



Consolidated Financial Results for the 3rd Quarter of FYE 2017



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Summary



Consolidated Financial Results for the 3rd Quarter of FYE 2017

- Consolidated net sales and global unit sales posted all-time records for the April-December period.
- While posting unit sales growth and cost reduction progress, all profit levels decreased year on year due to increase in SG&A and R&D expenses as well as foreign exchange losses. SG&A expenses were mainly quality-related costs associated with airbag inflators.

	Net Sales	Operating Income	Ordinary Income	Net income attributable to owners of parent	Consolidated automobile sales
Actual results (YoY)	¥2,427.9bil. (+9.3bil.)	¥306.8bil. (-129.0bil.)	¥297.2bil. (-136.8bil.)	¥207.5bil. (-130.3bil.)	785.8k units (+73.6k units)

Forecasts for FYE 2017

- Full-year projections are revised upward. The revision from the previous forecasts (announced on November 2, 2016) reflects exchange rate fluctuations which offset an increase in SG&A expenses.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Forecasts (YoY)	¥3,310.0bil. (+77.7bil.)	¥410.0bil. (-155.6bil.)	¥412.0bil. (-165.0bil.)	¥290.0bil. (-146.7bil.)	1,067.5kunits (+109.7k units)
(VS Previous plan)	(+130.0bil)	(+37.0bil)	(+15.0bil)	(+12.0bil)	(+5.2k units)



Consolidated Financial Results for the 3rd Quarter of FYE 2017

3rd Quarter : Consolidated Unit Sales



(Thousand Units)

	Actual Results 3 rd Quarter FYE 2016	Actual Results 3 rd Quarter FYE 2017	Variance
Passenger car	75.9	83.1	+7.2
Minicar	24.0	22.4	-1.6
Domestic total	99.9	105.5	+5.6
US	446.3	501.3	+55.0
Canada	36.7	40.5	+3.7
Russia	4.8	4.1	-0.7
Europe	28.6	29.8	+1.2
Australia	32.9	37.9	+5.0
China	30.1	32.0	+1.9
Others	32.9	34.7	+1.9
Overseas total	612.3	680.3	+68.0
Total	712.2	785.8	+73.6

3rd Quarter: Consolidated Income Statements



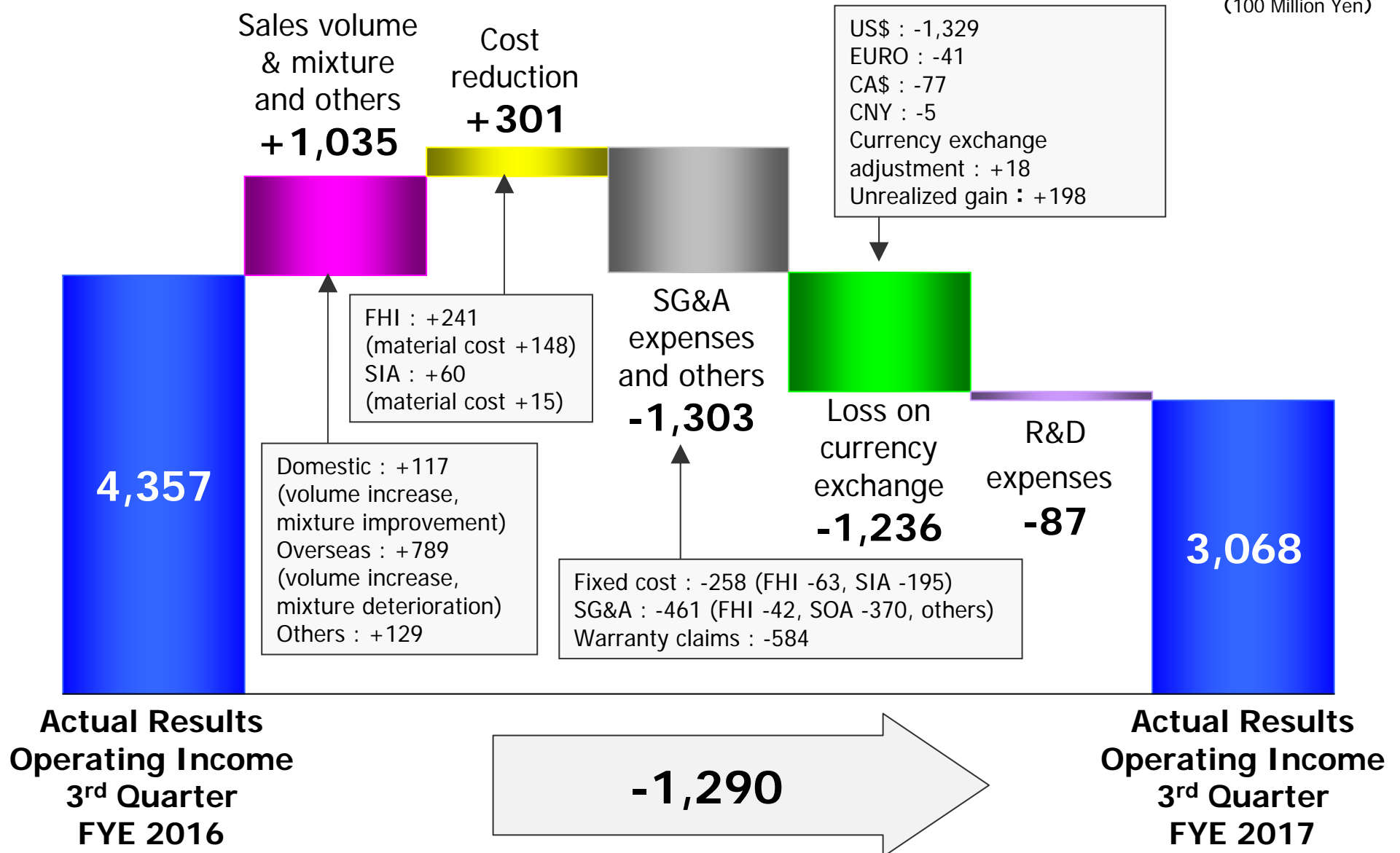
(100 Million Yen)

	Actual Results 3 rd Quarter FYE 2016	Actual Results 3 rd Quarter FYE 2017	Variance
Net sales	24,186	24,279	+93
Domestic	4,282	4,449	+167
Overseas	19,904	19,830	-75
Operating income	4,357	3,068	-1,290
Total non-operating income & expenses	-18	-96	-78
Ordinary income	4,340	2,972	-1,368
Total extraordinary income & loss	465	16	-449
Income before taxes and minority interests	4,805	2,988	-1,816
Net income attributable to owners of parent	3,378	2,075	-1,303
FHI exchange rate	¥122/US\$	¥106/US\$	-¥15/US\$

3rd Quarter : Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)



Consolidated Balance Sheets



(100 Million Yen)

	As of March 2016	As of December 2016	Variance
Total assets	25,924	26,440	+516
Current assets	17,841	17,468	-373
Noncurrent assets	8,083	8,972	+888
Total liabilities	12,430	12,412	-18
Interest bearing debts	1,700	1,455	-245
Net assets	13,494	14,028	+534
Retained earnings	10,490	10,981	+491
Shareholders' equity	13,437	13,969	+531
Ratio of shareholders' equity to total assets	51.8%	52.8%	+1.0
D/E ratio	0.13	0.10	-0.02

3rd Quarter : Consolidated Statement of Cash Flows



(100 Million Yen)

	Actual Results 3 rd Quarter FYE 2016	Actual Results 3 rd Quarter FYE 2017	Variance
Net cash provided by (used in) operating activities	4,343	2,164	-2,179
Net cash provided by (used in) investing activities	-1,808	-1,665	+143
Free cash flows	2,535	499	-2,036
Net cash provided by (used in) financing activities	-1,102	-1,884	-782
Effect of exchange rate change on cash and cash equivalents	-13	60	+73
Net increase (decrease) in cash and cash equivalents	1,420	-1,325	-2,744
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-1	0	+1
Cash and cash equivalents at end of period	7,539	6,970	-

3rd Quarter : Operating Results of Subsidiaries in U.S.



(Million US\$)

SOA	Actual Results 3 rd Quarter FYE 2016	Actual Results 3 rd Quarter FYE 2017	Variance
Net sales	11,589	13,454	+1,865
Operating income	657	609	-48
Net income	404	376	-28
Retail sales (Thousand units)	449.9	481.6	+31.7

SIA	Actual Results 3 rd Quarter FYE 2016	Actual Results 3 rd Quarter FYE 2017	Variance
Net sales	3,967	5,293	+1,326
Operating income	135	132	-3
Net income	87	80	-7
Subaru production (Thousand units)	171.3	232.2	+60.9



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	127.5	+15.9
Minicar	33.7	34.0	+0.3
Domestic total	145.3	161.5	+16.2
US	582.7	667.4	+84.7
Canada	47.6	52.9	+5.3
Russia	5.7	5.6	-0.1
Europe	41.8	41.1	-0.7
Australia	44.6	49.5	+4.9
China	44.4	44.0	-0.4
Others	45.8	45.6	-0.2
Overseas total	812.6	906.1	+93.5
Total	957.9	1,067.5	+109.7

Revised Plan FYE 2017 : Consolidated Income Statements



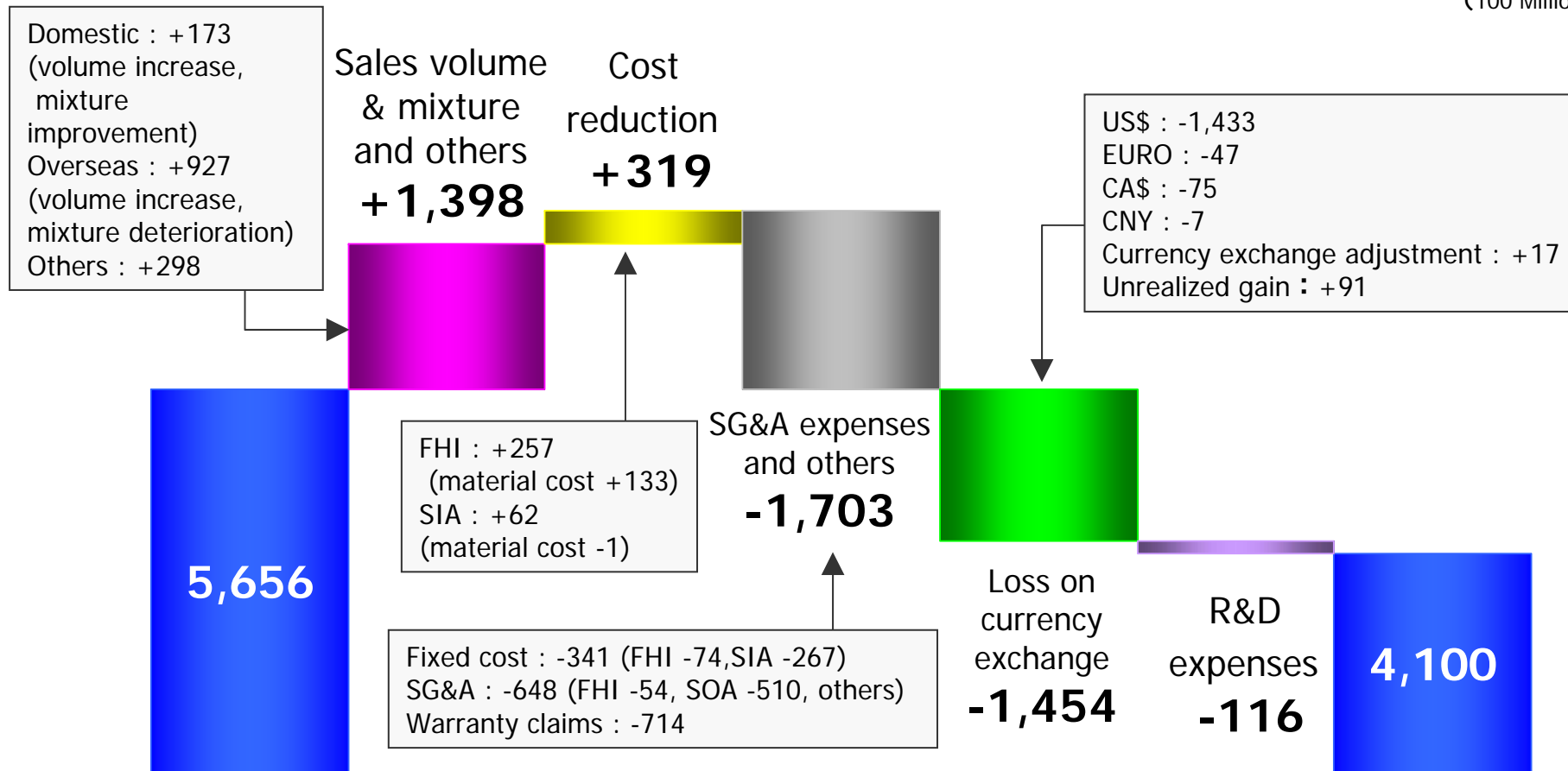
(100 Million Yen)

	Actual Results FYE 2016	Revised Plan FYE 2017	Variance
Net sales	32,323	33,100	+777
Domestic	6,054	6,511	+457
Overseas	26,269	26,589	+321
Operating income	5,656	4,100	-1,556
Ordinary income	5,770	4,120	-1,650
Income before taxes and minority interests	6,190	4,120	-2,070
Net income attributable to owners of parent	4,367	2,900	-1,467
FHI exchange rate	¥121/US\$	¥108/US\$	-¥13/US\$

Revised Plan FYE 2017: 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	122.9	127.5	+4.6
Minicar	35.7	34.0	-1.7
Domestic total	158.6	161.5	+2.9
US	661.7	667.4	+5.8
Canada	52.5	52.9	+0.4
Russia	5.4	5.6	+0.3
Europe	41.9	41.1	-0.8
Australia	49.2	49.5	+0.3
China	44.5	44.0	-0.5
Others	48.7	45.6	-3.1
Overseas total	903.8	906.1	+2.3
Total	1,062.4	1,067.5	+5.2

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



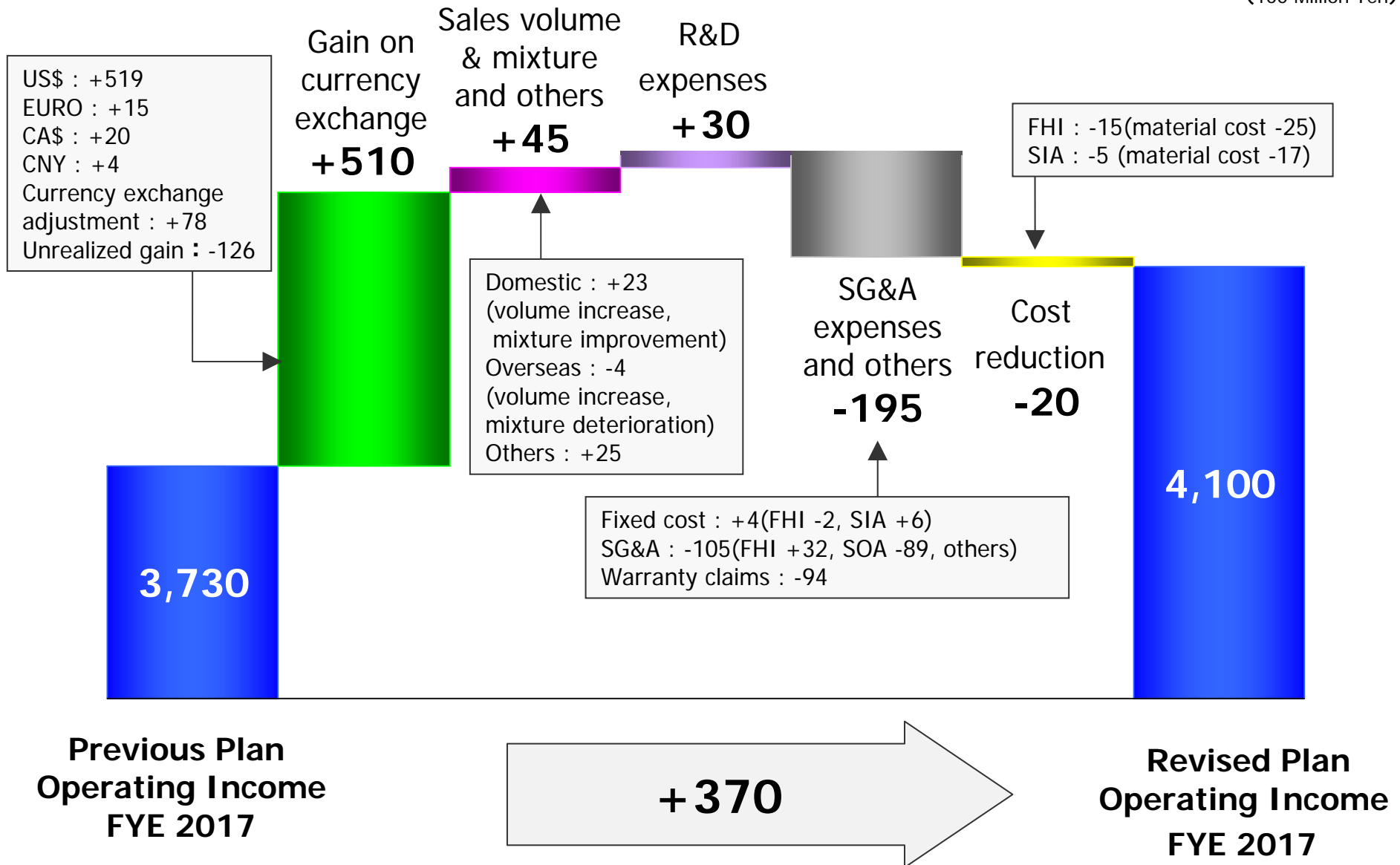
(100 Million Yen)

	Previous Plan FYE 2017	Revised Plan FYE 2017	Variance
Net sales	31,800	33,100	+ 1,300
Domestic	6,463	6,511	+48
Overseas	25,337	26,589	+1,252
Operating income	3,730	4,100	+ 370
Ordinary income	3,970	4,120	+ 150
Income before taxes and minority interests	3,970	4,120	+ 150
Net income attributable to owners of parent	2,780	2,900	+ 120
FHI exchange rate	¥104/US\$	¥108/US\$	+¥5/US\$

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



(100 Million Yen)



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	17,876	+2,673
Operating income	770	703	-67
Net income	480	437	-43
Retail sales (Thousand units)	581.4	640.1	+58.7

SIA	Actual Results FYE 2016	Revised Plan FYE 2017	Variance
Net sales	5,468	7,516	+2,048
Operating income	209	215	+6
Net income	134	133	-1
Subaru production (Thousand units)	236.0	335.2	+99.3

Capex / Depreciation / R&D / Interest bearing debt



(100 Million Yen)

	Actual Results 3 rd Quarter FYE 2016	Actual Results FYE 2016 (a)	Actual Results 3 rd Quarter FYE 2017	Revised Plan FYE 2017 (b)	Variance (b) - (a)
Capex	830	1,357	1,076	1,600	+243
Depreciation	473	650	541	800	+150
R&D	717	1,024	805	1,140	+116
Interest bearing debt	1,865	1,700	1,455	1,550	-150

Appendix(1)

- Non-operating income&expenses and extraordinary income&loss (3Q)
- Segment information by business & geographic (3Q)
- Overseas net sales (3Q)
- Non-consolidated unit sales (3Q)

3rd Quarter : Non-operating Income & Expenses and Extraordinary Income & Loss (Consolidated)



(100 Million Yen)

	Actual Results 3 rd Quarter FYE 2016	Actual Results 3 rd Quarter FYE 2017	Variance
Financial revenue and expenditure	19	20	+1
FOREX effects	-14	-91	-77
Other	-22	-24	-2
Total non-operating income & expenses	-18	-96	-78
Gain on sales of noncurrent assets	1	3	+2
Gain on sales of investment securities	2	101	+99
Reversal of allowance for doubtful accounts	296	-	-296
Loss on sales and retirement of noncurrent assets	-31	-32	-2
Loss on business liquidation	-	-50	-50
Other	196	-6	-202
Total extraordinary income & loss	465	16	-449

3rd Quarter : Net Sales and Operating Income by Business Segment (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	Actual Results 3 rd Quarter FYE 2016	Actual Results 3 rd Quarter FYE 2017	Variance	Actual Results 3 rd Quarter FYE 2016	Actual Results 3 rd Quarter FYE 2017	Variance
Automobile	22,772	23,053	+281	4,203	2,987	-1,216
Aerospace	1,102	964	-138	122	50	-72
Other*	312	262	-50	28	24	-4
Elimination & Corporate				5	7	+2
Total	24,186	24,279	+93	4,357	3,068	-1,290

*The "Industrial Products" segment has been included in "Other" since the 3rd quarter of FYE 2017 reporting.

3rd Quarter : Net Sales and Operating Income by Geographic Area (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	Actual Results 3 rd Quarter FYE 2016	Actual Results 3 rd Quarter FYE 2017	Variance	Actual Results 3 rd Quarter FYE 2016	Actual Results 3 rd Quarter FYE 2017	Variance
Japan	6,854	6,885	+31	3,314	1,940	-1,374
North America	15,370	15,480	+110	1,009	883	-126
Other	1,962	1,914	-48	8	66	+59
Elimination & Corporate				27	178	+151
Total	24,186	24,279	+93	4,357	3,068	-1,290

3rd Quarter : Overseas Net Sales (Consolidated)



(100 Million Yen)

	Actual Results 3 rd Quarter FYE 2016	Actual Results 3 rd Quarter FYE 2017	Variance
North America	16,221	16,180	-41
Europe	895	827	-69
Asia	1,616	1,581	-36
Other	1,172	1,242	+71
Total	19,904	19,830	-75

3rd Quarter : Non-consolidated Unit Sales



(Thousand Units)

	Actual Results 3 rd Quarter FYE 2016	Actual Results 3 rd Quarter FYE 2017	Variance
Domestic production	530.2	543.1	+12.9
Domestic sales	108.4	113.8	+5.4
Passenger cars	82.2	89.5	+7.3
Minicars	26.2	24.3	-1.9
Number of exported vehicles	435.3	441.5	+6.2
Components for overseas production	176.3	259.0	+82.7
Total	720.0	814.3	+94.2

* Domestic production figures include Toyota 86.

Appendix (2)

- 3rd quarter (3months) consolidated income statements
- 4th quarter (3months) consolidated income statements

3rd Quarter (3 months) : Consolidated Unit Sales



(Thousand Units)

	Actual Results 3 rd Quarter (3 months) FYE 2016	Actual Results 3 rd Quarter (3 months) FYE 2017	Variance
Passenger car	26.1	30.7	+4.6
Minicar	7.3	6.8	-0.5
Domestic total	33.4	37.5	+4.1
US	155.7	174.4	+18.7
Canada	10.6	12.0	+1.4
Russia	1.3	0.3	-1.0
Europe	9.0	11.3	+2.3
Australia	9.9	15.5	+5.6
China	9.6	10.2	+0.6
Others	10.4	12.5	+2.0
Overseas total	206.6	236.3	+29.7
Total	240.0	273.8	+33.8

3rd Quarter (3 months) : Consolidated Income Statements



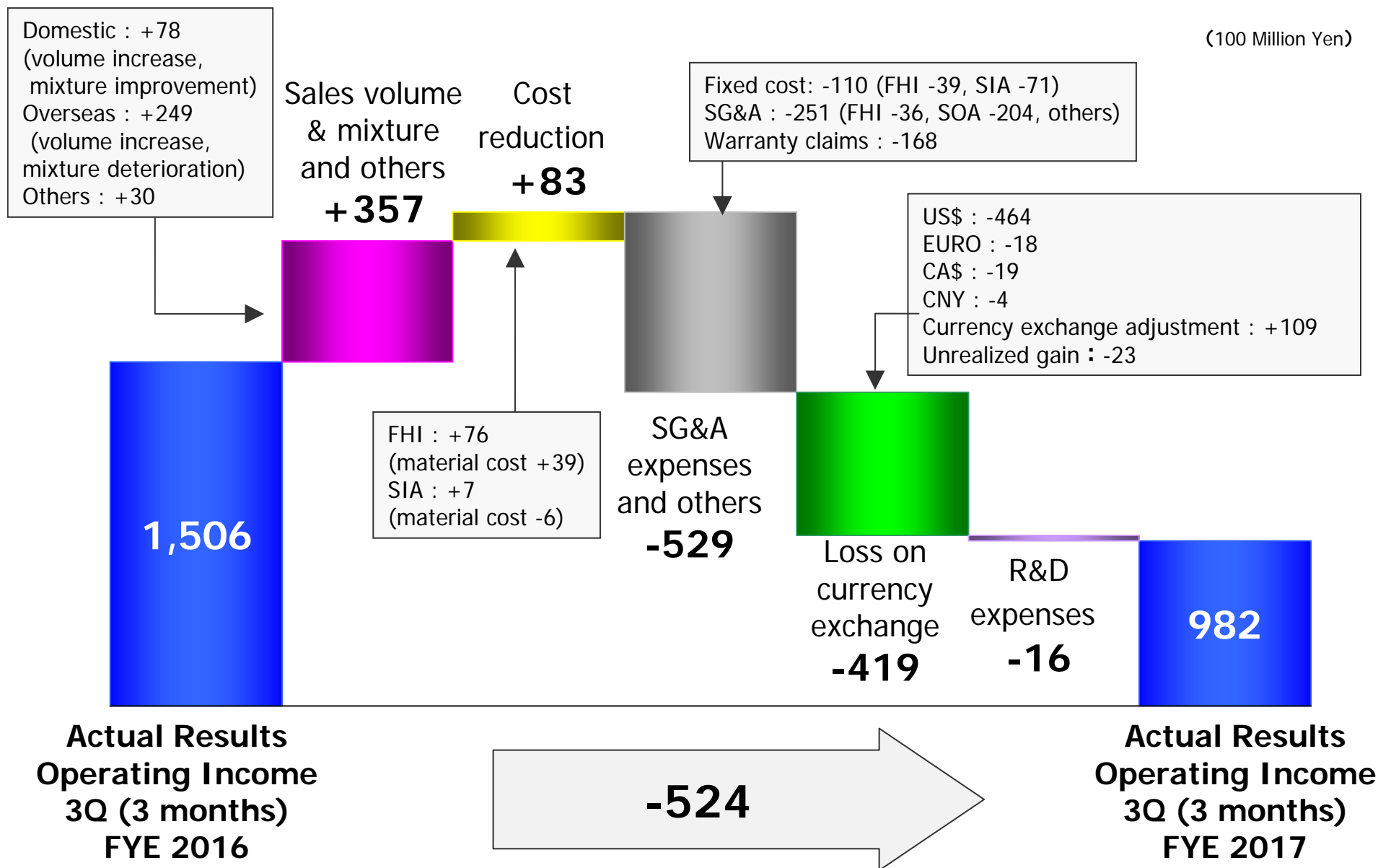
(100 Million Yen)

	Actual Results 3 rd Quarter (3 months) FYE 2016	Actual Results 3 rd Quarter (3 months) FYE 2017	Variance
Net sales	8,172	8,502	+331
Domestic	1,430	1,589	+159
Overseas	6,742	6,913	+172
Operating income	1,506	982	-524
Ordinary income	1,490	694	-795
Income before taxes and minority interests	1,974	633	-1,341
Net income attributable to owners of parent	1,446	437	-1,009
FHI exchange rate	¥121/US\$	¥105/US\$	-¥16/US\$

3rd Quarter (3 months) : Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)



4th Quarter (3 months) : Consolidated Unit Sales



(Thousand Units)

	Actual Results 4 th Quarter FYE 2016	Plan 4 th Quarter FYE 2017	Variance
Passenger car	35.7	44.4	+8.7
Minicar	9.7	11.6	+1.8
Domestic total	45.4	56.0	+10.6
US	136.4	166.1	+29.7
Canada	10.9	12.4	+1.5
Russia	1.0	1.5	+0.6
Europe	13.2	11.3	-1.8
Australia	11.7	11.6	-0.1
China	14.3	12.0	-2.3
Others	12.9	10.8	-2.1
Overseas total	200.3	225.8	+25.5
Total	245.7	281.7	+36.1

4th Quarter (3 months) : Consolidated Income Statements



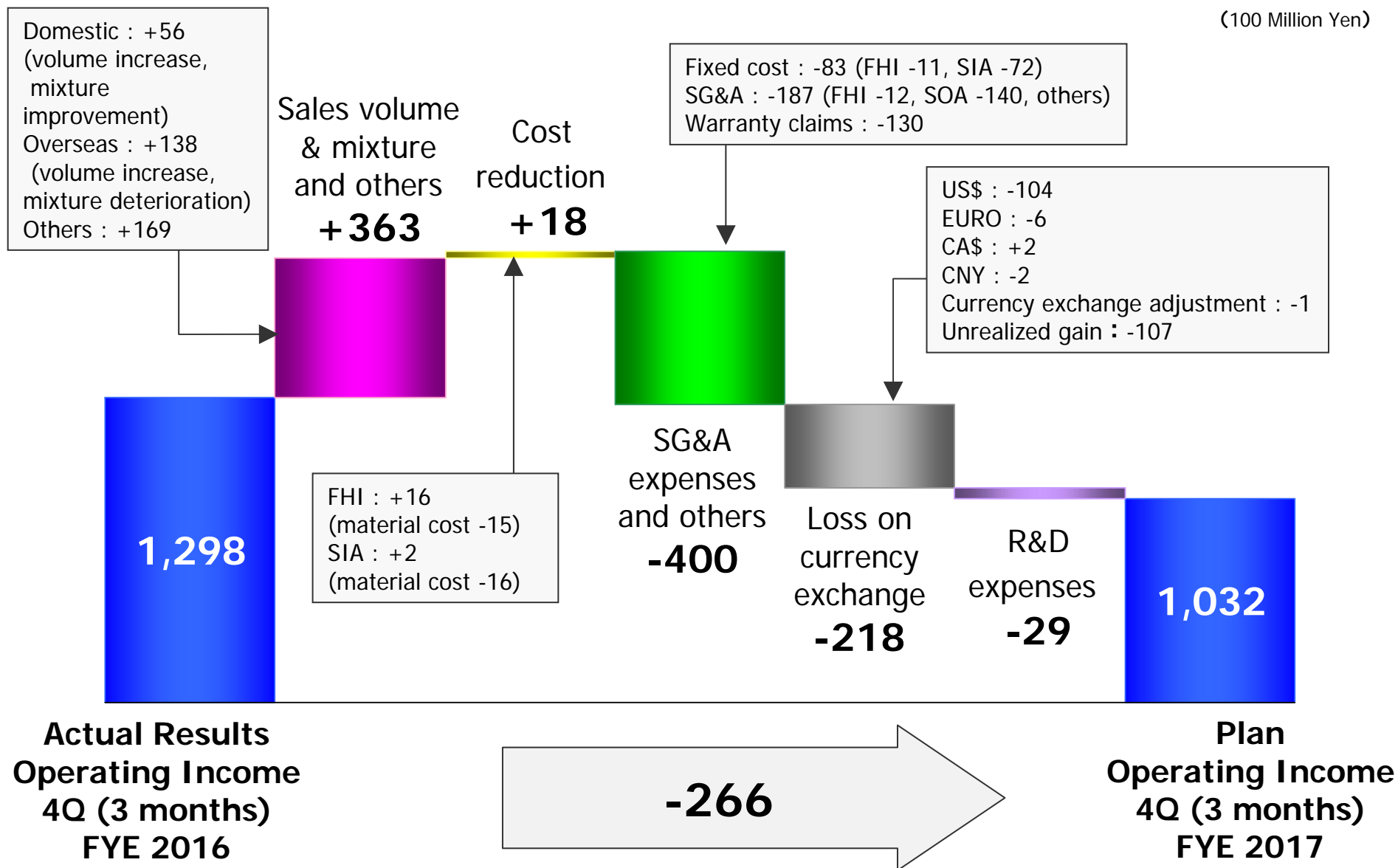
(100 Million Yen)

	Actual Results 4 th Quarter FYE 2016	Plan 4 th Quarter FYE 2017	Variance
Net sales	8,136	8,821	+685
Domestic	1,772	2,062	+290
Overseas	6,364	6,759	+395
Operating income	1,298	1,032	-266
Ordinary income	1,430	1,148	-282
Income before taxes and minority interests	1,385	1,132	-254
Net income attributable to owners of parent	989	825	-164
FHI exchange rate	¥118/US\$	¥113/US\$	-¥4/US\$

4th Quarter (3 months) : Analysis of Variance in Operating Income (Consolidated)



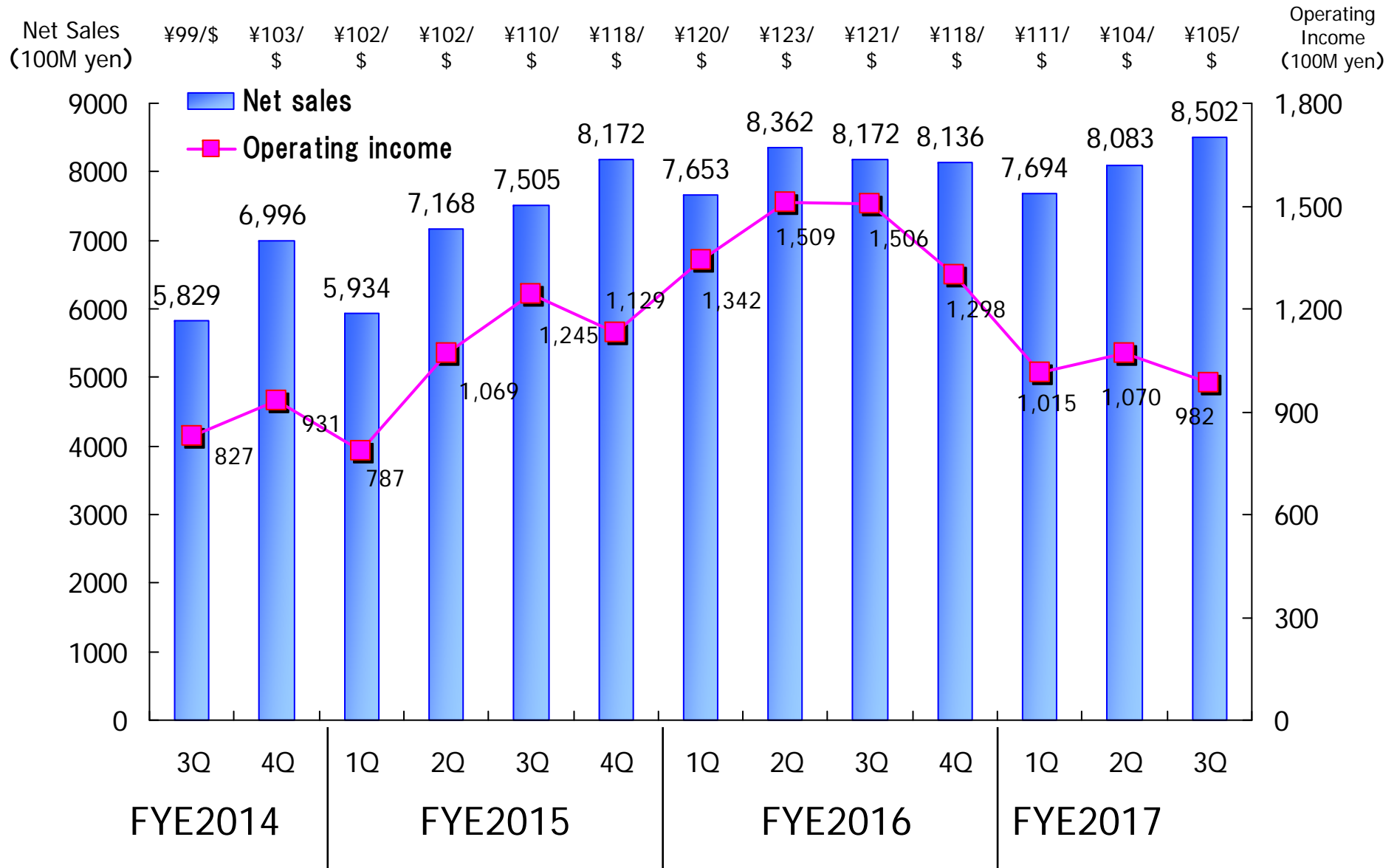
(100 Million Yen)



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

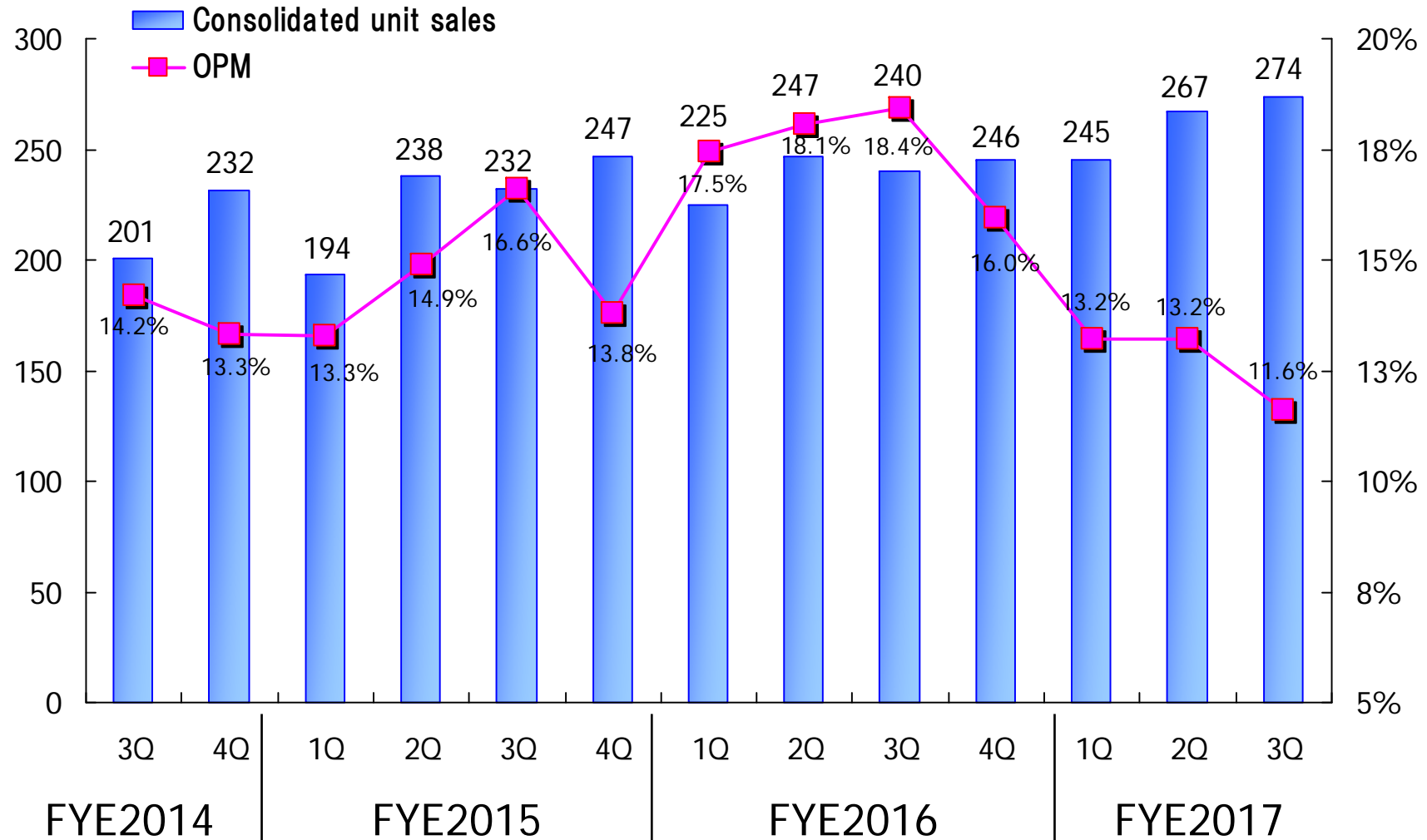


Consolidate Unit Sales / Operating Income Margin



Unit sales
(1,000 units)

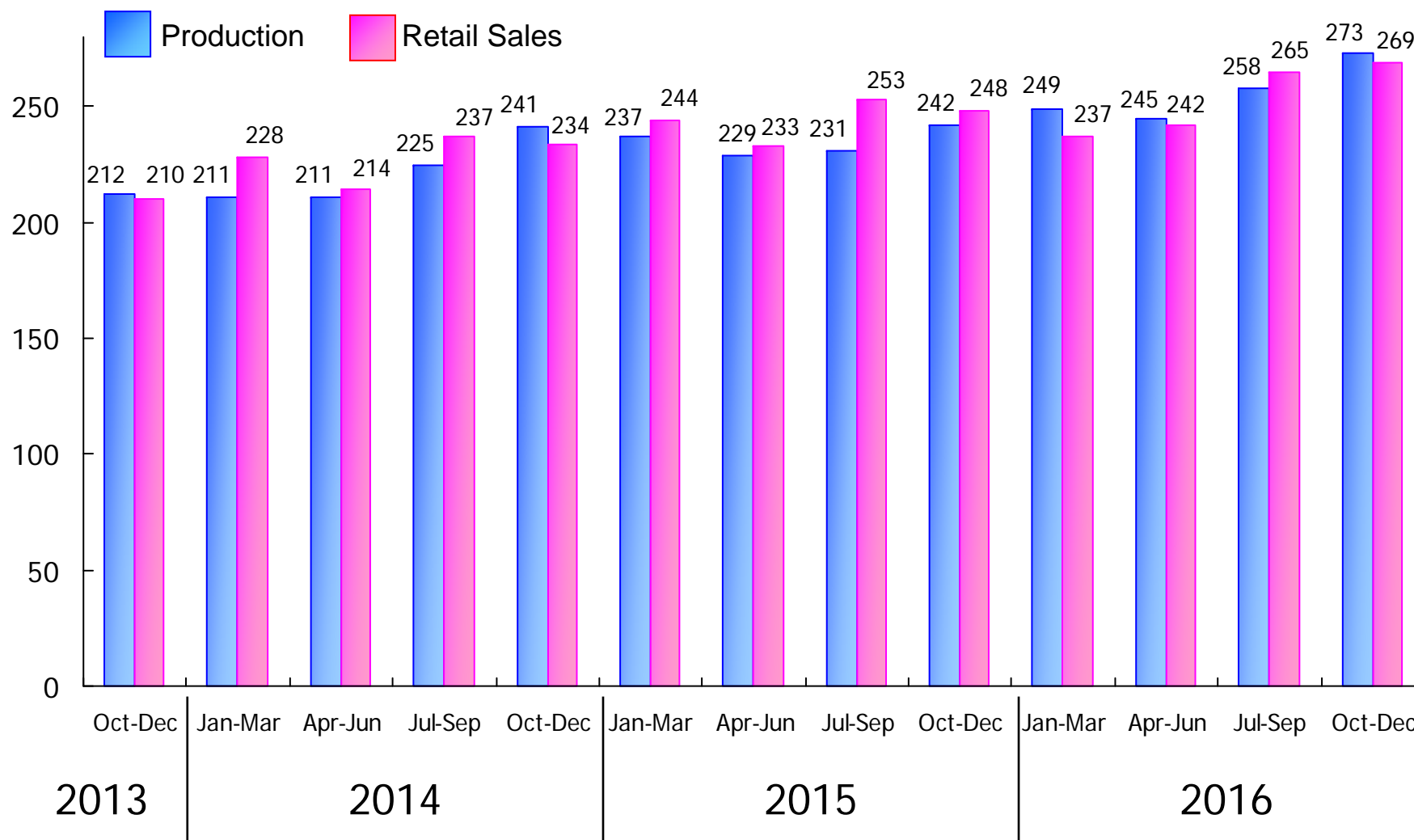
OPM



Complete Cars Production / Retail Sales Units

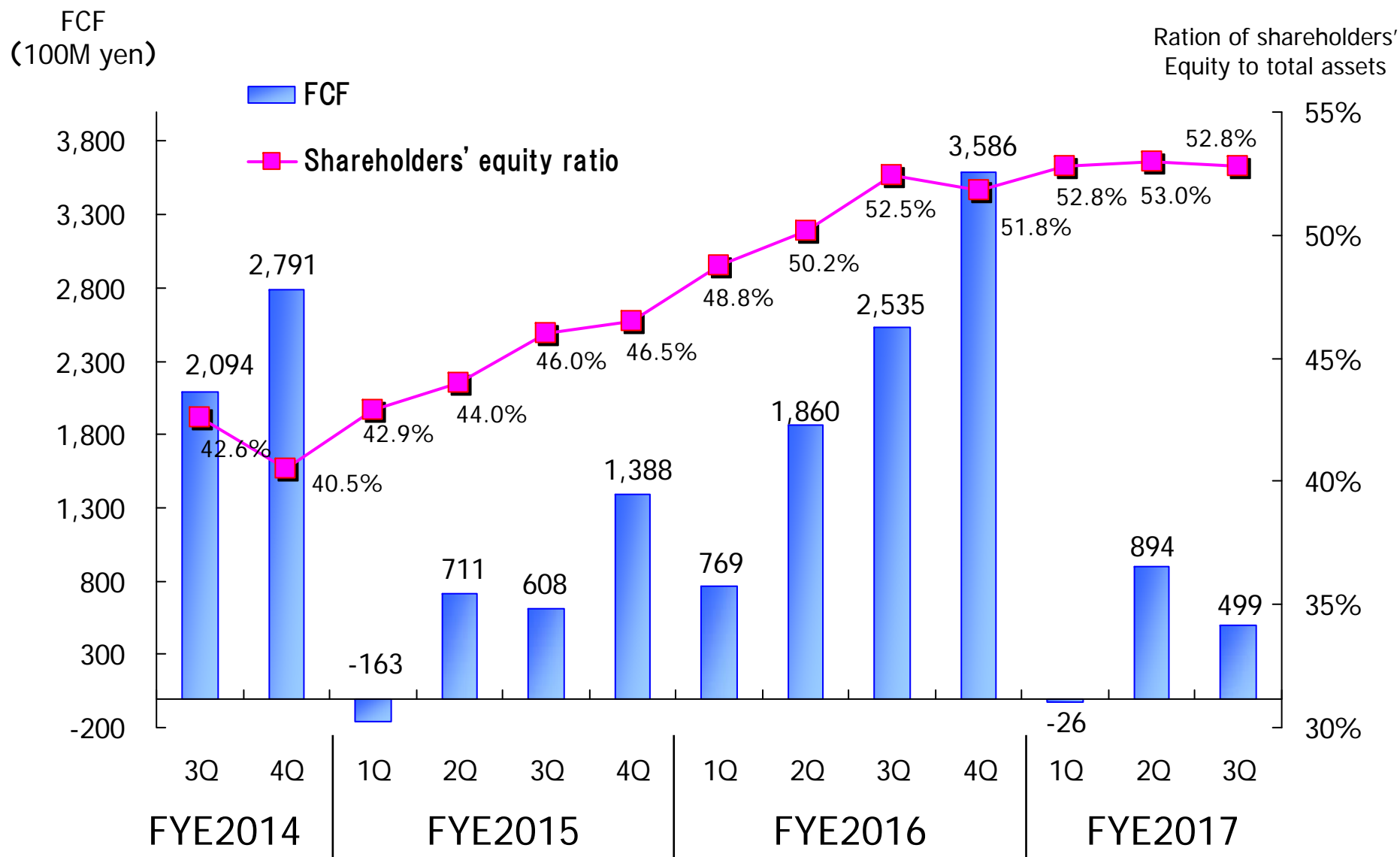


(1,000 units)

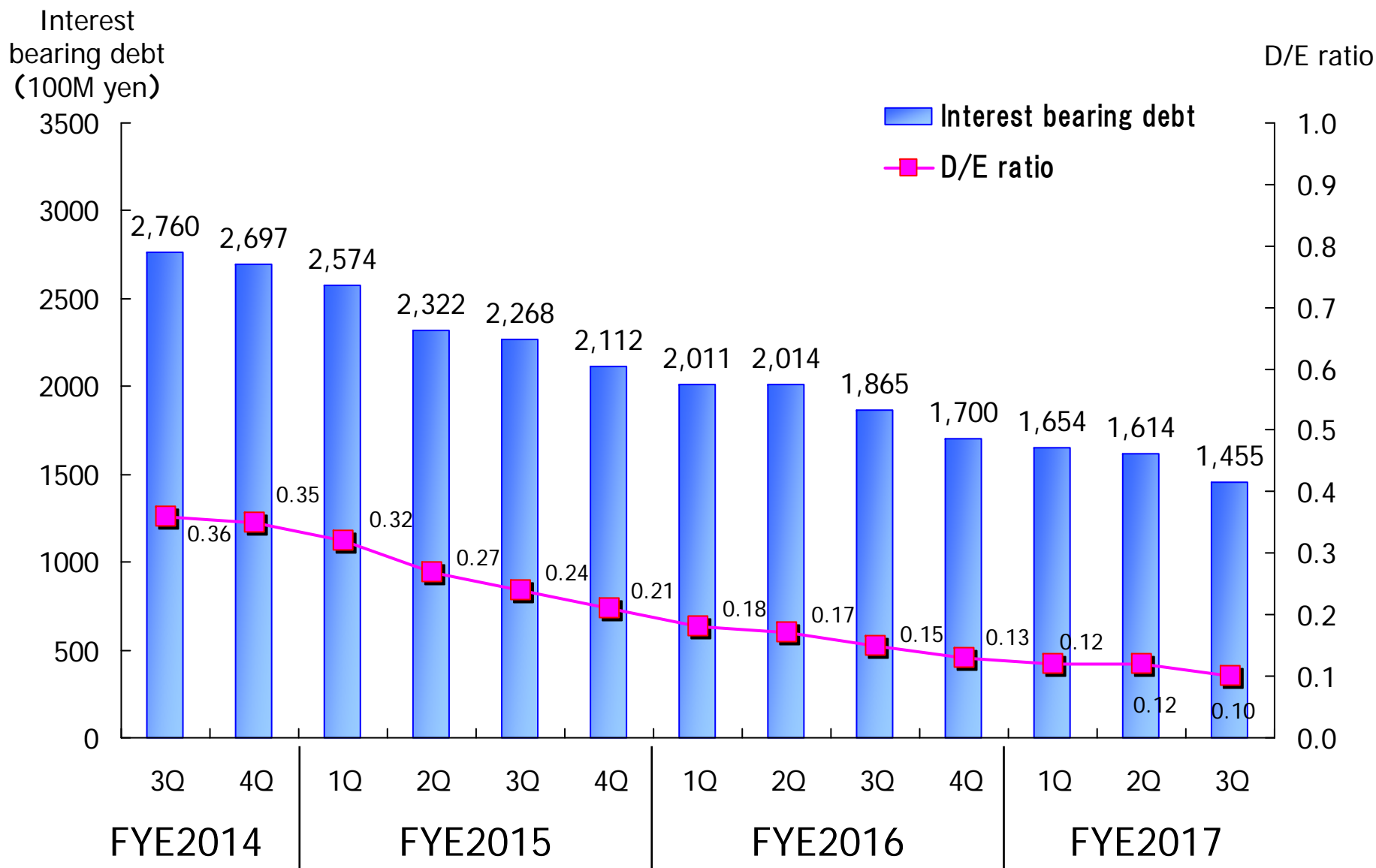


※ Production figures include Toyota 86

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



Interest Bearing Debt / 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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