



Business Results for the 1st Half of FYE 2016



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Summary



Financial results for the 1st half of FYE March 2016

- Consolidated automobile sales set a new record for the fiscal 1st half period due to strong sales in overseas, mainly led by continuous strong momentum in North America.
- Net sales and all profit levels made a new record for any fiscal half period with the increase in sales volume, gain on currency exchange and cost reduction progress.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Consolidated automobile sales
Actual results (YoY)	¥1,601.5bil. (+291.2bil.)	¥285.1bil. (+99.4bil.)	¥285.0bil. (+109.1bil.)	¥193.2bil. (+80.2bil.)	472.2k units (+40.6k units)

Projections for the FYE March 2016

- Business projections for the FYE March 2016 are upwardly-revised with increase of sales units, gain on exchange rate and cost reduction progress.
- Full year projections of net sales and all profit levels are expected to be all time record high for the 4th straight year.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Consolidated automobile sales
Plan (YoY) <small>http://www.ftrf.co.jp/english/ir/index.html</small>	¥3,210.0bil. (+332.1bil.)	¥550.0bil. (+127.0bil.)	¥547.0bil. (+153.4bil.)	¥372.0bil. (+110.1bil.)	953.0k units (+42.3k units)



Business results for the 1st half of FYE 2016

1st Half : Consolidated Automobile Sales



((Thousand Units)

	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Passenger car	56.5	49.8	-6.6
Minicar	15.1	16.7	+1.6
Domestic total	71.5	66.5	-5.0
US	249.9	290.6	+40.7
Canada	22.1	26.1	+4.0
Russia	8.6	3.5	-5.2
Europe	15.6	19.6	+4.0
Australia	19.3	23.0	+3.7
China	28.7	20.5	-8.2
Others	15.9	22.5	+6.5
Overseas total	360.1	405.7	+45.6
Total	431.6	472.2	+40.6

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

※ China figures are consolidated on the calendar year basis from Jan. to Jun. 3

Consolidated automobile sales for the first six months of the fiscal year ending March 2016 totaled 472.2 thousand units. This was the highest first half sales figure ever recorded.

Overall domestic sales were down 5 thousand units year on year to total 66.5 thousand units. Minicar sales increased 1.6 thousand units thanks to strong sales of the Stella. Passenger vehicle sales fell 6.6 thousand units to total 49.8 thousand units due to declining sales of the Levorg and Forester, which were launched a year ago, despite upbeat sales of the Legacy, WRX, and Crossover 7.

Sales in overseas markets rose 45.6 thousand units year on year to reach 405.7 thousand units thanks to robust sales of the Legacy, Outback, Impreza, and WRX in North America, which is our key market.

1st Half : Consolidated Income Statements



(100 Million Yen)

	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Net sales	13,102	16,015	+2,912
Domestic	2,928	2,852	-76
Overseas	10,174	13,163	+2,988
Operating income	1,857	2,851	+994
Total non-operating income & expenses	-97	-1	+96
Ordinary income	1,760	2,850	+1,091
Total extraordinary income & loss	-13	-19	-7
Income before taxes and minority interests	1,747	2,831	+1,084
Net income attributable to owners of parent	1,130	1,932	+802
FHI exchange rate	¥102/US\$	¥122/US\$	+¥20/US\$

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

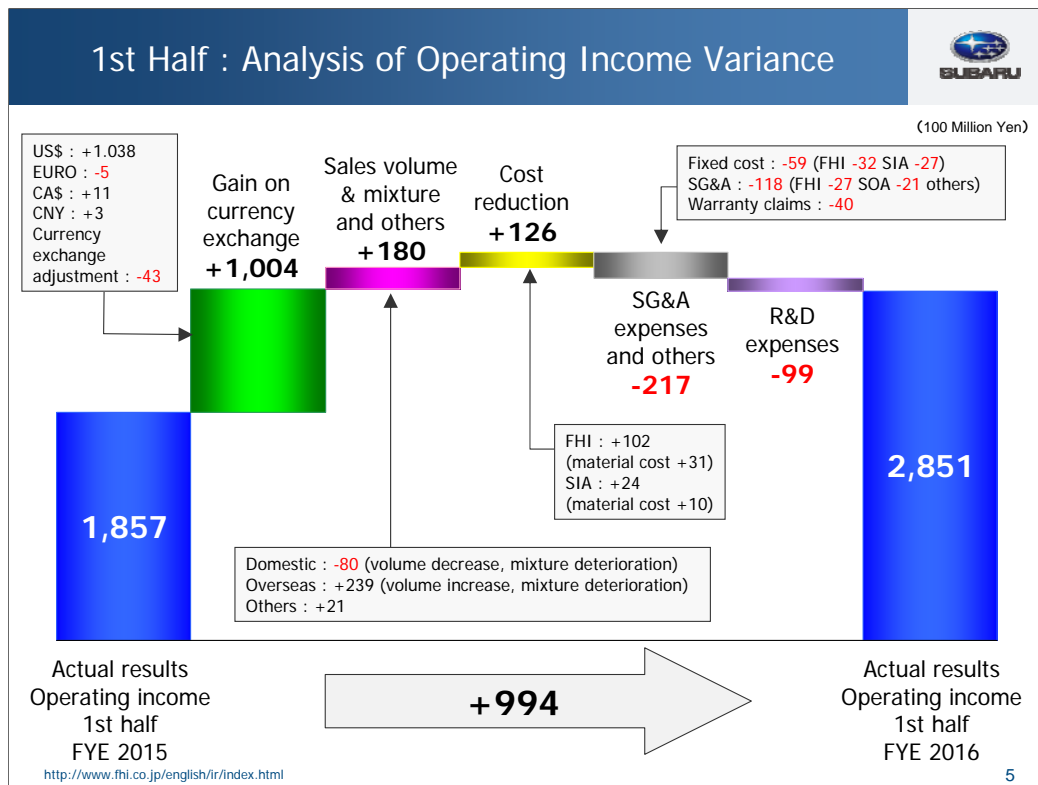
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Moving on to consolidated results, we see that figures for net sales and all income categories were the highest ever for any six-month period.

Net sales increased 291.2 billion yen year on year to total 1,601.5 billion yen. The main factors behind this increase include a foreign exchange gain of 167.0 billion yen, a 3.5 billion yen increase in sales at Fuji Heavy Industries (FHI) internal companies, etc., as well as a gain of 120.7 billion yen due to better sales mix variances resulting from higher sales volumes in overseas markets.

Operating income rose 99.4 billion yen year on year to total 285.1 billion yen. This uptick mainly came from better sales mix variances resulting from increased sales volumes, foreign exchange gains, and reduced materials costs, etc., all of which offset the increase in SG&A and R&D expenses.

Ordinary income was up 109.1 billion yen to reach 285.0 billion yen while income before taxes and minority interests increased 108.4 billion yen to hit 283.1 billion yen. Net income attributable to owners of the parent climbed 80.2 billion yen to reach 193.2 billion yen.



Now let's look at the reasons behind the year-on-year increase of 99.4 billion yen in operating income that went from 185.7 billion yen to 285.1 billion yen.

The primary reason for the increase in operating income was a foreign exchange gain of 100.4 billion yen. This includes a gain of 103.8 billion yen due to an approximate 20 yen depreciation against the U.S. dollar, a loss of 0.5 billion yen due to an approximate 4 yen appreciation against the euro, and a gain of 1.1 billion yen due to an approximate 3 yen depreciation against the Canadian dollar. On top of that we gained 0.3 billion yen due to currency translations between the yen and the Chinese yuan and lost 4.3 billion yen due to foreign exchange adjustments on transactions between FHI and its overseas subsidiaries.

Another contributing factor that brought operating income up was a favorable sales mix variance that led to a gain of 18.0 billion yen. This gain can be broken down into the following three areas.

First, we saw a loss of 8.0 billion yen in domestic new car sales.

This loss came primarily from lower sales of passenger vehicles like the Levorg and the Forester, which were released a year earlier, despite growing minicar sales.

Next, we saw a gain of 23.9 billion yen in new car sales overseas thanks to increasing sales volumes of the Legacy, Outback, Impreza, and WRX that remained popular in North America and other markets.

Finally, we had a gain of 2.1 billion yen due to inventory adjustments and other factors.

Another factor behind the jump in operating income was a gain of 12.6 billion yen from cost cuts. This includes a gain of 10.2 billion yen generated by FHI as well as a gain of 2.4 billion yen from SIA.

FHI generated a gain of 7.1 billion yen from cost reduction on top of a gain of 3.1 billion yen due to lower material prices and better market conditions.

SIA yielded a gain of 1.4 billion yen through cost reductions and a gain of 1.0 billion yen due to lower material prices, etc.

The main factor bringing operating income down was a loss of 21.7 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 5.9 billion yen due to an increase in fixed manufacturing costs. This includes a loss of 3.2 billion yen generated by FHI as well as a loss of 2.7 billion yen coming from SIA.

FHI generated a loss of 3.9 billion yen due to higher costs for supplier dies and a gain of 0.7 billion yen due to lower fixed processing costs while SIA lost 0.9 billion yen due to higher costs for supplier dies on top of a 1.8 billion yen loss due to an increase in fixed processing costs.

The second factor is a loss of 11.8 billion yen due to an increase in SG&A expenses.

This loss includes a loss of 2.7 billion yen at FHI, a loss of 0.9 billion yen at domestic dealers, a loss of 2.1 billion yen generated at SOA, a loss of 2.3 billion yen at our Canadian subsidiary, and a loss of 3.7 billion yen from other operations.

The third and last factor includes an increase in costs associated with warranty claims that led to a loss of 4.0 billion yen.

Finally, an increase in R&D expenses from 36.3 billion yen to 46.3 billion yen resulted in a loss of 9.9 billion yen.

These factors combined brought consolidated operating income for the first six-month period of the fiscal year ending March 2016 up 99.4 billion yen to total 285.1 billion yen.

Consolidated Balance Sheets



(100 Million Yen)

	As of March 31 2015	As of Sep. 30 2015	Variance
Total assets	21,997	23,617	+1,620
Current assets	14,733	15,905	+1,173
Noncurrent assets	7,265	7,712	+448
Interest bearing debts	2,112	2,014	-98
Net assets	10,307	11,925	+1,618
Retained earnings	6,974	8,618	+1,644
Shareholders' equity	10,224	11,853	+1,629
Ratio of shareholders' equity to total assets	46.5%	50.2%	+3.7
D/E ratio	0.21	0.17	-0.04

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

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Let's look at the balance sheet.

Despite tax and dividend payments for the previous fiscal year, total assets were up 162.0 billion yen from what they were at the end of March 2015 to reach 2,361.7 billion yen. This increase was primarily due to a jump in net income.

Interest-bearing debt declined 9.8 billion yen to total 201.4 billion yen while net assets were up 161.8 billion yen at 1,192.5 billion yen. The shareholders' equity to total assets ratio was 50.2% while the debt-to-equity ratio stood at 0.17.

1st Half : Consolidated Statement of Cash Flows



(100 Million Yen)

	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Net cash provided by (used in) operating activities	1,347	2,829	+1,481
Net cash provided by (used in) investing activities	-637	-969	-332
Free cash flows	711	1,860	+1,149
Net cash provided by (used in) financing activities	-627	-395	+232
Effect of exchange rate change on cash and cash equivalents	95	-14	-109
Net increase (decrease) in cash and cash equivalents	179	1,450	+1,271
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	0	-1	-1
Cash and cash equivalents at end of period	5,758	7,570	-

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Moving on to the consolidated statement of cash flows, we see that net cash flow from operating activities amounted to an inflow of 282.9 billion yen. That figure includes net income before taxes and minority interests of 283.1 billion yen, a 20.0 billion yen decrease in notes and accounts receivable-trade, and a 35.1 billion yen decrease in inventories despite a payment of corporate income tax, etc., totaling 70.3 billion yen.

Net cash flow from investing activities resulted in an outflow of 96.9 billion yen for investments aimed at boosting production capacity.

Free cash flow totaled 186.0 billion yen.

Net cash flow from financing activities came to an outflow of 39.5 billion yen due to dividend payments, the repayment of loans, etc.

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



(Million US\$)

SOA	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Net sales	6,313	7,524	+1,211
Operating income	218	412	+194
Net income	133	252	+119
Retail sales (Thousand units)	262.3	300.3	+38.0

SIA	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Net sales	2,094	2,580	+486
Operating income	77	71	-6
Net income	52	48	-4
Subaru production (Thousand units)	92.1	111.9	+19.8

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

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SOA's retail sales climbed 38 thousand units year on year to reach 300.3 thousand units as sales of the Legacy and the Outback, released last summer, continued to soar along with growing sales of the Impreza, XV Crosstrek, Forester, and WRX.

Net sales also jumped 1,211 million dollars year on year to total 7,524 million dollars.

Operating income was up 194 million dollars year on year to total 412 million dollars. This increase comes from a gain of 215 million dollars due to favorable sales volume and mix variances despite a loss of 21 million dollars from higher SG&A expenses.

SIA saw net sales rise 486 million dollars to hit 2,580 million dollars.

Operating income fell 6 million dollars year on year to reach 71 million dollars. The factors behind the decrease include a loss of 2 million dollars due to sales price and volume variances, a gain of 22 million dollars brought by overall cost reduction efforts as well as a loss of 26 million dollars due to an increase in fixed costs.



Outlook for the FYE March 2016

Full Year : Consolidated Automobile Sales Plan



(Thousand Units)

	Actual results FYE 2015	Revised plan FYE 2016	Variance
Passenger car	127.9	107.7	-20.2
Minicar	34.9	34.4	-0.4
Domestic total	162.8	142.1	-20.6
US	527.6	577.6	+50.0
Canada	42.4	46.5	+4.0
Russia	11.6	9.0	-2.5
Europe	35.7	42.2	+6.4
Australia	38.9	44.1	+5.2
China	53.8	46.5	-7.3
Others	37.9	45.0	+7.1
Overseas total	747.9	810.9	+63.0
Total	910.7	953.0	+42.3

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

※ China figures are consolidated on the calendar year basis from Jan to Dec. 10

We have revised the consolidated automobile sales forecast for the fiscal year ending March 2016 upward from 928 thousand units to 953 thousand units.

Domestic sales are projected to fall 20.6 thousand units year on year to total 142.1 thousand units since sales of the Levorg and the Legacy are expected to fall from where they were last year when the models were released.

Continuing upbeat sales in the U.S. market as well as our efforts to boost sales volumes in other markets should drive overseas sales up 63 thousand units to hit 810.9 thousand units.

Full Year : Consolidated Operating Plan



(100 Million Yen)

	Actual results FYE 2015	Revised plan FYE 2016	Variance
Net sales	28,779	32,100	+3,321
Domestic	6,529	5,721	-808
Overseas	22,250	26,379	+4,129
Operating income	4,230	5,500	+1,270
Ordinary income	3,936	5,470	+1,534
Income before taxes and minority interests	3,922	5,390	+1,468
Net income attributable to owners of parent	2,619	3,720	+1,101
FHI exchange rate	¥108/US\$	¥120/US\$	+¥12/US\$

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

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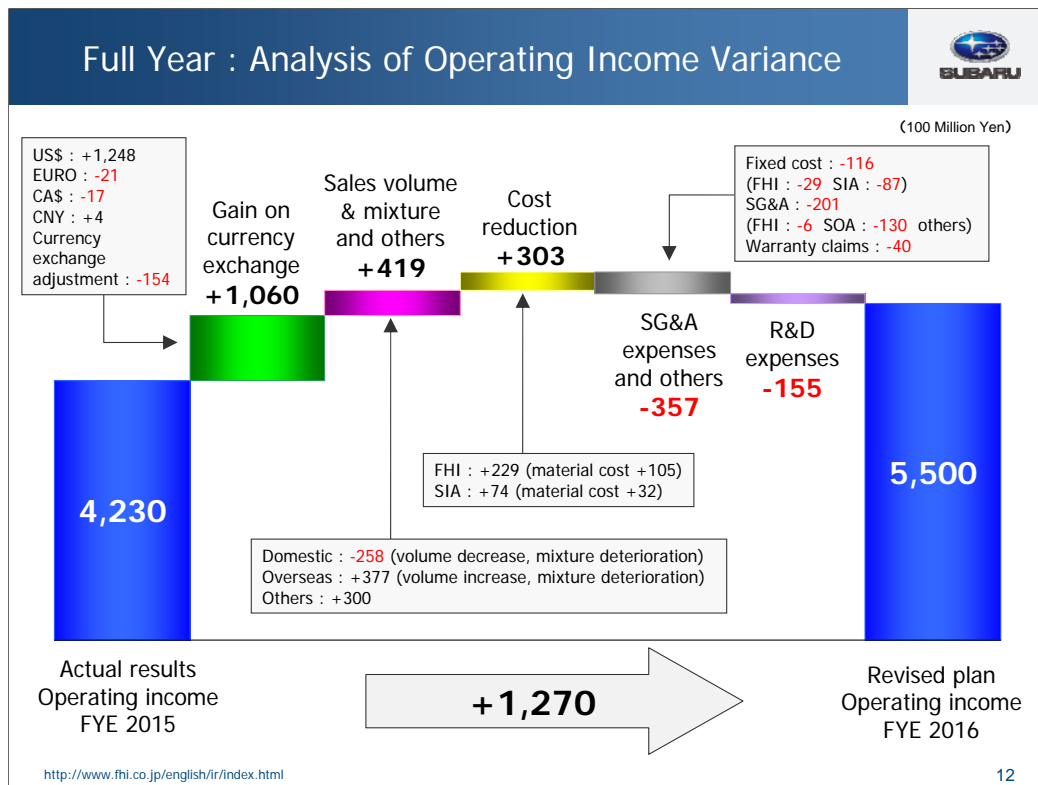
Let's look at our consolidated operating plan.

In addition to consolidated sales volumes, we also made upward revisions to our previous forecasts as we strive to reach new record highs for the fourth consecutive year.

Net sales are expected to jump 332.1 billion yen year on year to total 3,210 billion yen. This uptick will come from a gain of 151.1 billion yen due to better sales mix variances resulting from increased overseas sales volumes, a foreign exchange gain of 177.3 billion yen, as well as a 3.7 billion yen increase in sales at FHI internal companies, etc.

Operating income is projected to total 550.0 billion yen, up 127.0 billion yen year on year. This increase will mainly come from better sales mix variances resulting from increased sales volumes, foreign exchange gains, and reduced materials costs, all of which will offset an increase in SG&A and R&D expenses.

Ordinary income is expected to climb 153.4 billion yen to reach 547.0 billion yen while income before taxes and minority interests will be up 146.8 billion yen to hit 539.0 billion yen. Net income attributable to owners of the parent will rise 110.1 billion yen to reach 372.0 billion yen.



Now let's look at the factors behind the projected year-on-year 127.0 billion yen increase in operating income that will take us from 423.0 billion yen to 550.0 billion yen.

The main reason for the increase in operating income will be a foreign exchange gain of 106.0 billion yen. This will include a gain of 124.8 billion yen due to an approximate 12 yen depreciation against the U.S. dollar, a loss of 2.1 billion yen due to an approximate 7 yen appreciation against the euro, and a loss of 1.7 billion yen due to an approximate 3 yen appreciation against the Canadian dollar.

On top of that will be a gain of 0.4 billion yen resulting from currency translations between the yen and the Chinese yuan and a loss of 15.4 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 41.9 billion yen. This gain can be broken down into the following three areas.

First off there will be a loss of 25.8 billion yen associated with domestic sales of new cars.

This will be due primarily to declining sales volumes for new models as their impact wanes.

Next, we will see a gain of 37.7 billion yen from sales of new models in overseas markets as their sales volumes continue to grow in the North American market and other markets as well.

Finally, we expect a gain of 30.0 billion yen due to inventory adjustments and other factors.

Another factor behind the jump in operating income will be a gain of 30.3 billion yen from cost cuts. This will include a gain of 22.9 billion yen to be generated by FHI as well as a gain of 7.4 billion yen from SIA.

FHI is expected to generate a gain of 12.4 billion yen through cost reductions and another gain of 10.5 billion yen in relation to materials costs and other market factors.

SIA will yield a gain of 4.2 billion yen through cost reductions and a gain of 3.2 billion yen due to lower material prices, etc.

The main factor bringing operating income down will be a loss of 35.7 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 11.6 billion yen due to an increase in fixed manufacturing costs. This will include a loss of 2.9 billion yen to be generated by FHI as well as a loss of 8.7 billion yen to be posted at SIA.

FHI will generate a loss of 5.2 billion yen due to higher costs for supplier dies and a gain of 2.3 billion yen due to a decrease in fixed processing costs.

SIA will see a loss of 1.5 billion yen due to increased costs for supplier dies and a loss of 7.2 billion yen due to higher fixed processing costs.

The second factor is a loss of 20.1 billion yen due to an increase in SG&A expenses.

This will include a loss of 0.6 billion yen at FHI, a gain of 0.5 billion yen at domestic dealers, a loss of 13.0 billion yen at SOA, a loss of 2.6 billion yen at our Canadian subsidiary, and a loss of 4.4 billion yen from other operations.

The third and last factor is an increase in costs associated with warranty claims that led to a loss of 4.0 billion yen.

Finally, an increase in R&D expenses from 83.5 billion yen to 99.0 billion yen will result in a loss of 15.5 billion yen.

All these factors combined will bring operating income for the fiscal year ending March 2016 up 127.0 billion yen to total 550.0 billion yen.

Full Year : Operating Plan of Subsidiaries in U.S.



(Million US\$)

SOA	Actual results FYE 2015	Plan FYE 2016	Variance
Net sales	13,393	15,079	+1,686
Operating income	490	685	+195
Net income	309	420	+111
Retail sales (Thousand units)	530.5	578.0	+47.5

SIA	Actual results FYE 2015	Plan FYE 2016	Variance
Net sales	4,770	5,465	+695
Operating income	108	186	+78
Net income	70	116	+46
Subaru production (Thousand units)	206.7	235.7	+29.0

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

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SOA's retail sales are expected to increase 47.5 thousand units year on year to reach 578 thousand units due to robust sales of the new Legacy and Outback released last summer as well as the Impreza, XV Crosstreck, Forester, and WRX.

Net sales will increase 1,686 million dollars year on year to reach 15,079 million dollars while operating income will rise 195 million dollars year on year to total 685 million dollars. This increase will come from a gain of 310 million dollars due to favorable sales volumes and mix variances despite a loss of 115 million dollars from higher SG&A expenses.

SIA's net sales are expected to soar 695 million dollars year on year to reach 5,465 million dollars.

Operating income will rise 78 million dollars year on year to reach 186 million dollars. Factors for the increase will include a gain of 89 million dollars due to sales price and volume variances, a gain of 66 million dollars to be brought about by cost reduction efforts, as well as a loss of 77 million dollars due to an increase in fixed costs.

Capex / Depreciation / R&D / Interest bearing debt



(100 Million Yen)

	1 st half actual results FYE 2015	Actual results FYE 2015 (a)	1 st half actual results FYE 2016	Plan FYE 2016 (b)	Variance (b) - (a)
Capex	597	1,107	506	1,300	+193
Depreciation	277	648	313	670	+22
R&D	363	835	463	990	+155
Interest bearing debt	2,322	2,112	2,014	1,800	-312

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

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

R&D expenses are projected to total 99.0 billion yen. That's up 2.0 billion yen from the previous forecast.

In light of our current performance, etc., we did not revise the previous forecast for interest bearing debt, which stands at 180.0 billion yen.

No revisions have been made to our forecasts for capital expenditures and depreciation costs either as we move ahead with a focus on our carefully planned investment strategies.

This concludes the briefing on our financial results for the first half of the fiscal year ending March 2016.

Appendix (1)

- Non-operating income & expenses and extraordinary income & loss (1st half)
- Segment information by Business & Geographic (1st half)
- Overseas net sales (1st half)
- Non-consolidated automobile sales (1st half)

1st Half : Non-operating Income & Expenses and Extraordinary Income & Loss (Consolidated)



(100 Million Yen)

	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Financial revenue and expenditure	-1	9	+9
FOREX effects	-98	3	+101
Other	1	-13	-14
Total non-operating income & expenses	-97	-1	+96
Gain on sales of noncurrent assets	4	1	-3
Gain on sales of investment securities	4	2	-2
Loss on sales and retirement of noncurrent assets	-17	-23	-6
Other	-5	0	+5
Total extraordinary income & loss	-13	-19	-7

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

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1st Half : Net Sales and Operating Income by Business Segment (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Automobile	12,280	15,057	+2,777	1,785	2,732	+947
Aerospace	638	735	+96	59	96	+37
Industrial products	148	185	+37	1	6	+5
Others	36	38	+2	9	13	+5
Elimination & Corporate	/	/	/	3	3	+1
Total	13,102	16,015	+2,912	1,857	2,851	+994

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

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1st Half : Net Sales and Operating Income by Geographic Area (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Japan	4,466	4,599	+133	1,358	2,229	+871
North America	7,264	10,063	+2,800	416	593	+177
Others	1,373	1,353	-21	97	-17	-114
Elimination & Corporate	/	/	/	-14	47	+61
Total	13,102	16,015	+2,912	1,857	2,851	+994

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

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1st Half : Overseas Net Sales (Consolidated)



(100 Million Yen)

	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
North America	7,751	10,630	+2,879
Europe	601	614	+13
Asia	1,183	1,107	-76
Other	639	812	+172
Total	10,174	13,163	+2,988

1st Half : Non-consolidated Automobile Sales



(Thousand Units)

	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Domestic production	344.0	347.8	+3.8
Domestic sales	76.0	70.2	-5.8
Passenger cars	60.3	51.8	-8.5
Minicars	15.7	18.4	+2.7
Number of exported vehicles	261.3	283.9	+22.6
Components for overseas production	100.8	108.0	+7.1
Total	438.2	462.1	+23.9

※ Domestic production figures include Toyota 86.

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

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Appendix (2)

- 2nd quarter (3months) consolidated income statements
- 1st half consolidated income statements
(Plan vs. Actual results)
- Full year consolidated income statements
(Previous plan vs. Revised plan)

2nd Quarter (3months) : Consolidated Automobile Sales



(Thousand Units)

	2Q actual results FYE 2015	2Q actual results FYE 2016	Variance
Passenger car	36.1	29.9	-6.1
Minicar	8.3	8.6	+0.3
Domestic total	44.3	38.5	-5.8
US	137.5	150.2	+12.7
Canada	11.3	12.2	+0.9
Russia	4.6	1.8	-2.8
Europe	8.7	11.3	+2.6
Australia	9.8	11.7	+1.9
China	13.1	10.4	-2.7
Others	8.6	10.9	+2.3
Overseas total	193.6	208.5	+15.0
Total	237.9	247.0	+9.1

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

※ China figures are consolidated on the calendar year basis from Apr. to Jun. 22

2nd Quarter (3months) : Consolidated Income Statements



(100 Million Yen)

	2Q actual results FYE 2015	2Q actual results FYE 2016	Variance
Net sales	7,168	8,362	+1,194
Domestic	1,766	1,607	-159
Overseas	5,402	6,755	+1,353
Operating income	1,069	1,509	+439
Ordinary income	954	1,550	+596
Income before taxes and minority interests	940	1,540	+599
Net income attributable to owners of parent	608	1,090	+482
FHI exchange rate	¥102/US\$	¥123/US\$	+¥21/US\$

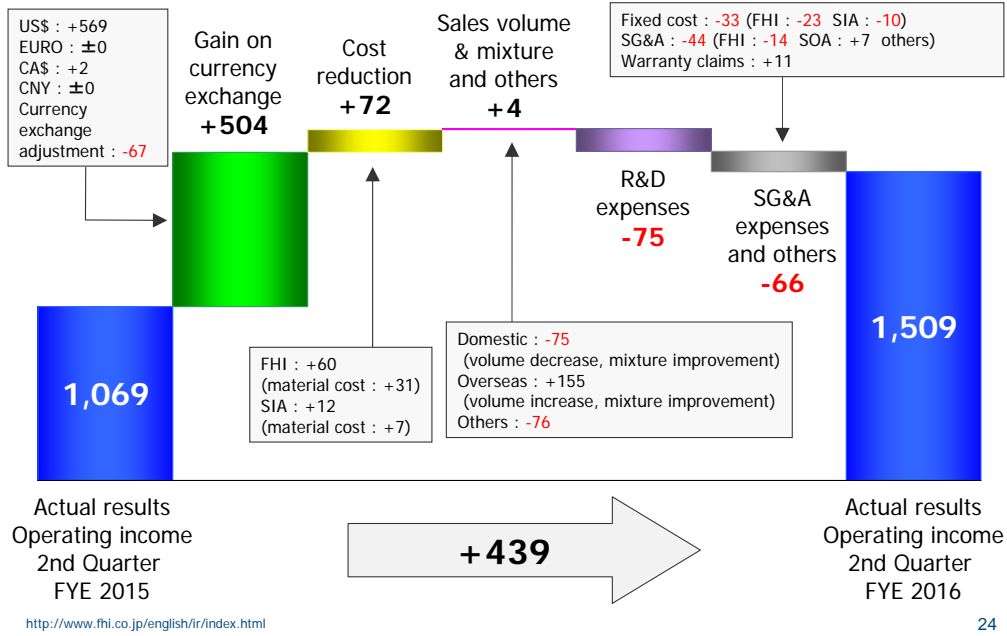
<http://www.fhi.co.jp/english/ir/index.html>

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2nd Quarter (3months) : Analysis of Operating Income Variance



(100 Million Yen)



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(Plan vs. Results)
1st Half : Consolidated Automobile Sales



(Thousand Units)

	1 st half plan FYE 2016	1 st half actual results FYE 2016	Variance
Passenger car	48.5	49.8	+1.3
Minicar	18.3	16.7	-1.6
Domestic total	66.8	66.5	-0.2
US	270.9	290.6	+19.7
Canada	25.8	26.1	+0.3
Russia	6.2	3.5	-2.7
Europe	18.1	19.6	+1.5
Australia	21.9	23.0	+1.1
China	21.5	20.5	-1.0
Others	22.4	22.5	+0.1
Overseas total	386.8	405.7	+18.8
Total	453.6	472.2	+18.6

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

※ China figures are consolidated on the calendar year basis from Jan. to Jun. 25

(Plan vs. Results)
1st Half : Consolidated Income Statements



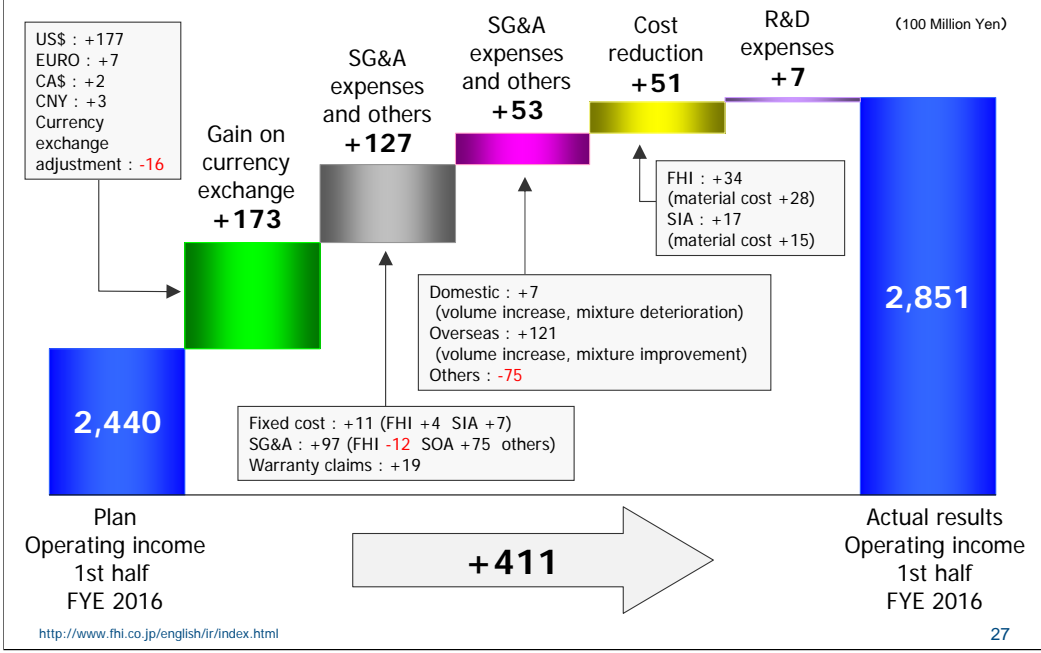
(100 Million Yen)

	1 st half plan FYE 2016	1 st half actual results FYE 2016	Variance
Net sales	14,750	16,015	+1,265
Domestic	2,650	2,852	+202
Overseas	12,100	13,163	+1,063
Operating income	2,440	2,851	+411
Ordinary income	2,400	2,850	+450
Income before taxes and minority interests	2,350	2,831	+481
Net income attributable to owners of parent	1,630	1,932	+302
FHI exchange rate	¥119/US\$	¥122/US\$	+¥3/US\$

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

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(Plan vs. Results)
1st Half : Analysis of Operating Income Variance



(Previous Plan vs. Revised Plan)
Full Year : Consolidated Automobile Sales Plan



(Thousand Units)

	Previous Plan FYE 2016	Revised Plan FYE 2016	Variance
Passenger car	106.7	107.7	+1.0
Minicar	37.6	34.4	-3.2
Domestic total	144.2	142.1	-2.1
US	554.0	577.6	+23.6
Canada	46.2	46.5	+0.3
Russia	12.8	9.0	-3.7
Europe	37.7	42.2	+4.4
Australia	42.3	44.1	+1.7
China	49.7	46.5	-3.2
Others	41.4	45.0	+3.6
Overseas total	784.1	810.9	+26.8
Total	928.3	953.0	+24.7

<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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(Previous Plan vs. Revised Plan)
Full Year : Consolidated Operating Plan



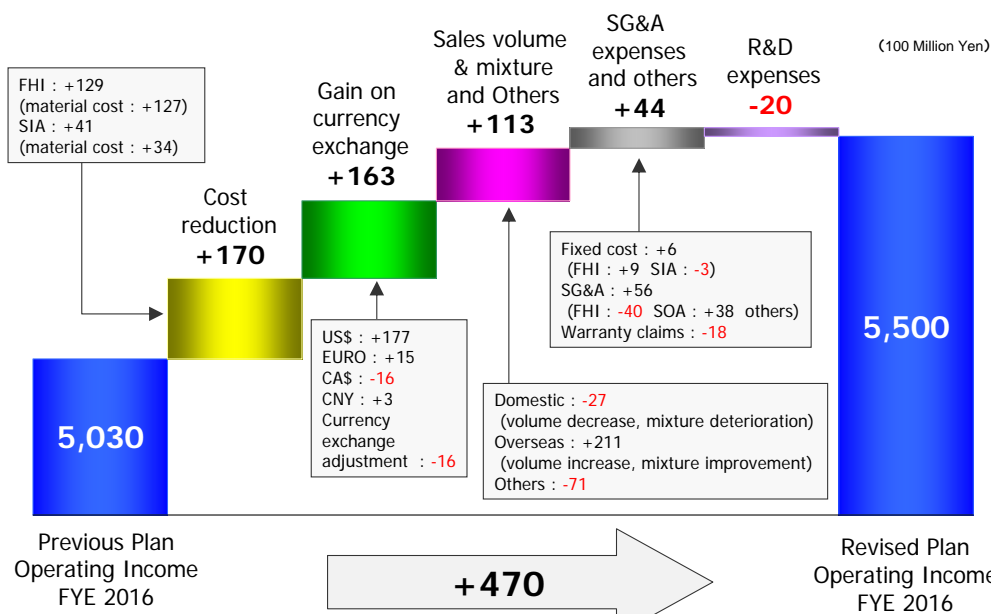
(100 Million Yen)

	Previous Plan FYE 2016	Revised Plan FYE 2016	Variance
Net sales	30,300	32,100	+ 1,800
Domestic	5,655	5,721	+66
Overseas	24,645	26,379	+1,734
Operating income	5,030	5,500	+470
Ordinary income	4,950	5,470	+520
Income before taxes and minority interests	4,850	5,390	+540
Net income attributable to owners of parent	3,370	3,720	+350
FHI exchange rate	¥118/US\$	¥120/US\$	+¥1/US\$

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

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(Previous Plan vs. Revised Plan)
Full Year : Analysis of Operating Income Variance



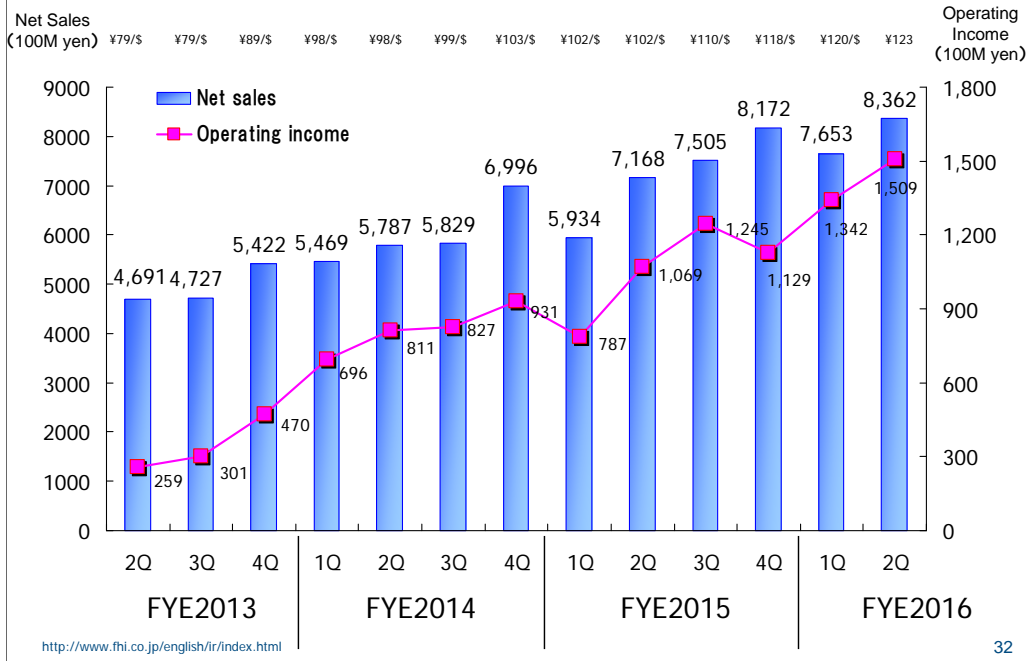
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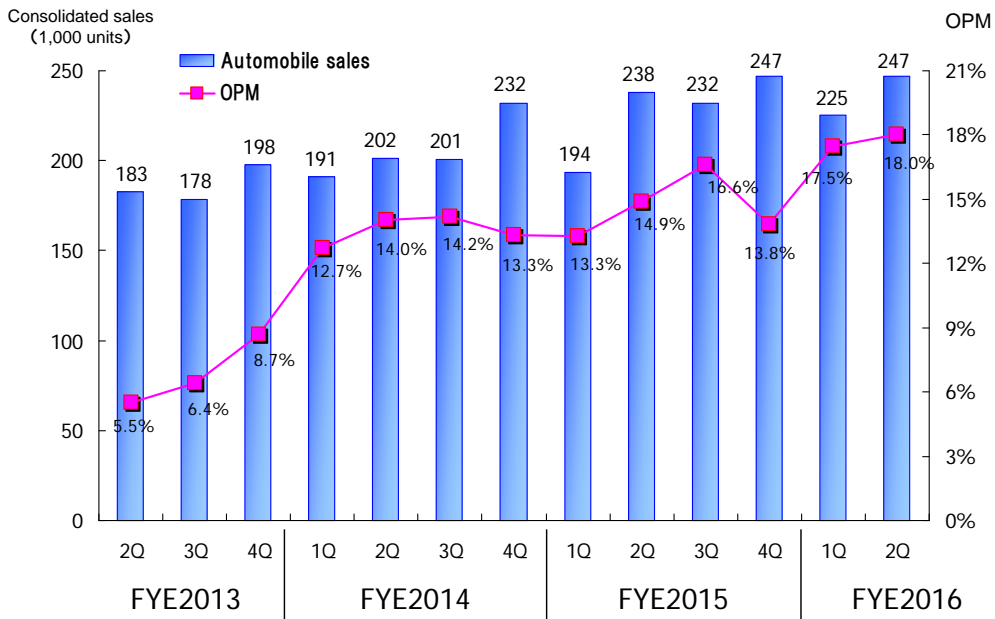
Appendix (3) – Historical Performance

- Net Sales / Operating income
- Consolidated automobile sales units/ OPM
- Complete cars production / Retail sales units
- FCF / Ratio of shareholders' equity to total assets
- Interest bearing debt / D/E ratio

Net Sales / Operating Income



Consolidate Automobile Sales & Operating Income Margin

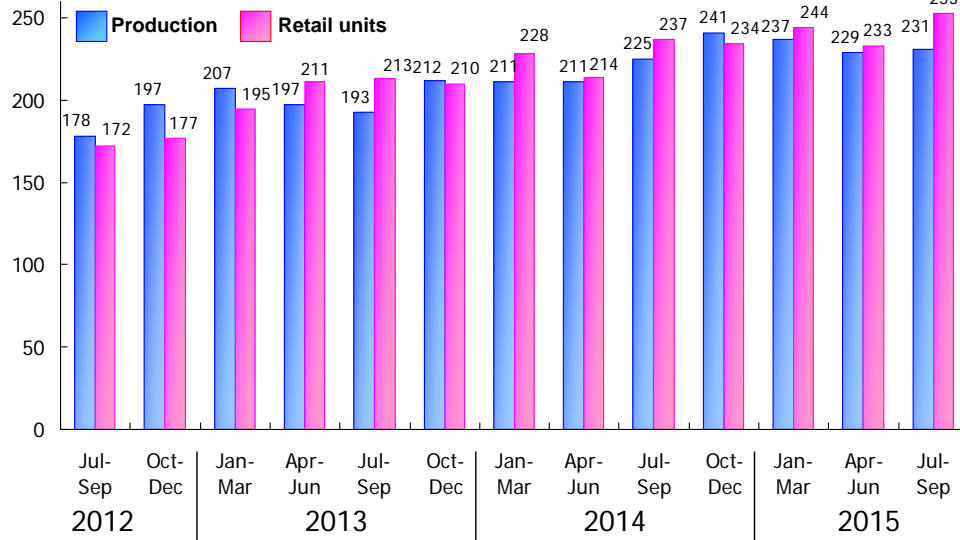


<http://www.fhi.co.jp/english/ir/index.html>

Complete Cars Production / Retail Sales Units



(1,000 units)

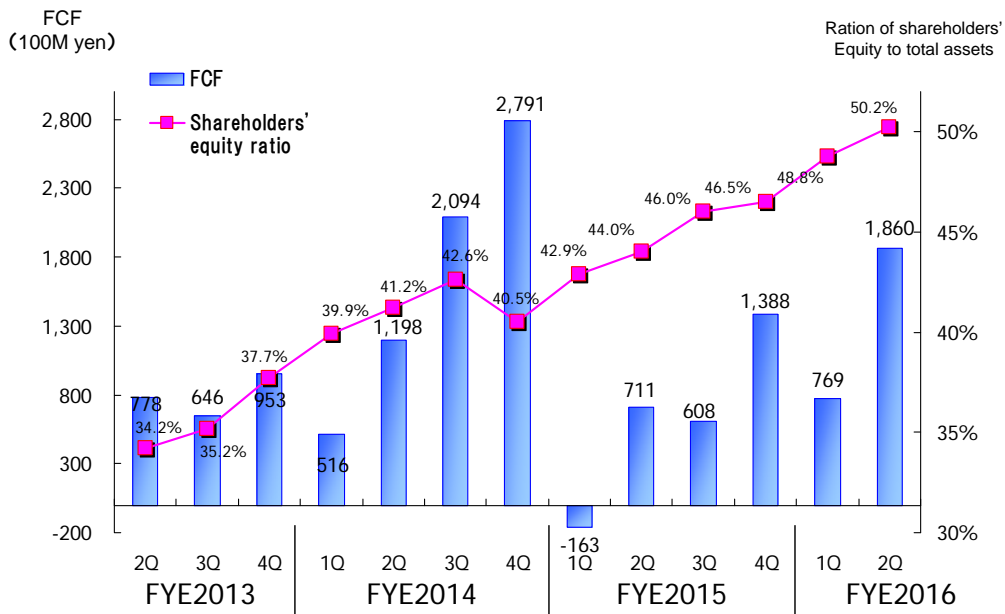


※ Production figures include Toyota 86

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

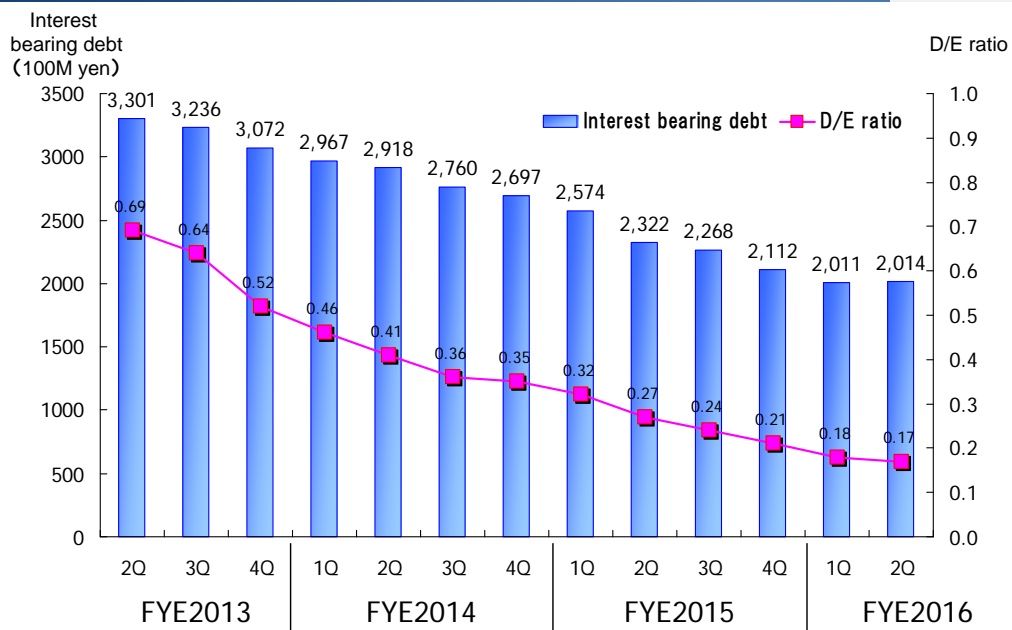
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Free Cash Flows & Ratio of Shareholders' Equity to Total Assets



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

Interest Bearing Debt & D/E Ratio



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

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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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