



Consolidated Financial Results for the 1st Half of FYE 2017



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Summary



Consolidated Financial Results for the 1st Half of FYE 2017

- Consolidated unit sales posted first-half record for the 5th consecutive year.
- While unit sales growth and cost reduction progress offset increase in R&D and SG&A expenses mainly related to airbag inflator quality cost, net sales and all profit levels decreased year on year due to foreign exchange losses.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Actual results (YoY)	¥1,577.7bil. (-23.8bil.)	¥208.5bil. (-76.6bil.)	¥227.8bil. (-57.3bil.)	¥163.8bil. (-29.4bil.)	512.0k units (+39.8k units)

Forecasts for FYE 2017

- In comparison to the previous forecast, consolidated unit sales forecast was revised upward supported by continued strong sales momentum and will hit an all-time record for the 5th year in a row.
- Net sales and all profit levels were revised downward due to revision of exchange rate assumption and increase of SG&A expenses.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Forecasts (YoY)	¥3,180.0bil. (-52.3bil.)	¥373.0bil. (-192.6bil.)	¥397.0bil. (-180.0bil.)	¥278.0bil. (-158.7bil.)	1,062.4k units (+104.5k units)

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Consolidated Financial Results for the 1st Half of FYE 2017

1st Half : Consolidated Unit Sales



(Thousand Units)

	Actual Results 1 st Half FYE 2016	Actual Results 1 st Half FYE 2017	Variance
Passenger car	49.8	52.5	+2.7
Minicar	16.7	15.6	-1.1
Domestic total	66.5	68.0	+1.5
US	290.6	326.9	+36.3
Canada	26.1	28.4	+2.4
Russia	3.5	3.7	+0.3
Europe	19.6	18.4	-1.2
Australia	23.0	22.4	-0.6
China	20.5	21.8	+1.3
Others	22.5	22.3	-0.2
Overseas total	405.7	443.9	+38.3
Total	472.2	512.0	+39.8

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※ 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 2017 totaled 512 thousand units, hitting a record high for the fifth consecutive year.

In the domestic market, passenger vehicle sales were up 2.7 thousand units thanks to strong sales of the Forester and other models. On the down side, sales of minicars slipped 1.1 thousand units year on year due primarily to a tax hike for minicars that went into effect last year. These factors combined brought overall domestic sales up 1.5 thousand units to total 68 thousand units.

Sales in overseas markets rose 38.3 thousand units year on year to reach 443.9 thousand units as sales of the Legacy, Outback and other models remained robust primarily in our key market, North America.

1st Half : Consolidated Income Statements



(100 Million Yen)

	Actual Results 1 st Half FYE 2016	Actual Results 1 st Half FYE 2017	Variance
Net sales	16,015	15,777	-238
Domestic	2,852	2,860	+8
Overseas	13,163	12,916	-246
Operating income	2,851	2,085	-766
Total non-operating income & expenses	-1	+192	+193
Ordinary income	2,850	2,278	-573
Total extraordinary income & loss	-19	+78	+97
Income before taxes and minority interests	2,831	2,356	-475
Net income attributable to owners of parent	1,932	1,638	-294
FHI exchange rate	¥122/US\$	¥107/US\$	-¥15/US\$

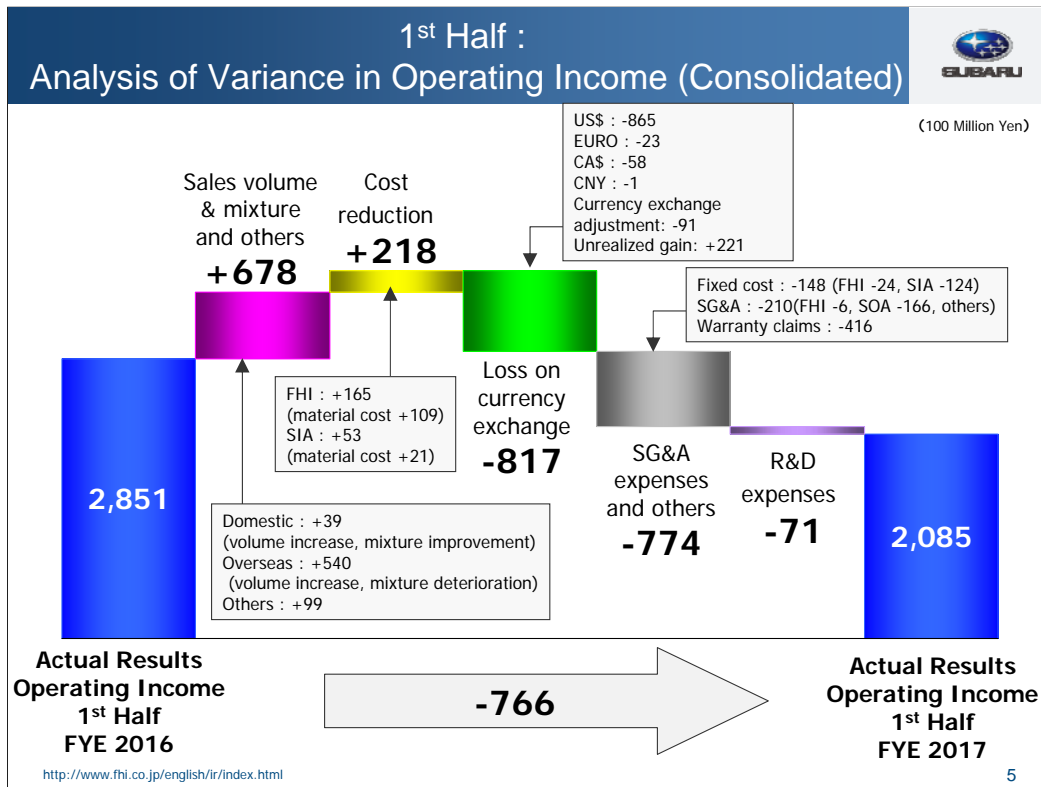
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Moving on to consolidated earnings performance, we see that net sales fell 23.8 billion yen year on year to total 1,577.7 billion yen. The main factors behind this decline include a foreign exchange loss of 182.9 billion yen and a 3.2-billion-yen drop in sales at Fuji Heavy Industries (FHI) companies, etc. despite a gain of 162.3 billion yen from better sales mix variances.

While an increase in sales volumes and progress in cutting costs offset higher R&D and SG&A expenses, consisting mainly of quality-related costs associated with airbag inflators, operating income dropped 76.6 billion yen to reach 208.5 billion yen due to currency fluctuations.

Ordinary income dropped 57.3 billion yen to reach 227.8 billion yen while net income attributable to owners of parent also declined 29.4 billion yen to reach 163.8 billion yen.



Now let's look at the reasons behind the year-on-year decrease of 76.6 billion yen in operating income that went from 285.1 billion yen to 208.5 billion yen.

The primary factor that brought operating income up was a gain of 67.8 billion yen due to better sales mix variances. This can be broken down into the following three areas.

First, we saw a gain of 3.9 billion yen from new car sales in the domestic market. Sales of the Forester and other passenger vehicles remained upbeat despite a year-on-year decrease in minicar sales.

Next, we saw a gain of 54.0 billion yen in new car sales overseas due primarily to healthy sales of the Outback and other models in North America, which is our key market.

Finally, we had a gain of 9.9 billion yen due to inventory adjustments and other factors.

Another factor that brought operating income up was a gain of 21.8 billion yen resulting from cost reductions. This includes a gain of 16.5 billion yen generated by FHI as well as a gain of 5.3 billion yen coming from SIA. FHI generated a gain of 5.6 billion yen from cost reductions on top of a gain of 10.9 billion yen due to lower material costs and better market conditions. SIA yielded a gain of 3.2 billion yen through cost reductions and a gain of 2.1 billion yen due to lower material prices, etc.

The main factor bringing operating income down was a foreign exchange loss of 81.7 billion yen. This includes an 86.5-billion-yen loss due to an approximate 15-yen appreciation against the U.S. dollar, a 2.3-billion-yen loss due to an approximate 15-yen appreciation against the euro, and a 5.8-billion-yen loss due to an approximate 15-yen appreciation against the Canadian dollar. On top of that we lost 0.1 billion yen due to currency translations between the yen and the Chinese yuan and 9.1 billion yen due to foreign exchange adjustments on transactions between FHI and its overseas subsidiaries despite a 22.1-billion-yen gain from unrealized inventory.

Another contributing factor that brought operating income down was a loss of 77.4 billion yen due to increases in SG&A and other expenses. This can be broken down into the following three areas.

First, we saw a loss of 14.8 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 12.4 billion yen from SIA.

FHI gained 1.0 billion yen due to lower costs for supplier dies but recorded a loss of 3.4 billion yen due to higher fixed processing costs while SIA lost 0.9 billion yen due to higher costs for supplier dies on top of a 11.5 billion yen loss due to an increase in fixed processing costs.

The second factor is a loss of 21.0 billion yen due to an increase in SG&A expenses. This includes a loss of 0.6 billion yen at FHI, a loss of 0.5 billion yen at domestic dealers, a loss of 16.6 billion yen at SOA, a loss of 1.9 billion yen at our Canadian subsidiary, and a loss of 1.4 billion yen from other operations. SOA suffered a loss of 1.4 billion yen from mounting advertising expenses etc. along with a loss of 15.2 billion yen associated with sales incentives since the per-unit incentive amount increased by 300 dollars year on year, going from 900 dollars to 1,200 dollars.

The third and last factor includes an increase in costs associated with warranty claims that led to a loss of 41.6 billion yen.

Finally, an increase in R&D expenses resulted in a loss of 7.1 billion yen.

These factors combined brought consolidated operating income for the first six-month period of the fiscal year ending March 2017 down 76.6 billion yen to total 208.5 billion yen.

Consolidated Balance Sheets



(100 Million Yen)

	As of March 2016	As of September 2016	Variance
Total assets	25,924	25,600	-324
Current assets	17,841	17,338	-503
Noncurrent assets	8,083	8,263	+180
Total liabilities	12,430	11,985	-445
Interest bearing debts	1,700	1,614	-85
Net assets	13,494	13,616	+122
Retained earnings	10,490	11,097	+606
Shareholders' equity	13,437	13,561	+123
Ratio of shareholders' equity to total assets	51.8%	53.0%	+1.2
D/E ratio	0.13	0.12	-0.01


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The balance sheet shows total assets fell 32.4 billion yen from the end of March 2016 to total 2,560.0 billion yen.

Interest bearing debts declined 8.5 billion yen to total 161.4 billion yen while net assets were up 12.2 billion yen at 1,361.6 billion yen.

The ratio of shareholders' equity to total assets was 53.0% while the debt-to-equity ratio stood at 0.12.

1 st Half :		Consolidated Statement of Cash Flows		
				(100 Million Yen)
	Actual Results 1 st Half FYE 2016	Actual Results 1 st Half FYE 2017	Variance	
Net cash provided by (used in) operating activities	2,829	1,984	-845	
Net cash provided by (used in) investing activities	-969	-1,090	-121	
Free cash flows	1,860	894	-966	
Net cash provided by (used in) financing activities	-395	-1,167	-771	
Effect of exchange rate change on cash and cash equivalents	-14	-255	-241	
Net increase (decrease) in cash and cash equivalents	1,450	-528	-1,978	
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-1	-	+1	
Cash and cash equivalents at end of period	7,570	7,767	-	

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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 198.4 billion yen due to net income before taxes and minority interests of 235.6 billion yen, a 41.7 billion-yen increase in accrued expenses, as well as a payment of corporate income tax, etc. totaling 119.0 billion yen.

Net cash flow from investing activities amounted to an outflow of 109.0 billion yen for investments aimed at boosting production capacity along with the acquisition of marketable securities.

Free cash flow totaled 89.4 billion yen.

Net cash flow from financing activities amounted to an outflow of 116.7 billion yen due to dividend payments, the repurchase of our own shares, etc.

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



(Million US\$)

SOA	Actual Results 1 st Half FYE 2016	Actual Results 1 st Half FYE 2017	Variance
Net sales	7,524	8,733	+1,209
Operating income	412	441	+29
Net income	252	272	+20
Retail sales (Thousand units)	300.3	315.3	+15.0

SIA	Actual Results 1 st Half FYE 2016	Actual Results 1 st Half FYE 2017	Variance
Net sales	2,580	3,392	+812
Operating income	71	83	+12
Net income	48	52	+4
Subaru production (Thousand units)	111.9	147.7	+35.8

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Let's look at the performance of our North American subsidiaries.

SOA's retail sales climbed 15 thousand units year on year to reach a total of 315.3 thousand units as sales of the Outback and the Legacy remained upbeat.

Net sales also jumped 1,209 million dollars year on year to total 8,733 million dollars.

Operating income was up 29 million dollars year on year at 441 million dollars. This increase comes from a gain of 166 million dollars due to the favorable sales volumes and sales mix variance despite a loss of 137 million dollars from higher SG&A expenses.

SIA saw net sales rise 812 million dollars to hit 3,392 million dollars.

Operating income rose 12 million dollars year on year to reach 83 million dollars. The factors behind the increase include a gain of 71 million dollars due to favorable volume, price, and sales mix variances, a gain of 43 million dollars brought by cost reduction efforts as well as a loss of 102 million dollars due to an increase in fixed costs.



Forecasts for FYE 2017

Revised Plan FYE 2017 : Consolidated Unit Sales



(Thousand Units)

	Actual Results FYE 2016	Revised Plan FYE 2017	Variance
Passenger car	111.6	122.9	+11.3
Minicar	33.7	35.7	+2.0
Domestic total	145.3	158.6	+13.3
US	582.7	661.7	+79.0
Canada	47.6	52.5	+4.9
Russia	5.7	5.4	-0.4
Europe	41.8	41.9	+0.2
Australia	44.6	49.2	+4.6
China	44.4	44.5	+0.1
Others	45.8	48.7	+2.9
Overseas total	812.6	903.8	+91.2
Total	957.9	1,062.4	+104.5

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

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

We made an upward revision to the consolidated sales forecast for the fiscal year ending March 2017 that was announced at the end of the first quarter, raising it from 1049.7 thousand units to 1062.4 thousand units.

We expect domestic sales to increase 13.3 thousand units year on year, bringing the total up to 158.6 thousand units, and overseas sales to grow by 91.2 thousand units, bringing that total up to 903.8 thousand units.

Revised Plan FYE 2017 : Consolidated Income Statements



(100 Million Yen)

	Actual Results FYE 2016	Revised Plan FYE 2017	Variance
Net sales	32,323	31,800	-523
Domestic	6,054	6,463	+409
Overseas	26,269	25,337	-931
Operating income	5,656	3,730	-1,926
Ordinary income	5,770	3,970	-1,800
Income before taxes and minority interests	6,190	3,970	-2,220
Net income attributable to owners of parent	4,367	2,780	-1,587
FHI exchange rate	¥121/US\$	¥104/US\$	-¥17/US\$

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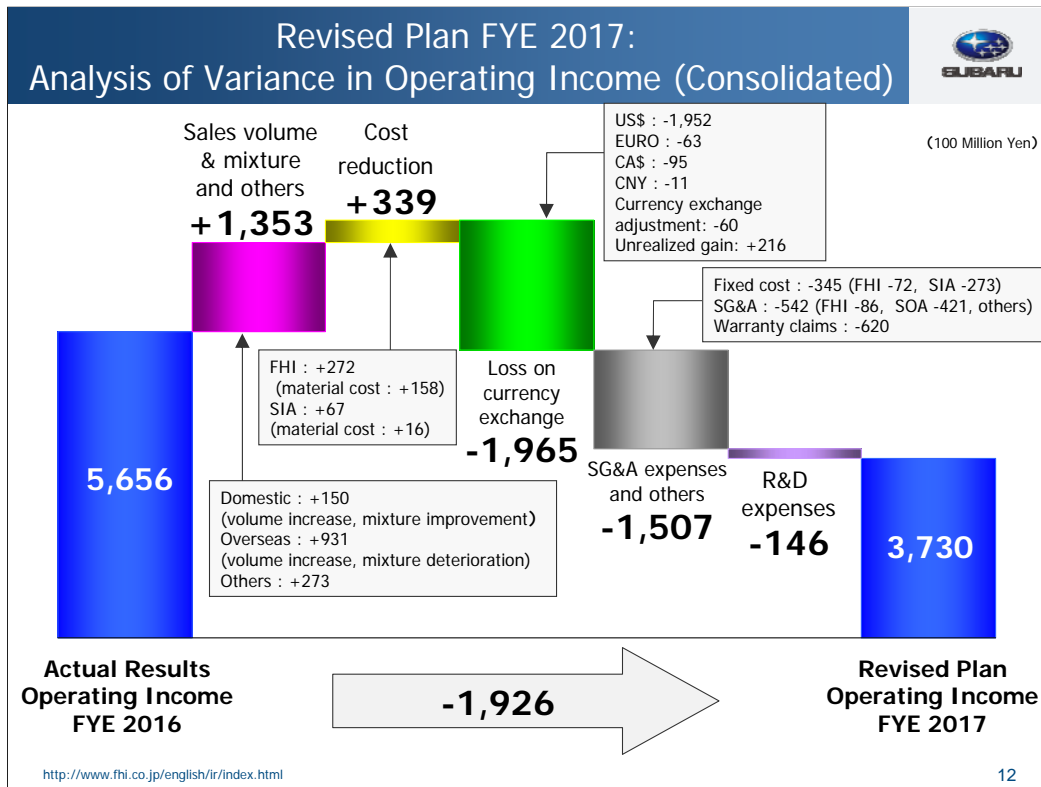
Let's look at our consolidated operating plan.

We made a downward revision to the previously announced forecast.

Net sales are expected to fall 52.3 billion yen year on year before hitting 3,180 billion yen. This drop will come from a foreign exchange loss of 403.4 billion yen and a 0.9-billion-yen decrease in sales at FHI companies, etc. despite a 352.0-billion-yen gain from better sales mix variances resulting from higher sales volumes.

Operating income will decline by 192.6 billion yen to reach 373.0 billion yen due to the effects of currency fluctuations although an increase in sales volumes, etc. is expected to offset mounting SG&A and other expenses.

Ordinary income is expected to drop 180.0 billion yen to reach 397.0 billion yen while income before taxes and minority interests will fall 222.0 billion yen to hit 397.0 billion yen. Net income attributable to owners of parent will also decline 158.7 billion yen to total 278.0 billion yen.



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Now let's look at the factors behind the projected year-on-year 192.6-billion-yen decrease in operating income that will take us from 565.6 billion yen to 373.0 billion yen as forecasted in the revised plan.

The primary factor that will bring operating income up is a gain of 135.3 billion yen due to better sales mix variances. This can be broken down into the following three areas: a gain of 15.0 billion yen from new car sales in the domestic market, a gain of 93.1 billion yen from new car sales in overseas markets, and a gain of 27.3 billion yen due to inventory adjustments and other factors.

Another factor behind the expected increase in operating income will be a gain of 33.9 billion yen resulting from cost cuts. This includes a gain of 27.2 billion yen generated by FHI as well as a gain of 6.7 billion yen coming from SIA. FHI is expected to generate a gain of 11.4 billion yen through cost reductions and another gain of 15.8 billion yen in relation to material costs and other market factors. SIA will see a gain of 5.1 billion yen due to a reduction in material costs and a gain of 1.6 billion yen due to lower material prices, etc.

The main factor that will bring operating income down will be a foreign exchange loss of 196.5 billion yen. This will include a loss of 195.2 billion yen due to an approximate 17-yen appreciation against the U.S. dollar, a loss of 6.3 billion yen due to an approximate 18-yen appreciation against the euro, and a loss of 9.5 billion yen due to an approximate 14-yen appreciation against the Canadian dollar. On top of that, there will be a loss of 1.1 billion yen resulting from currency translations between the yen and the Chinese yuan, a loss of 6.0 billion yen due to foreign exchange adjustments for transactions between FHI and its overseas subsidiaries, as well as a gain of 21.6 billion yen from unrealized inventory.

Another factor that will bring operating income down will be a loss of 150.7 billion yen due to increases in SG&A and other expenses. This loss can be broken down into the following three areas.

First, we will see a loss of 34.5 billion yen due to an increase in fixed manufacturing costs. This will include a loss of 7.2 billion yen to be generated by FHI as well as a loss of 27.3 billion yen coming from SIA. FHI will yield a gain of 0.4 billion yen due to cost cuts for supplier dies and a loss of 7.6 billion yen due to higher fixed processing costs. SIA will see a loss of 4.4 billion yen due to increased costs for supplier dies and another loss of 22.9 billion yen due to higher fixed processing costs. The second factor is a loss of 54.2 billion yen due to an increase in SG&A expenses. This will include a loss of 8.6 billion yen at FHI, a loss of 1.4 billion yen at domestic dealers, a loss of 42.1 billion yen at SOA, a loss of 3.5 billion yen at our Canadian subsidiary, and a gain of 1.4 billion yen from other operations. SOA will see a loss of 0.7 billion yen from higher advertising expenses, etc. It will also post a loss of 41.4 billion yen due to an expected 400-dollar increase in the per unit incentive amount (bringing last year's figure of 900 dollars up to 1,300 dollars) coupled with increasing sales volumes. The third and last factor is an increase in costs associated with warranty claims that will lead to a loss of 62.0 billion yen. Finally, an increase in R&D expenses will result in a loss of 14.6 billion yen.

All these factors combined will bring operating income for the fiscal year ending March 2017 down 192.6 billion yen to total 373.0 billion yen.

Please refer to the appendix to see the differences between the previously announced plan and the revised plan.

Revised Plan FYE 2017: Operating Results of Subsidiaries in U.S.



(Million US\$)

SOA	Actual Results FYE 2016	Revised Plan FYE 2017	Variance
Net sales	15,203	17,813	+2,610
Operating income	770	790	+20
Net income	480	491	+11
Retail sales (Thousand units)	581.4	644.2	+62.8

SIA	Actual Results FYE 2016	Revised Plan FYE 2017	Variance
Net sales	5,468	7,669	+2,201
Operating income	209	235	+26
Net income	134	145	+11
Subaru production (Thousand units)	236.0	335.7	+99.7

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Let's look at the operating plan for our North American subsidiaries.

Robust sales of the Outback, Legacy, Crosstrek, and Forester are expected to drive full-year retail sales at SOA up 62.8 thousand units year on year to reach 644.2 thousand units.

Net sales are expected to increase 2,610 million dollars year on year to reach 17,813 million dollars.

Operating income is projected to climb 20 million dollars year on year to total 790 million dollars. This increase will come from a 354-million-dollar gain due to the favorable volumes and sales mix variance and another gain of 17 million dollars as a result of other improvements despite a loss of 35.1 million dollars resulting from higher SG&A expenses.

SIA's net sales are expected to soar 2,201 million dollars year on year to reach 7,669 million dollars.

Operating income is expected to rise 26 million dollars year on year to reach 235 million dollars. Factors for the increase will include a gain of 197 million dollars due to favorable volume, price, and sales mix variances, a gain of 55 million dollars from cost reduction efforts, as well as a loss of 226 million dollars due to an increase in fixed costs.

Capex / Depreciation / R&D / Interest bearing debt



(100 Million Yen)

	Actual Results 1 st Half FYE 2016	Actual Results FYE 2016 (a)	Actual Results 1 st Half FYE 2017	Revised Plan FYE 2017 (b)	Variance (b) - (a)
Capex	506	1,357	637	1,600	+243
Depreciation	313	650	335	800	+150
R&D	463	1,024	534	1,170	+146
Interest bearing debt	2,014	1,700	1,614	1,600	-100

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

Capital expenditures and depreciation costs are expected to total 160.0 billion yen and 80.0 billion yen respectively just as projected in the previous forecast.

R&D expenses are projected to total 117.0 billion yen. That's down 3.0 billion yen from the previous forecast.

Interest bearing debt will amount to 160.0 billion yen, which is 5.0 billion yen less than what it was in the previous forecast.

The following pages provide segment information, various KPIs, and differences between the previous and revised plans for your reference.

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

Thank you very much.

Appendix(1)

- Non-operating income&expenses and extraordinary income&loss (1H)
- Segment information by business & geographic (1H)
- Overseas net sales (1H)
- Non-consolidated unit sales (1H)

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



(100 Million Yen)

	Actual Results 1 st Half FYE 2016	Actual Results 1 st Half FYE 2017	Variance
Financial revenue and expenditure	9	10	+1
FOREX effects	3	205	+201
Other	-13	-22	-9
Total non-operating income & expenses	-1	192	+193
Gain on sales of noncurrent assets	1	3	+2
Gain on sales of investment securities	2	99	+97
Loss on sales and retirement of noncurrent assets	-23	-21	+2
Other	0	-3	-3
Total extraordinary income & loss	-19	78	+97

<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		
	Actual Results 1 st Half FYE 2016	Actual Results 1 st Half FYE 2017	Variance	Actual Results 1 st Half FYE 2016	Actual Results 1 st Half FYE 2017	Variance
Automobile	15,057	14,924	-133	2,732	2,033	-699
Aerospace	735	668	-67	96	36	-60
Industrial products	185	146	-39	6	-3	-9
Others	38	39	+1	13	15	+1
Elimination & Corporate	/	/	/	3	5	+1
Total	16,015	15,777	-238	2,851	2,085	-766

<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		
	Actual Results 1 st Half FYE 2016	Actual Results 1 st Half FYE 2017	Variance	Actual Results 1 st Half FYE 2016	Actual Results 1 st Half FYE 2017	Variance
Japan	4,599	4,481	-118	2,229	1,327	-902
North America	10,063	9,998	-65	593	506	-87
Others	1,353	1,297	-56	-17	39	+56
Elimination & Corporate				47	213	+167
Total	16,015	15,777	-238	2,851	2,085	-766

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

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1st Half : Overseas Net Sales (Consolidated)



(100 Million Yen)

	Actual Results 1 st Half FYE 2016	Actual Results 1 st Half FYE 2017	Variance
North America	10,630	10,489	-140
Europe	614	549	-66
Asia	1,107	1,098	-9
Other	812	781	-31
Total	13,163	12,916	-246

1st Half : Non-consolidated Unit Sales



(Thousand Units)

	Actual Results 1 st Half FYE 2016	Actual Results 1 st Half FYE 2017	Variance
Domestic production	347.8	354.6	+6.8
Domestic sales	70.2	69.9	-0.4
Passenger cars	51.8	53.5	+1.7
Minicars	18.4	16.3	-2.1
Number of exported vehicles	283.9	287.7	+3.8
Components for overseas production	108.0	163.3	+55.4
Total	462.1	520.9	+58.8

* 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 statement (Plan vs. Actual results)
- Full year consolidated income statements
(Previous plan vs. Revised plan)

2Q (3 months) : Consolidated Unit Sales



(Thousand Units)

	Actual Results 2Q (3 months) FYE 2016	Actual Results 2Q (3 months) FYE 2017	Variance
Passenger car	29.9	27.9	-2.0
Minicar	8.6	8.9	+0.4
Domestic total	38.5	36.9	-1.6
US	150.2	171.9	+21.7
Canada	12.2	13.0	+0.8
Russia	1.8	1.8	+0.0
Europe	11.3	9.8	-1.6
Australia	11.7	10.4	-1.3
China	10.4	12.2	+1.8
Others	10.9	10.8	-0.1
Overseas total	208.5	230.0	+21.4
Total	247.0	266.8	+19.8

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

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

2Q (3 months) : Consolidated Income Statements



(100 Million Yen)

	Actual Results 2Q (3 months) FYE 2016	Actual Results 2Q (3 months) FYE 2017	Variance
Net sales	8,362	8,083	-279
Domestic	1,607	1,557	-50
Overseas	6,755	6,526	-229
Operating income	1,509	1,070	-439
Ordinary income	1,550	1,090	-460
Income before taxes and minority interests	1,540	1,178	-362
Net income attributable to owners of parent	1,090	850	-240
FHI exchange rate	¥123/US\$	¥104/US\$	-¥20/US\$

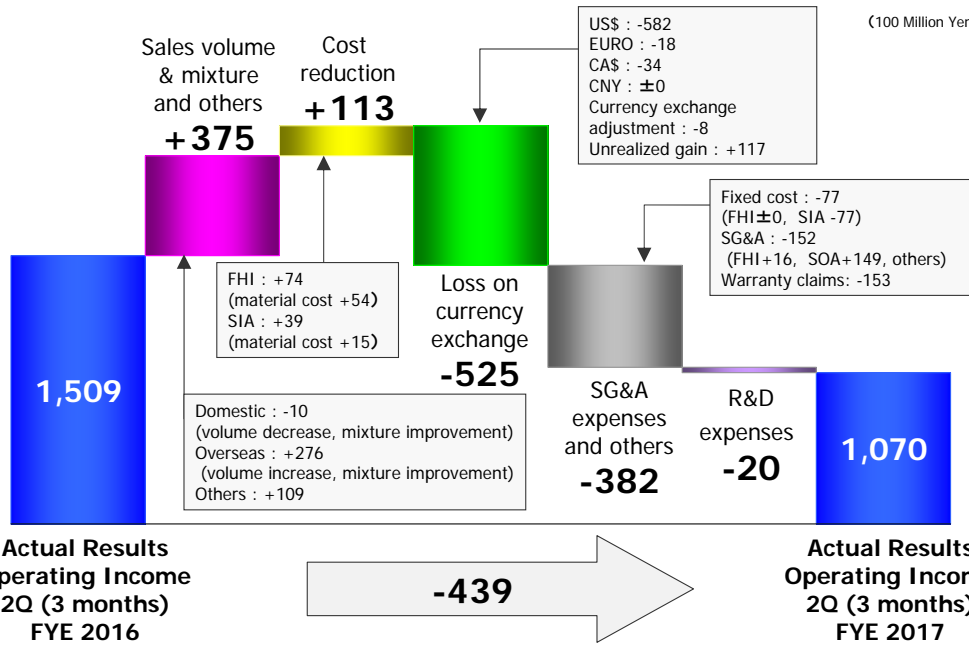
<http://www.fhi.co.jp/english/ir/index.html>

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2Q (3 months) : Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)



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

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



(Thousand Units)

	Plan 1 st Half FYE 2017	Actual Results 1 st Half FYE 2017	Variance
Passenger car	50.5	52.5	+2.0
Minicar	14.6	15.6	+1.0
Domestic total	65.1	68.0	+2.9
US	315.1	326.9	+11.8
Canada	28.2	28.4	+0.2
Russia	5.3	3.7	-1.6
Europe	19.3	18.4	-0.9
Australia	22.3	22.4	+0.1
China	24.0	21.8	-2.2
Others	22.5	22.3	-0.2
Overseas total	436.7	443.9	+7.2
Total	501.8	512.0	+10.2

<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. Actual Results)
1st Half : Consolidated Income Statements



(100 Million Yen)

	Plan 1 st Half FYE 2017	Actual Results 1 st Half FYE 2017	Variance
Net sales	15,535	15,777	+242
Domestic	2,796	2,860	+64
Overseas	12,739	12,916	+177
Operating income	2,040	2,085	+45
Ordinary income	2,140	2,278	+138
Income before taxes and minority interests	2,120	2,356	+236
Net income attributable to owners of parent	1,480	1,638	+158
FHI exchange rate	¥107/US\$	¥107/US\$	¥0/US\$

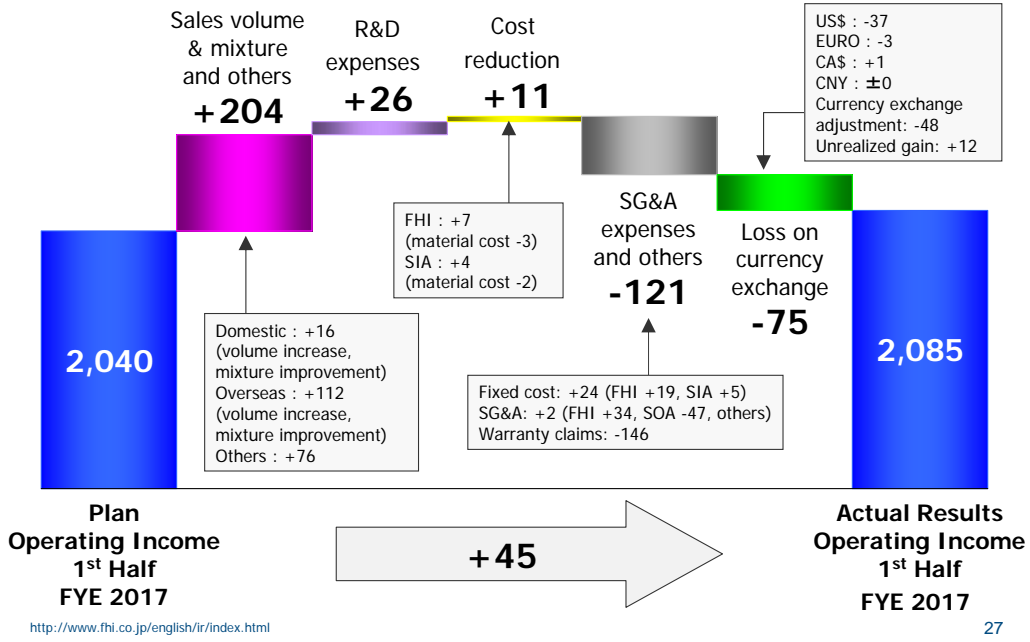
<http://www.fhi.co.jp/english/ir/index.html>

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



(100 Million Yen)



(Previous Plan vs. Revised Plan)
 FYE 2017 : Consolidated Unit Sales



(Thousand Units)

	Previous Plan FYE 2017	Revised Plan FYE 2017	Variance
Passenger car	119.0	122.9	+3.9
Minicar	37.3	35.7	-1.6
Domestic total	156.3	158.6	+2.3
US	643.1	661.7	+18.5
Canada	52.6	52.5	-0.1
Russia	9.6	5.4	-4.2
Europe	40.1	41.9	+1.8
Australia	48.2	49.2	+0.9
China	48.5	44.5	-4.0
Others	51.2	48.7	-2.6
Overseas total	893.4	903.8	+10.4
Total	1,049.7	1,062.4	+12.7

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

* China figures are consolidated on the calendar year basis from Jan. to Dec. 28

(Previous Plan vs. Revised Plan)
 FYE 2017 : Consolidated Income Statements



(100 Million Yen)

	Previous Plan FYE 2017	Revised Plan FYE 2017	Variance
Net sales	31,900	31,800	-100
Domestic	6,103	6,463	+360
Overseas	25,797	25,337	-460
Operating income	4,000	3,730	-270
Ordinary income	4,100	3,970	-130
Income before taxes and minority interests	4,030	3,970	-60
Net income attributable to owners of parent	2,850	2,780	-70
FHI exchange rate	¥106/US\$	¥104/US\$	-¥2/US\$

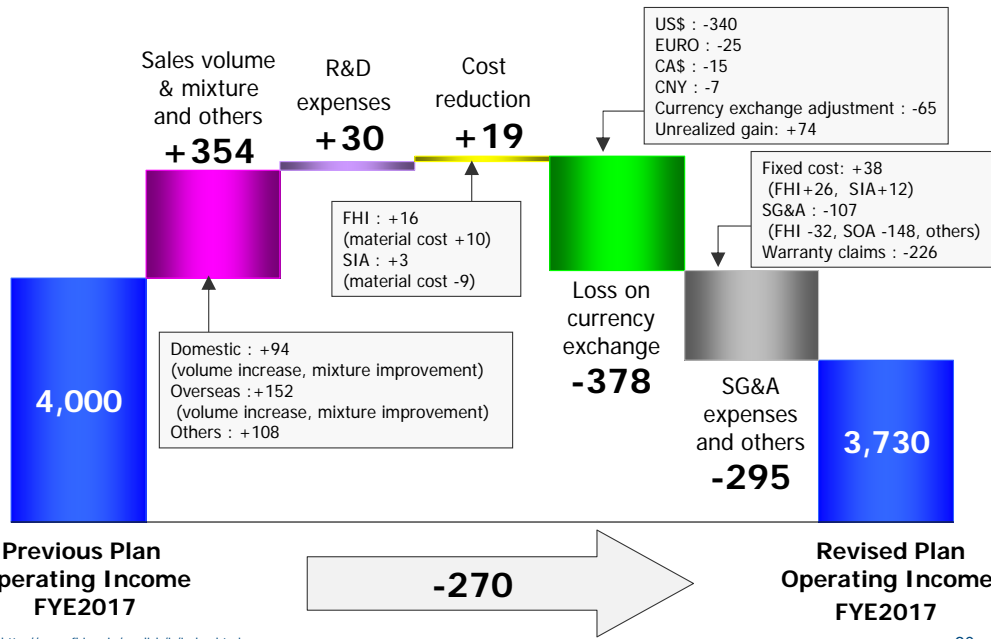
<http://www.fhi.co.jp/english/ir/index.html>

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(Previous Plan vs. Revised Plan) FYE 2017 :
 Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)

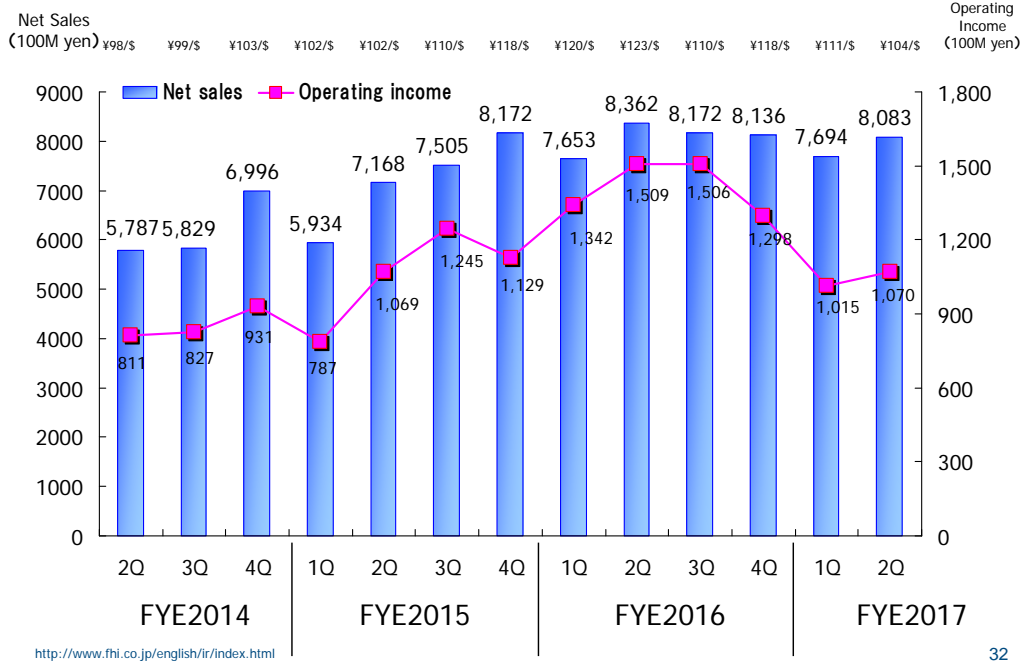


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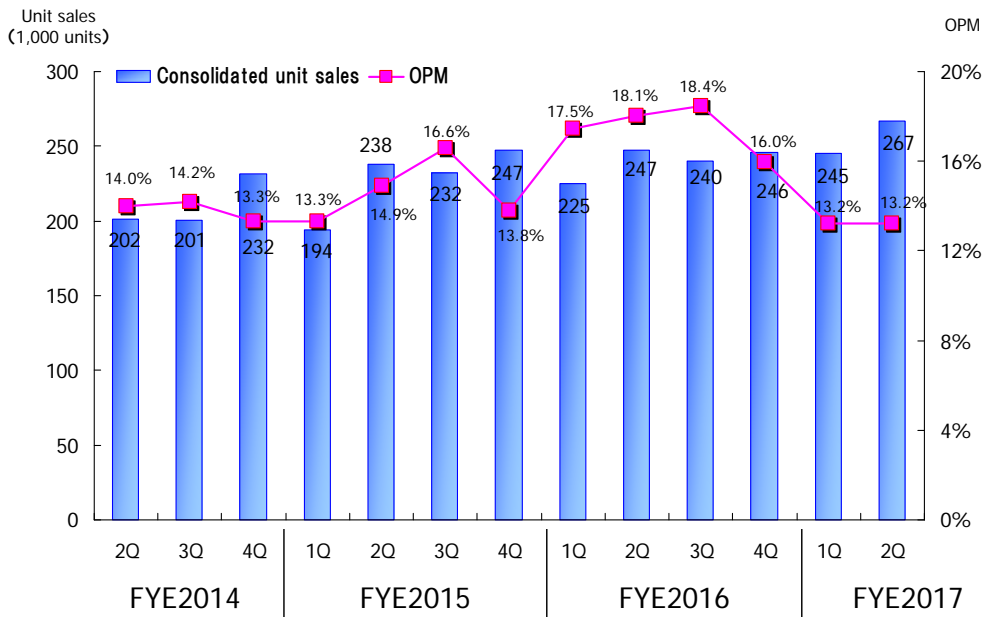
Appendix (3)

- 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

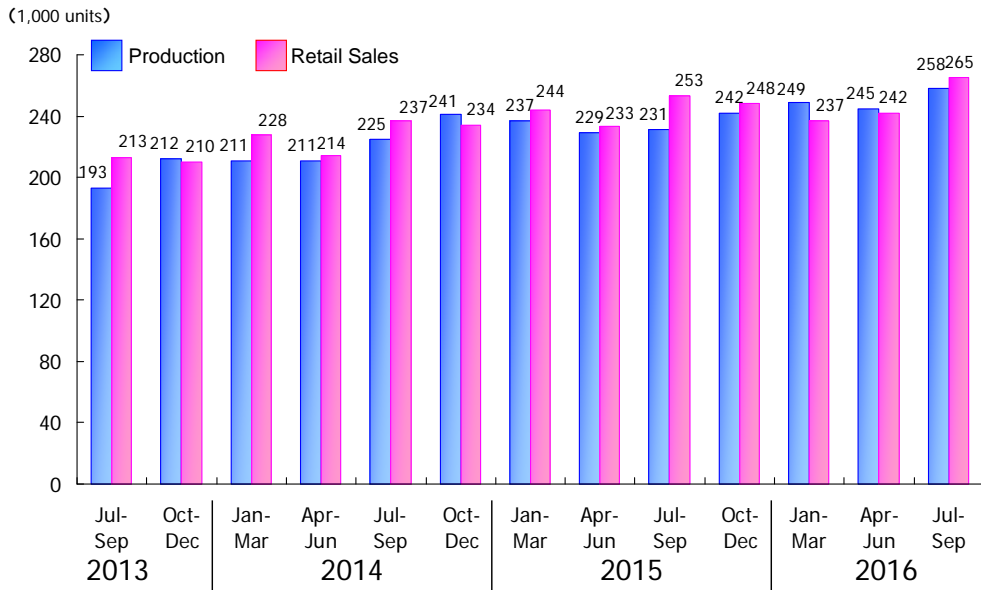


Consolidate Unit Sales / Operating Income Margin



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

Complete Cars Production / Retail Sales Units

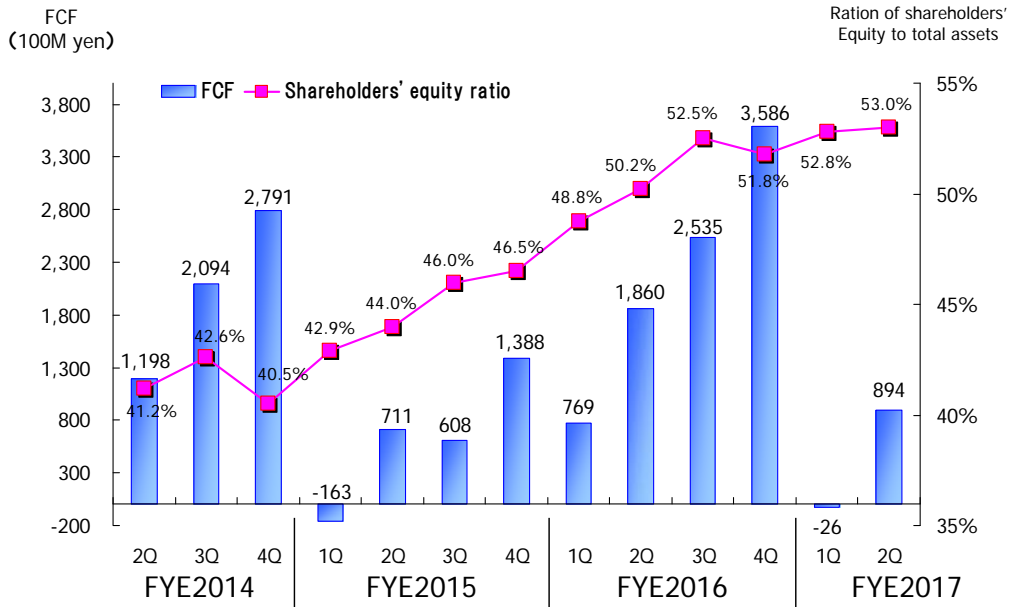


※ Production figures include Toyota 86

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

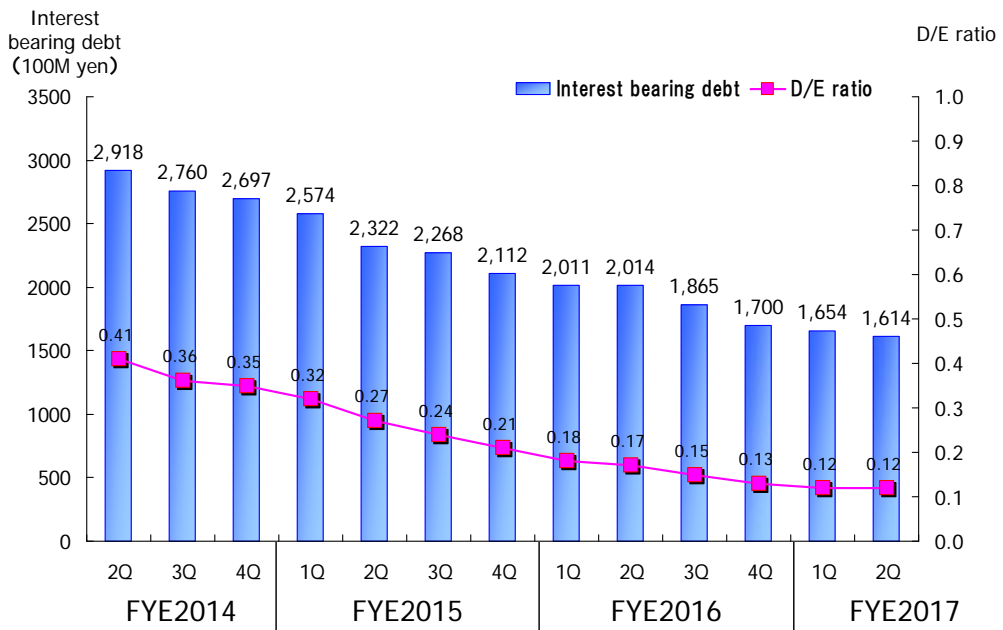
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Free Cash Flows / Ratio of Shareholders' Equity to Total Assets



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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.

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