 546.9 billion yen. Factors behind this increase include a gain of 56.3 billion yen due to better sales mix variances as a result of increased new car sales in Japan and the U.S. as well as foreign exchange gains totaling 63.7 billion yen despite a 2.0 billion yen decrease in sales at FHI internal companies, etc.

Operating income rose 52.3 billion yen year on year to total 69.6 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 expenses.

Ordinary income also rose 45.4 billion yen to total 64.5 billion due to gains on forward exchange contracts. Income before income taxes and minority interests increased 45.1 billion yen to reach 64.1 billion.

Net income totaled 48.5 billion yen, an increase of 32.1 billion yen.



Let's look at the reasons behind the year-on-year increase of 52.3 billion yen in operating income that went from 17.3 billion yen to 69.6 billion yen.

The primary reason for the increase in operating income was a foreign exchange gain of 40.1 billion yen.

This includes a gain of 34.8 billion yen due to an approximate 17 yen depreciation against the U.S. dollar, a gain of 0.7 billion yen due to an approximate 21 yen depreciation against the euro, and a gain of 2.1 billion yen due to an approximate 16 yen depreciation against the Canadian dollar.

This figure also includes a gain of 2.5 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 13.8 billion yen. This gain can be broken down into the following three areas.

First, we saw a gain of 9.1 billion yen from new car sales in the Japanese market.

Sales exceeded the previous year's level due to increased sales of the Impreza and the Forester despite the drop in sales volumes for the Legacy and minicars.

Next, we saw a gain of 10.4 billion yen in new car sales overseas.

Sales growth for the Impreza and the Forester in the U.S. led to an increased sales volume and better sales mix.

Then finally, we had a loss of 5.7 billion yen due to inventory adjustments.

Another factor behind the jump in operating income was a gain of 8.0 billion yen due to cost cuts. This includes a gain of 6.9 billion yen generated by FHI as well as a gain of 1.1 billion yen coming from SIA.

FHI generated a gain of 5.3 billion yen from cost reductions and another gain of 1.6 billion yen due to lower material prices as well as better market conditions.

Cost-cutting yielded SIA a gain of 1.1 billion yen while stable materials prices, etc. kept year-on-year earnings the same.

Finally, a reduction in R&D expenses resulted in a gain of 0.2 billion yen.

The main factor bringing operating income down was a loss of 9.8 billion yen due to increases in SG&A expenses. This loss can be broken down into the following three areas.

First, we see that an increase in fixed manufacturing costs generated a loss of 3.2 billion yen, with a loss of 3.4 billion yen coming from FHI and a gain of 0.2 billion yen at SIA.

FHI generated a loss of 1.4 billion yen due to increased costs for suppliers' dies and a loss of 2.0 billion yen due to higher fixed processing costs.

SIA gained 0.3 billion yen due to cost cuts for suppliers' dies and lost 0.1 billion yen due to an increase in fixed processing costs.

Next we see that an increase in SG&A expenses led to a loss of 6.9 billion yen.

FHI lost 1.8 billion yen due to an increase in advertising costs, etc.

The 6.9 billion yen loss also includes a loss of 0.6 billion yen at domestic dealers, a loss of 4.1 billion yen generated at SOA from higher sales promotion costs associated with the increasing sales volume, a loss of 1.1 billion yen at our Canadian subsidiaries, and a gain of 0.7 billion yen from other operations.

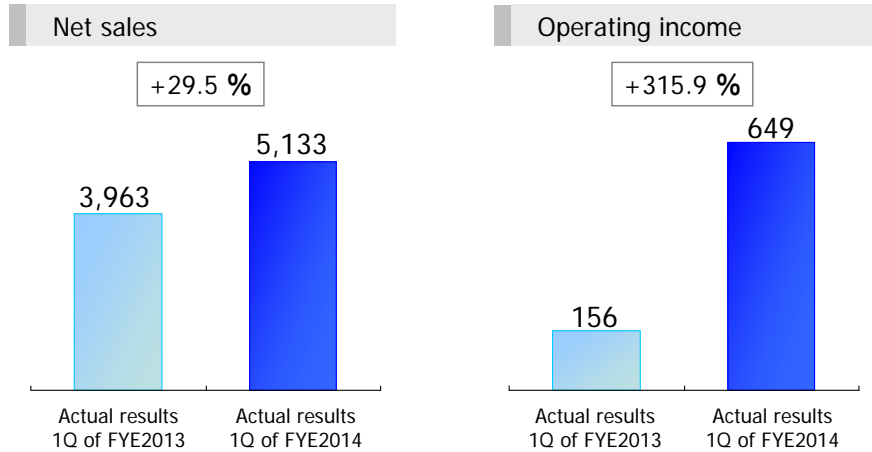
Finally, the third factor includes a decrease in costs associated with warranty claims that led to a gain of 0.3 billion yen.

These factors combined brought consolidated operating income for the first quarter of the fiscal year ending March 2014 up 52.3 billion yen to total 69.6 billion yen.



## Automobile Segment (Consolidated)

(100 Million Yen)



- 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.

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6

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

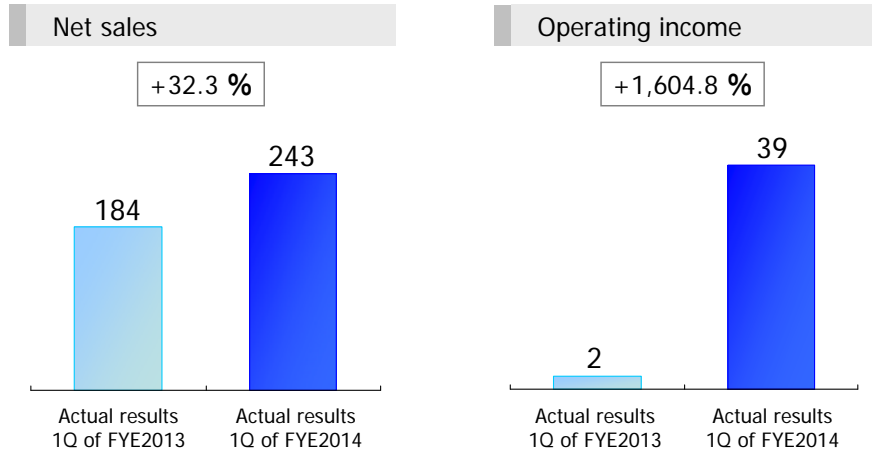
The automobile segment saw net sales rise by 116.9 billion yen year on year to total 513.3 billion yen. This increase was due to climbing sales volumes for new models in Japan and the U.S. that resulted in higher sales at SOA, domestic dealers, etc. on top of a foreign exchange gain of 60.6 billion yen.

Operating income for the segment was up 49.3 billion yen for a total of 64.9 billion yen. This uptick came from a foreign exchange gain of 34.6 billion yen as well as better sales mixes and further cost cuts that offset increases in factory expenses and SG&A expenses associated with growing sales.



## Aerospace Segment (Consolidated)

(100 Million Yen)



- 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.

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7

The aerospace segment saw sales rise in the defense sector as well as an increase in the sales volume for the “Boeing 777”, “787” and other models in the commercial aircraft sector.

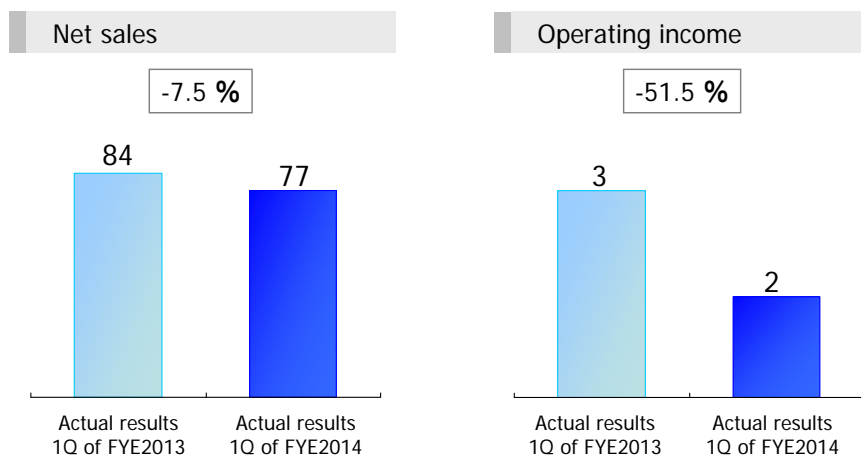
Robust sales as well as foreign exchange gains as a result of the correction of the strong yen brought net sales for the sector up 5.9 billion yen year on year to total 24.3 billion yen. Operating income also rose 3.7 billion yen for a total of 3.9 billion yen.





## Industrial Products Segment (Consolidated)

(100 Million Yen)



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

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8

The industrial products segment experienced falling engine sales in Europe and other areas as well as a drop in electric generator sales in the Japanese market. The decline came despite some positive developments, including sales increases associated with rebounding demand in North America and Asia as well as foreign exchange gains as a result of the correction to the excessively strong yen. These factors combined brought the segment's net sales down 0.6 billion yen year on year to total 7.7 billion yen. Operating income also fell 0.2 billion yen to hit 0.2 billion yen.



## 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
<b>Total non-operating income &amp; expenses</b>	<b>18</b>	<b>-51</b>	<b>-69</b>
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
<b>Total extraordinary income &amp; loss</b>	<b>-1</b>	<b>-4</b>	<b>-3</b>

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9

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

Net non-operating income and expenses fell 6.9 billion yen year on year, leading to a loss of 5.1 billion yen.

This includes a loss of 5.2 billion yen due to foreign exchange fluctuations that led to a 7.5 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 down 1.0 billion yen year on year, falling from 8.9 billion yen to 7.9 billion yen.

Looking at foreign exchange gains and losses, we saw a year-on-year loss of 2.5 billion yen in foreign exchange adjustments with overseas subsidiaries as well as a loss of 4.0 billion yen due to the difference between market and hedge rates. These factors combined generated a loss of 6.5 billion yen, resulting in a net foreign exchange loss of 13.1 billion yen.

While extraordinary losses increased 0.3 billion yen year on year to total 0.4 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 Jun. 2013	Increase / Decrease
Total assets	<b>15,775</b>	<b>16,258</b>	<b>+484</b>
Current assets	9,440	9,719	+279
Noncurrent assets	6,334	6,539	+205
Interest bearing debts	<b>3,072</b>	<b>2,967</b>	<b>-104</b>
Net assets	<b>5,968</b>	<b>6,495</b>	<b>+527</b>
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	<b>-0.06</b>

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10

The balance sheet shows total assets as of the end of June 2013 increasing by 48.4 billion from the end of March 2013 to total 1,625.8 billion yen.

This 48.4 billion yen increase over what it was at the end of the last fiscal year is due mainly 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 20.0 billion yen.

Interest-bearing debt declined 10.4 billion yen to reach 296.7 billion yen due to the repayment of short-term loans.

Net assets totaled 649.5 billion yen, up 52.7 billion yen, due primarily to a 40.7 billion yen increase in retained earnings.

The shareholders' equity to total assets ratio rose 2.2 percentage points from what it was at the end of the previous fiscal year to reach 39.9%. The debt-to-equity ratio climbed 0.06 points to reach 0.46, due primarily to an increase in retained earnings as well as a decrease in interest-bearing debt.



## 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	<b>393</b>	<b>712</b>	<b>+319</b>
Net cash provided by (used in ) investing activities	<b>-172</b>	<b>-196</b>	<b>-24</b>
Free cash flows	221	516	+295
Net cash provided by (used in) financing activities	<b>-243</b>	<b>-186</b>	<b>+58</b>
Effect of exchange rate change on cash and cash equivalents	-27	58	+85
Net increase (Decrease) in cash and cash equivalents	<b>-49</b>	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	<b>-212</b>
Cash and cash equivalents at end of period	<b>2,745</b>	<b>3,679</b>	-

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11

Moving on to cash flows, we see that net cash provided by operating activities totaled 71.2 billion yen for an increase of 31.9 billion yen year on year.

This jump is due to an increase in earnings from higher sales as well as the positive effect from the correction to the yen's appreciation.

While net cash used for investment activities dropped 2.4 billion yen to hit negative 19.6 billion yen, we are now focusing on our carefully planned investment strategies.

Free cash flows increased by 29.5 billion yen to reach 51.6 billion yen.

Net cash from financing activities totaled negative 18.6 billion yen due primarily to a reduction of interest-bearing debt and dividend payments.

This is an increase of 5.8 billion yen compared with last year when we redeemed corporate bonds.

Cash and cash equivalents totaled 367.9 billion yen.



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

(Million US\$)

<b>SOA</b>	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

<b>SIA</b>	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

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12

SOA's retail sales increased 28.2 thousand units year on year to reach 111.8 thousand units as sales, for mainly the new Forester and the XV, continued to exceed our projections. Net sales also jumped 619 million dollars year on year to total 2,633 million dollars.

Operating income, on the other hand, declined 12 million dollars year on year to hit 22 million dollars. This drop comes from a loss of 53 million dollars due to higher SG&A expenses despite a gain of 41 million dollars due to favorable sales volume and mix variances.

SIA saw a year-on-year increase of 5 million dollars in net sales for a total of 1,032 million dollars.

Operating income rose 16 million dollars year on year to total 37 million dollars. The factors behind the increase include a gain of 14 million dollars brought by overall cost reduction efforts as well as a gain of 2 million dollars due to a decrease in fixed costs while neither a gain nor loss was generated in association with sales price and volume variances.

## 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	<b>19,130</b>	20,500	<b>20,800</b>	<b>+1,670</b>
Operating income	<b>1,204</b>	1,800	<b>1,980</b>	<b>+776</b>
Ordinary income	<b>1,006</b>	1,750	<b>1,930</b>	<b>+924</b>
Income before income taxes and minority interests	<b>931</b>	1,680	<b>1,860</b>	<b>+929</b>
Net income	<b>1,196</b>	1,100	<b>1,210</b>	<b>+14</b>
FHI exchange rate	¥82/US\$	¥90/US\$	¥92/US\$	+¥10/US\$
Consolidated automobile sales	<b>724.5</b>	<b>751.5</b>	<b>751.5</b>	<b>+27.0</b>

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14

In light of the first quarter results we made upward revisions to our consolidated full-year forecast, which we announced at the beginning of this fiscal year, including increases of 30.0 billion yen for net sales, 18.0 billion yen for operating income as well as ordinary income, and 11.0 billion yen for net income.

The projected foreign exchange rate will remain as initially projected at 90 yen/US\$ for the second quarter and onward and 92 yen/US\$ for the full year.

While sales have been robust in Japan and the U.S., we will take into account various factors, such as the declining sales volume for the aging Legacy, developments in the consumption tax hike in Japan, as well as sales in Russia and Europe, etc., as we work to achieve our targets.



## Change in number of share unit

- 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

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15

Today we announced a revision to the number of share units.

We will change the number share units from the current 1,000 to 100 shares in order to make it easier for our shareholders to invest.

The revision will become effective on October 1.

This concludes the briefing of our financial results for the first quarter of the fiscal year ending March 2014.

Thank you very much.



## 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

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17



## 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

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18



## 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

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20



## 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	<b>136.6</b>	<b>153.0</b>	<b>+16.5</b>
Domestic sales	<b>31.9</b>	<b>44.4</b>	<b>+12.5</b>
Passenger cars	20.1	31.9	+11.9
Minicars	11.8	12.5	+0.7
Number of vehicles exported	<b>95.1</b>	<b>117.1</b>	<b>+22.0</b>
Components for overseas production	<b>42.7</b>	<b>42.9</b>	<b>+0.2</b>
Total	<b>169.7</b>	<b>204.4</b>	<b>+34.7</b>

\* Domestic Production figures include Toyota 86.

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21



## 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
<b>Domestic Total</b>	<b>163.1</b>	<b>155.5</b>	<b>-7.6</b>
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
<b>Overseas Total</b>	<b>561.3</b>	<b>596.0</b>	<b>+34.7</b>
<b>Total</b>	<b>724.5</b>	<b>751.5</b>	<b>+27.0</b>

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

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

22



## Full Year : Consolidated Operating Plan

(100 Million Yen)

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

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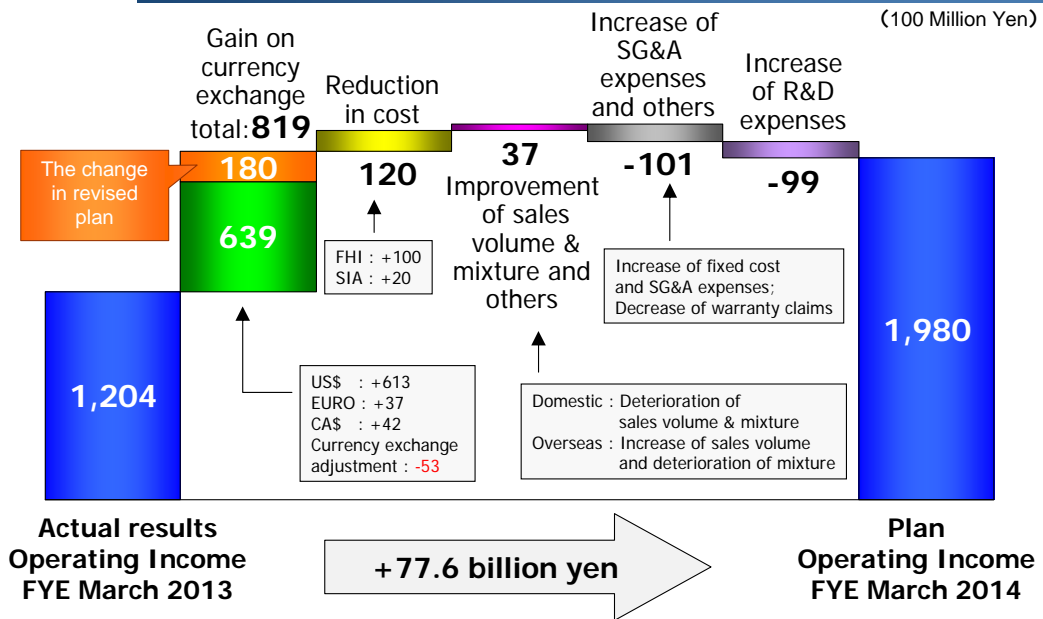
23





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

(100 Million Yen)



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## 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
<b>Domestic Total</b>	<b>72.0</b>	<b>80.9</b>	<b>+8.9</b>
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
<b>Overseas Total</b>	<b>276.4</b>	<b>303.0</b>	<b>+26.5</b>
<b>Total</b>	<b>348.4</b>	<b>383.9</b>	<b>+35.5</b>

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

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

25



## 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)	
<b>Net sales</b>	<b>8,980</b>	10,300	<b>10,600</b>	<b>+1,620</b>
Domestic	3,098	3,100	3,100	+3
Overseas	5,883	7,200	7,500	+1,617
<b>Operating income</b>	<b>433</b>	950	<b>1,130</b>	<b>+697</b>
<b>Ordinary income</b>	<b>453</b>	925	<b>1,105</b>	<b>+652</b>
<b>Income before income taxes and minority interests</b>	<b>459</b>	910	<b>1,090</b>	<b>+631</b>
<b>Net income</b>	<b>404</b>	570	<b>680</b>	<b>+276</b>
FHI exchange rate	¥80/US\$	¥90/US\$	¥94/US\$	+¥14/US\$

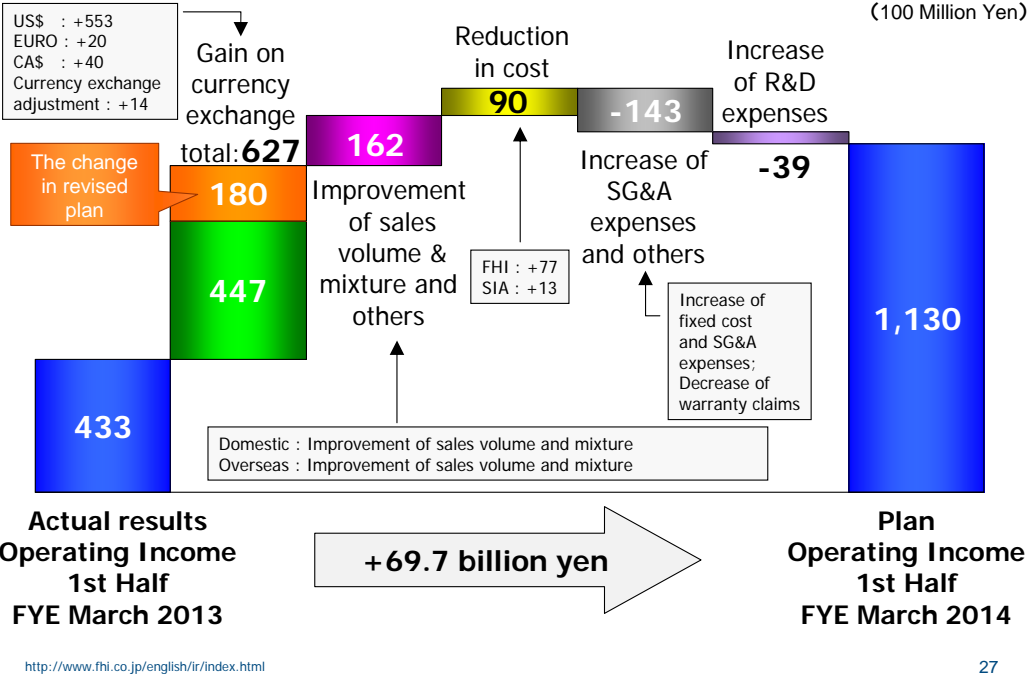
<http://www.fhi.co.jp/english/ir/index.html>

26



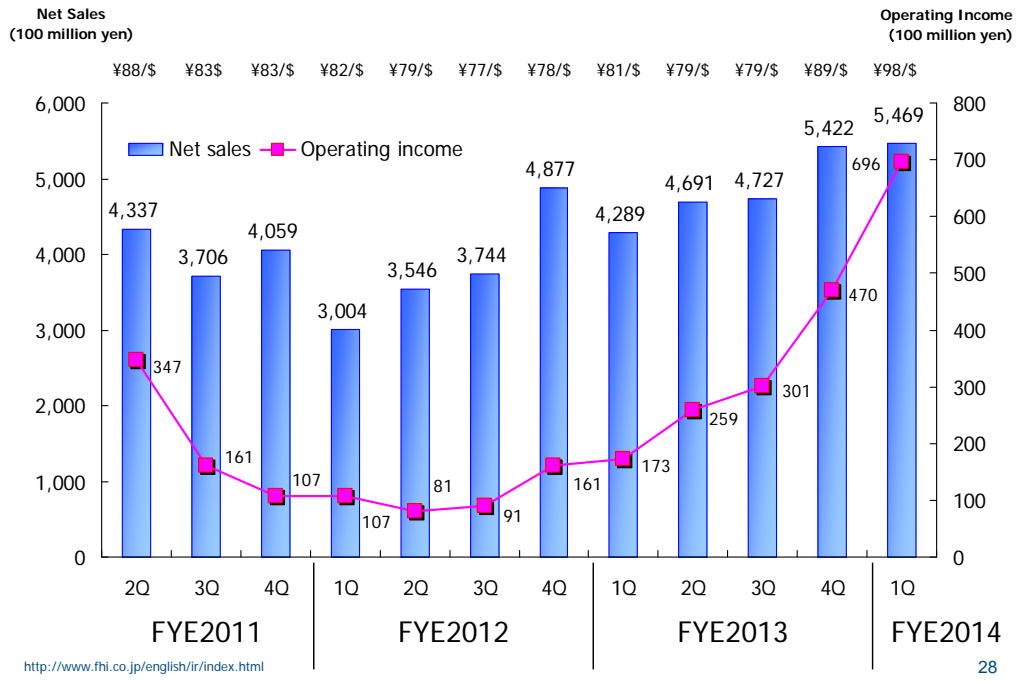
# 1st Half : Analysis of Increase and Decrease in Operating Income Changes (consolidated)

(100 Million Yen)



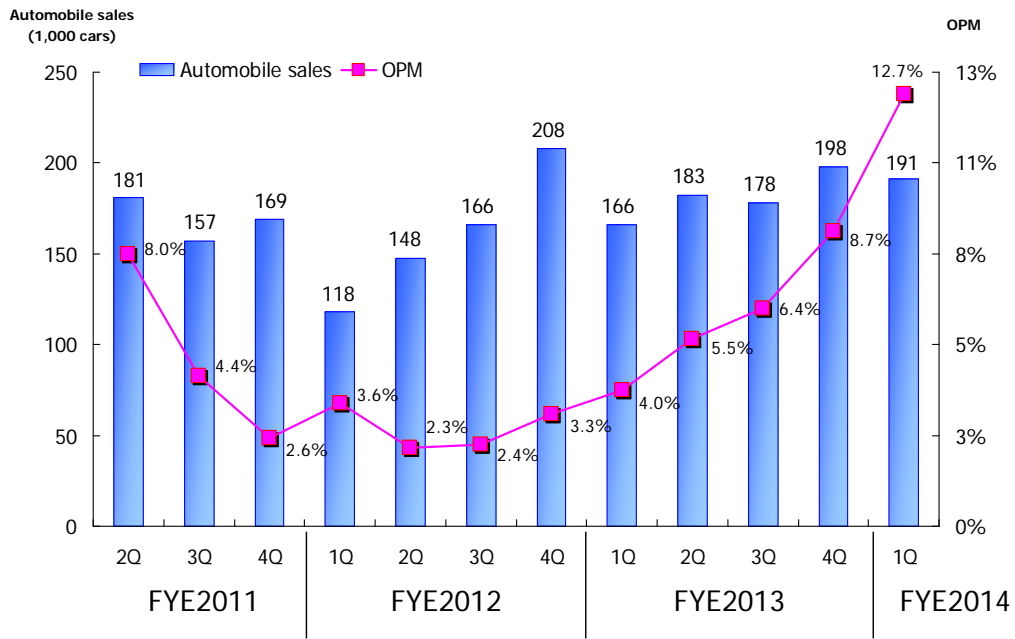


# Net Sales & Operating Income





## Consolidated Automobile Sales & Operating Income Margin



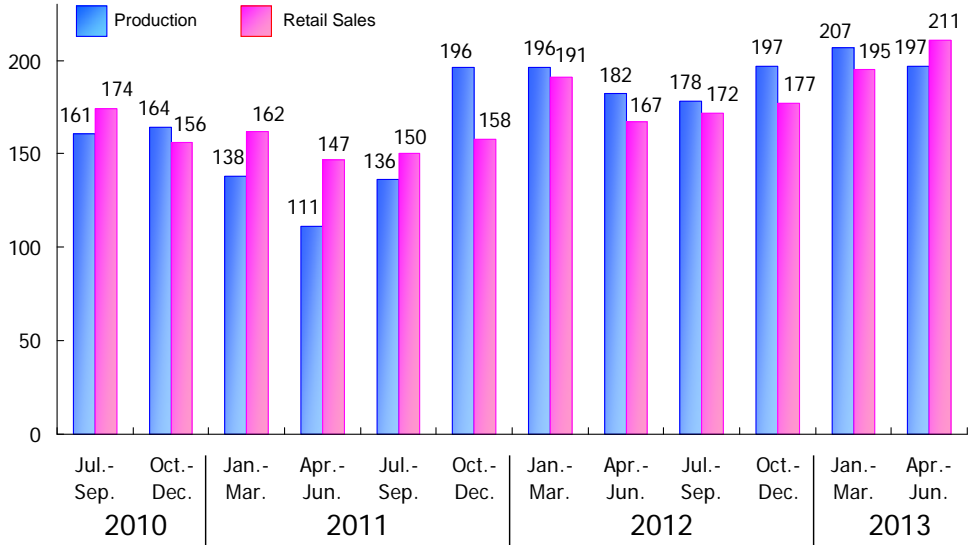
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29



## Retail Sales & Complete Cars Production

Units  
(1000 units)



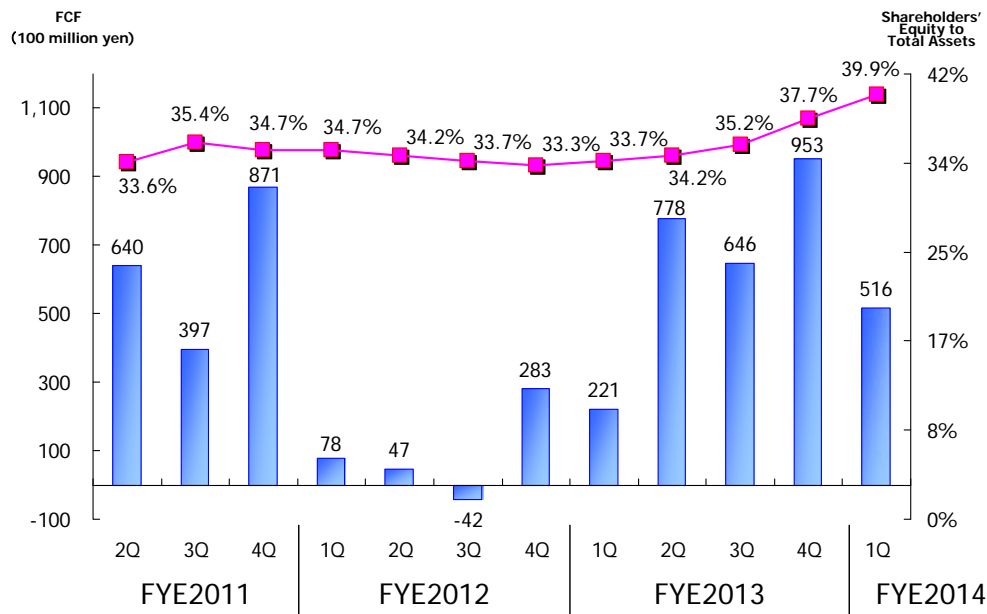
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\* Production figures include Toyota 86.

30



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



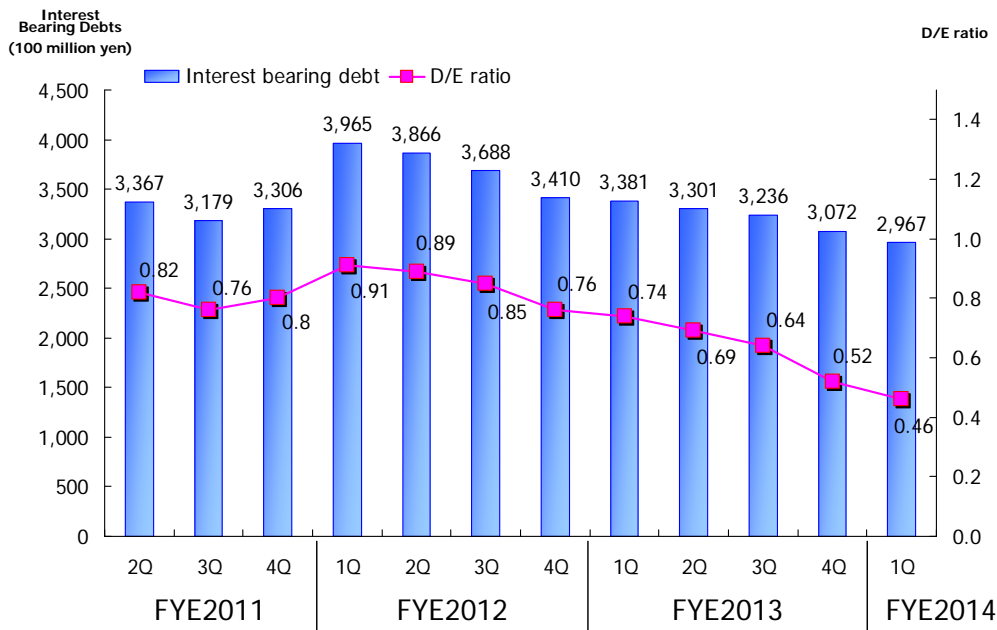
<http://www.fhi.co.jp/english/ir/index.html>

31





## Interest Bearing Debts & D/E Ratio



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32



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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33



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