

Consolidated Financial Results for the 1st Quarter of FYE 2018



SUBARU CORPORATION
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Summary



Consolidated Financial Results for the 1st Quarter (3 months) of FYE 2018

- Consolidated unit sales posted record results for a fiscal first quarter.
- Consolidated net sales increased mainly due to higher automobile unit sales and foreign exchange gains.
- Operating income increased mainly due to higher automobile unit sales, despite higher SG&A and R&D expenses etc..

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Actual results (YoY)	¥854.8bil. (+¥85.4bil.)	¥119.3bil. (+¥17.8bil.)	¥119.3bil. (+¥0.5bil.)	¥82.3bil. (+¥3.5bil.)	271.3k units (+26.2k units)

Forecasts for FYE 2018

- Full-year financial projection remains unchanged.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Plan (YoY)	¥3,420.0bil. (+¥94.0bil.)	¥410.0bil. (-¥0.8bil.)	¥410.0bil. (+¥15.7bil.)	¥285.0bil. (+¥2.6bil.)	¥1,105.5k units (+41.0k units)



Consolidated Financial Results for the 1st Quarter (3 months) of FYE 2018

1Q (3 months) : Consolidated Unit Sales



(Thousand Units)

	Actual Results 1Q (3 months) FYE 2017	Actual Results 1Q (3 months) FYE 2018	Variance
Passenger car	24.5	33.3	+8.7
Minicar	6.6	7.2	+0.6
Domestic total	31.2	40.5	+9.3
US	155.0	174.0	+18.9
Canada	15.4	15.5	+0.1
Russia	1.9	1.8	-0.1
Europe	8.7	8.3	-0.3
Australia	12.0	14.1	+2.1
China	9.5	8.0	-1.5
Others	11.4	9.2	-2.2
Overseas total	214.0	230.9	+16.9
Total	245.2	271.3	+26.2

1Q (3 months) : Consolidated Income Statements



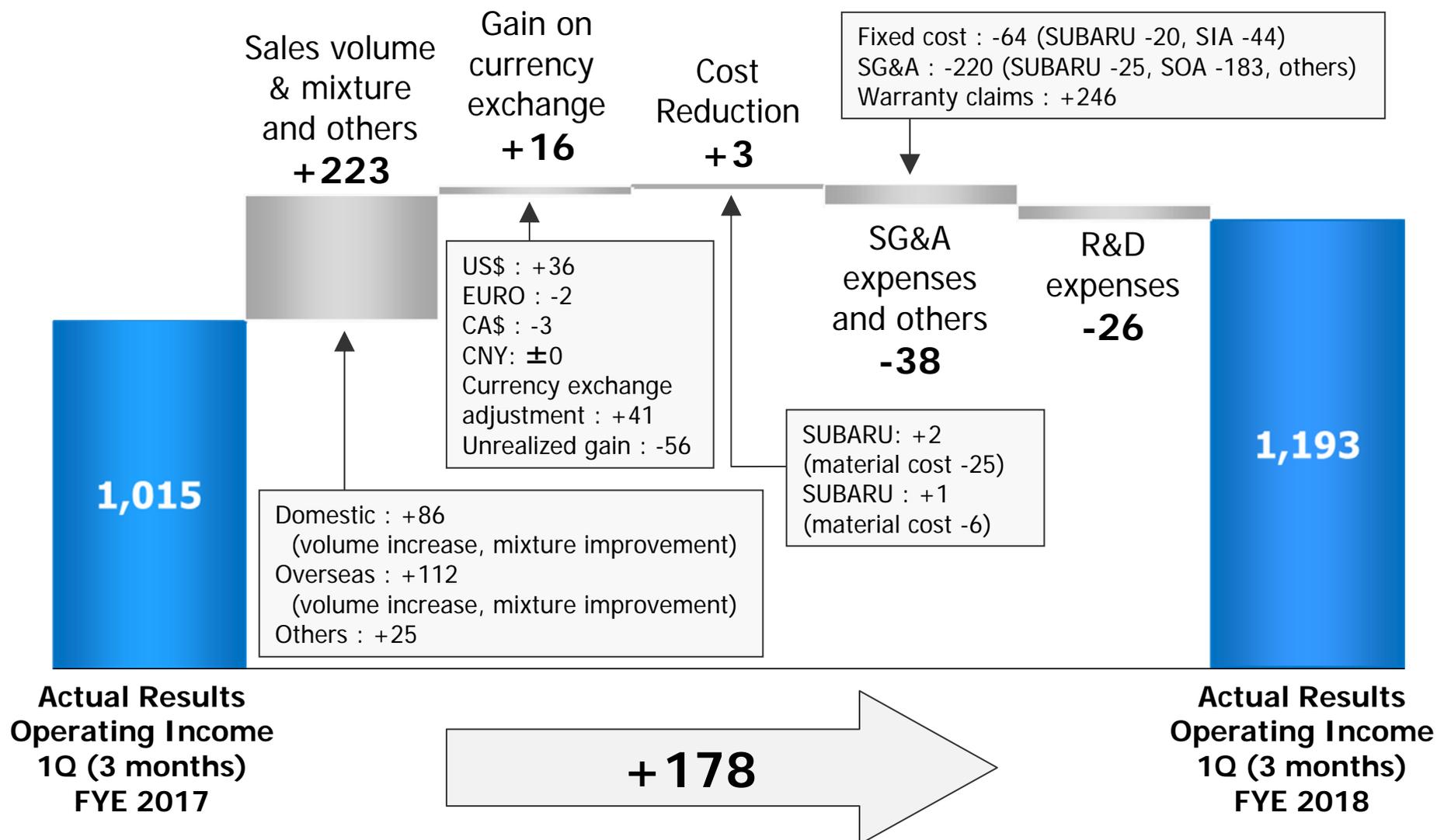
(100 Million Yen)

	Actual Results 1Q (3 months) FYE 2017	Actual Results 1Q (3 months) FYE 2018	Variance
Net sales	7,694	8,548	+854
Domestic	1,303	1,605	+302
Overseas	6,391	6,943	+552
Operating income	1,015	1,193	+178
Total non-operating income & expenses	+173	-1	-173
Ordinary income	1,188	1,193	+5
Total extraordinary income & loss	-10	-11	-1
Income before taxes and minority interests	1,178	1,182	+4
Net income attributable to owners of parent	789	823	+35
SUBARU exchange rate	¥111/US\$	¥112/US\$	+¥1/US\$

1Q (3 months) : Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)



Consolidated Balance Sheets



(100 Million Yen)

	As of March 2017	As of June 2017	Variance
Total assets	27,623	27,812	+189
Current assets	18,453	18,395	-58
Noncurrent assets	9,171	9,417	+247
Total liabilities	12,974	12,857	-118
Interest bearing debts	1,483	1,107	-375
Net assets	14,649	14,955	+306
Retained earnings	11,733	12,009	+276
Shareholders' equity	14,587	14,887	+301
Ratio of shareholders' equity to total assets	52.8%	53.5%	+0.7
D/E ratio	0.10	0.07	-0.03

1Q (3 months) : Consolidated Statement of Cash Flows



(100 Million Yen)

	Actual Results 1Q (3 months) FYE 2017	Actual Results 1Q (3 months) FYE 2018	Variance
Net cash provided by (used in) operating activities	621	1,411	+790
Net cash provided by (used in) investing activities	-647	-384	+263
Free cash flows	-26	1,027	+1,053
Net cash provided by (used in) financing activities	-610	-884	-274
Effect of exchange rate change on cash and cash equivalents	-198	6	+205
Net increase (decrease) in cash and cash equivalents	-834	149	+983
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	-5	-5
Increase (decrease) in cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	-	37	37
Cash and cash equivalents at end of period	7,460	7,467	+6

1Q (3 months) : Operating Results of Subsidiaries in U.S.



(Million US\$)

SOA	Actual Results 1Q (3 months) FYE 2017	Actual Results 1Q (3 months) FYE 2018	Variance
Net sales	4,079	4,726	+647
Operating income	219	139	-80
Net income	135	88	-47
Retail sales (Thousand units)	146.7	160.0	+13.3

SIA	Actual Results 1Q (3 months) FYE 2017	Actual Results 1Q (3 months) FYE 2018	Variance
Net sales	1,496	2,163	+667
Operating income	28	77	+49
Net income	18	50	+32
SUBARU production (Thousand units)	65.1	99.3	+34.2



Forecasts for FYE 2018

FYE 2018 : Consolidated Operating Plan



(100 Million Yen)

	Actual results FYE 2017	Plan FYE 2018	Variance
Net sales	33,260	34,200	+940
Operating income	4,108	4,100	-8
Ordinary income	3,943	4,100	+157
Net income attributable to owners of parent	2,824	2,850	+26
SUBARU exchange rate	¥108/US\$	¥110/US\$	+¥2/US\$
Consolidated Automobile Sales	1,064.5k units	1,105.5k units	+41.0k units
Domestic	158.9k units	172.1k units	+13.1k units
Overseas	905.6k units	933.4 k units	+27.8k units

Capex / Depreciation / R&D / Interest bearing debt



(100 Million Yen)

	Actual Results 1Q (3 months) FYE2017	Actual Results FYE2017 (a)	Actual Results 1Q (3 months) FYE 2018	Plan FYE2018 (b)	Variance (b) - (a)
Capex	368	1,585	220	1,500	-85
Depreciation	159	770	202	920	+150
R&D	236	1,142	262	1,340	+198
Interest bearing debt	1,654	1,483	1,107	1,000	-483

Appendix(1)

- Non-operating income & expenses and extraordinary income & loss (1Q)
- Segment information by business & geographic (1Q)
- Overseas net sales (1Q)
- Non-consolidated unit sales (1Q)
- Plan for FYE 2018
- Plan for 1st half of FYE 2018

1Q (3 months) : Non-operating Income & Expenses and Extraordinary Income & Loss (Consolidated)



(100 Million Yen)

	Actual Results 1Q (3 months) FYE2017	Actual Results 1Q (3 months) FYE 2018	Variance
Financial revenue and expenditure	6	11	+5
FOREX effects	+171	-8	-179
Other	-5	-4	+1
Total non-operating income & expenses	+173	-1	-173
Gain on sales of noncurrent assets	0	1	+1
Gain on sales of investment securities	1	1	+0
Loss on sales and retirement of noncurrent assets	-10	-12	-2
Other	0	0	-0
Total extraordinary income & loss	-10	-11	-1

1Q (3 months) : Net Sales and Operating Income by Business Segment (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	Actual Results 1Q (3 months) FYE 2017	Actual Results 1Q (3 months) FYE 2018	Variance	Actual Results 1Q (3 months) FYE 2017	Actual Results 1Q (3 months) FYE 2018	Variance
Automobile	7,245	8,122	+877	993	1,168	+175
Aerospace	352	339	-13	17	18	+1
Others	97	86	-11	3	12	+9
Elimination & Corporate				2	-5	-7
Total	7,694	8,548	+854	1,015	1,193	+178

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

1Q (3 months) : Net Sales and Operating Income by Geographic Area (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	Actual Results 1Q (3 months) FYE 2017	Actual Results 1Q (3 months) FYE 2018	Variance	Actual Results 1Q (3 months) FYE 2017	Actual Results 1Q (3 months) FYE 2018	Variance
Japan	2,217	2,414	+197	667	934	+267
North America	4,871	5,635	+764	240	233	-7
Others	606	498	-107	16	9	-7
Elimination & Corporate	/	/	/	93	18	-75
Total	7,694	8,548	+854	1,015	1,193	+178

1Q (3 months) : Overseas Net Sales (Consolidated)



(100 Million Yen)

	Actual Results 1Q (3 months) FYE 2017	Actual Results 1Q (3 months) FYE 2018	Variance
North America	5,177	5,917	+740
Europe	269	254	-16
Asia	531	360	-171
Other	413	412	-1
Total	6,391	6,943	+552

1Q (3 months) : Non-consolidated Unit Sales



(Thousand Units)

	Actual Results 1Q (3 months) FYE 2017	Actual Results 1Q (3 months) FYE 2018	Variance
Domestic production	179.4	176.3	-3.1
Domestic sales	32.8	44.5	+11.7
Passenger cars	26.0	36.7	+10.6
Minicars	6.8	7.8	+1.0
Number of exported vehicles	148.2	136.5	-11.8
Components for overseas production	75.2	89.3	+14.1
Total	256.3	270.3	+14.0

* Domestic production figures include Toyota 86.

Plan for FYE 2018 : Consolidated Unit Sales



(Thousand units)

	Actual results FYE 2017	Plan FYE 2018	Variance
Passenger car	126.4	134.2	+7.8
Minicar	32.5	37.8	+5.3
Domestic total	158.9	172.1	+13.1
US	667.6	687.7	+20.1
Canada	53.1	54.6	+1.5
Russia	5.3	6.6	+1.3
Europe	40.9	39.2	-1.7
Australia	49.1	52.6	+3.5
China	44.0	42.3	-1.7
Others	45.6	50.5	+4.9
Overseas total	905.6	933.4	+27.8
Total	1,064.5	1,105.5	+41.0

<China> FYE2017 :Figures are consolidated on the calendar year basis from Jan. to Dec.
FYE2018 :Figures are consolidated on the fiscal year basis from Apr. to Mar.

Plan for FYE 2018 : Consolidated Income Statements



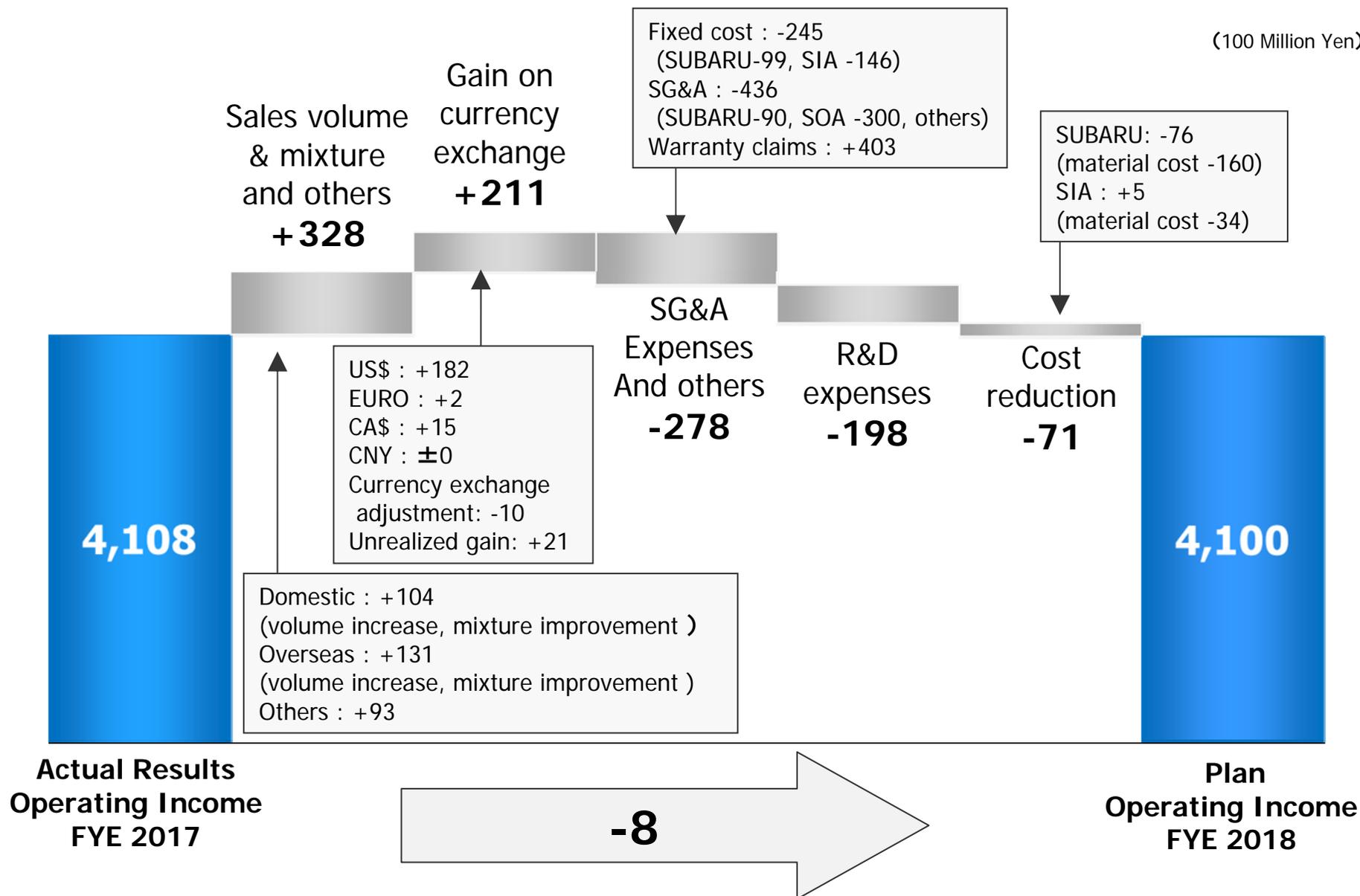
(100 Million Yen)

	Actual Results FYE2017	Plan FYE2018	Variance
Net sales	33,260	34,200	+940
Domestic	6,503	6,680	+176
Overseas	26,756	27,520	+764
Operating income	4,108	4,100	-8
Ordinary income	3,943	4,100	+157
Income before taxes and minority interests	3,947	4,030	+83
Net income attributable to owners of parent	2,824	2,850	+26
SUBARU exchange rate	¥108/US\$	¥110/US\$	+¥2/US\$

Plan FYE 2018: Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)



Plan for 1st Half of FYE 2018: Consolidated Unit Sales Plan



(Thousand Units)

	1 st Half Actual Results FYE 2017	1st Half Plan FYE2018	Variance
Passenger car	52.5	65.2	+12.7
Minicar	15.6	17.4	+1.8
Domestic total	68.0	82.6	+14.5
US	326.9	335.0	+8.0
Canada	28.4	30.1	+1.7
Russia	3.7	3.7	-0.0
Europe	18.4	19.6	+1.1
Australia	22.4	27.3	+4.9
China	21.8	21.9	+0.1
Others	22.3	22.2	-0.1
Overseas total	443.9	459.7	+15.8
Total	512.0	542.3	+30.3

Plan for 1st Half of FYE 2018 : Consolidated Income Statements



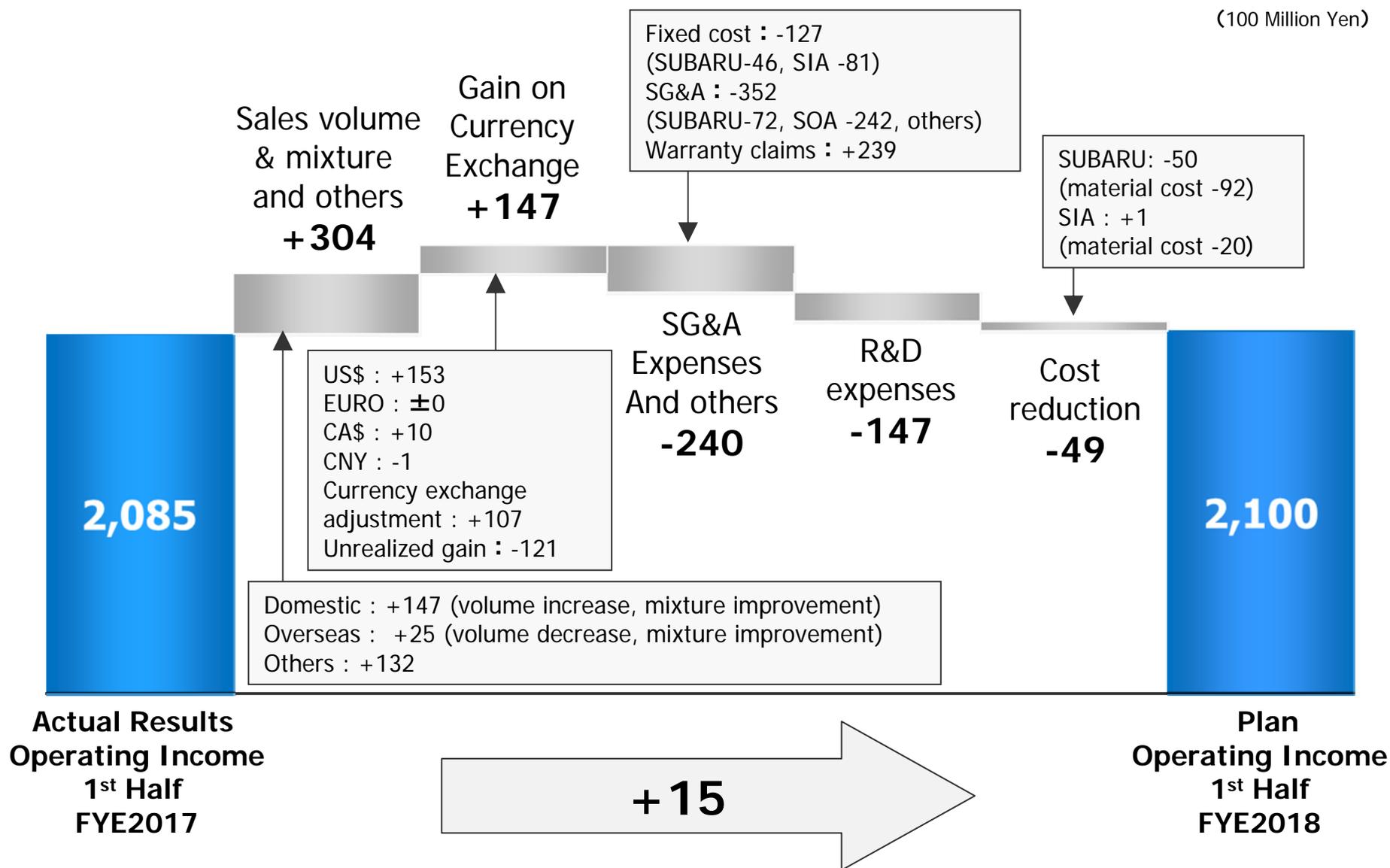
(100 Million Yen)

	1 st Half Actual Results FYE 2017	1st Half Plan FYE2018	Variance
Net sales	15,777	16,890	+1,113
Domestic	2,860	3,286	+426
Overseas	12,916	13,604	+688
Operating income	2,085	2,100	+15
Ordinary income	2,278	2,100	-178
Income before taxes and minority interests	2,356	2,070	-286
Net income attributable to owners of parent	1,638	1,450	-188
SUBARU exchange rate	¥107/US\$	¥110/US\$	+¥3/US\$

Plan for 1st Half of FYE 2018: Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)



Appendix(2)

- 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

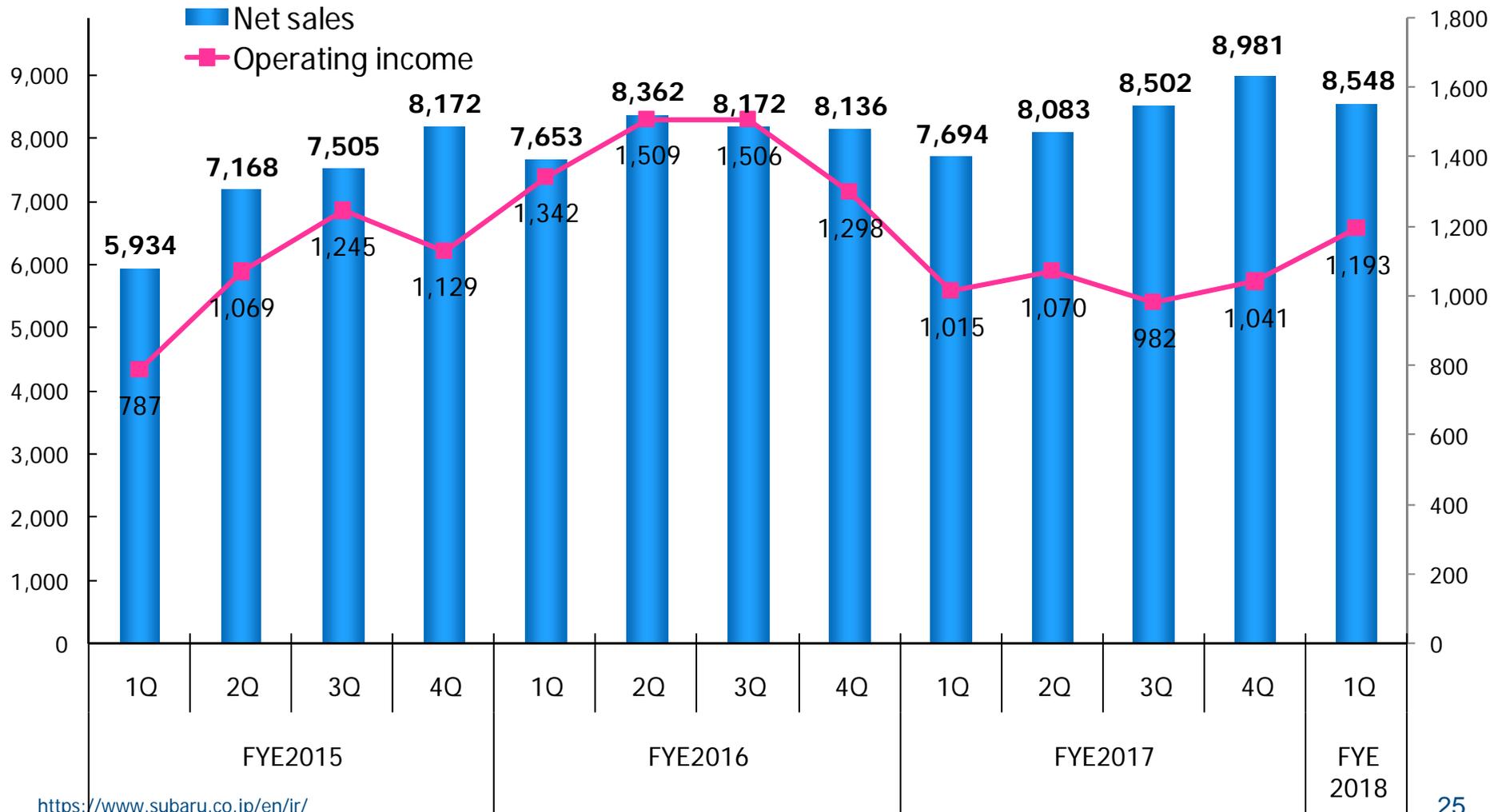
Net Sales / Operating Income



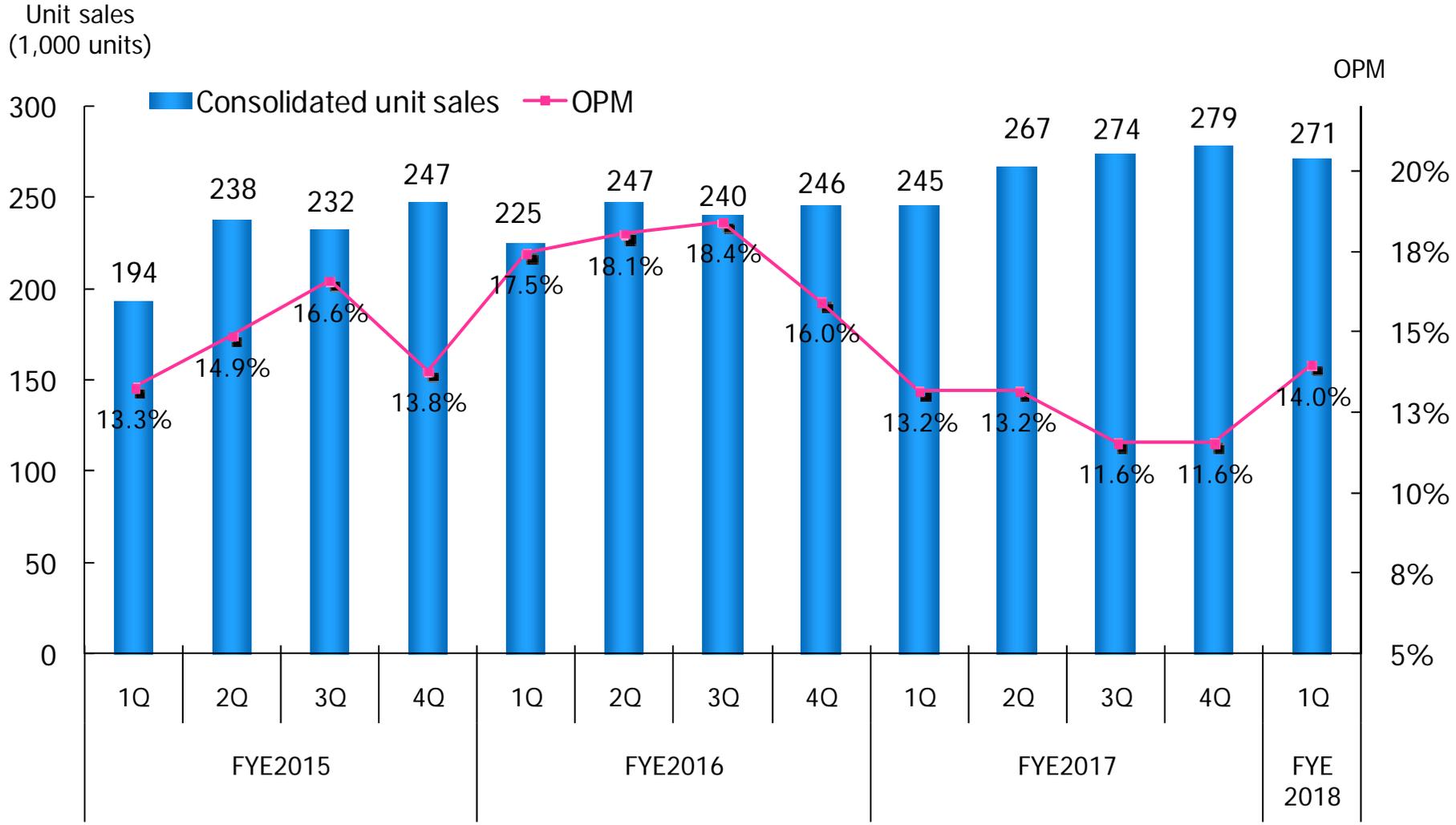
¥102/\$ ¥102/\$ ¥110/\$ ¥118/\$ ¥120/\$ ¥123/\$ ¥121/\$ ¥118/\$ ¥111/\$ ¥104/\$ ¥105/\$ ¥114/\$ ¥112/\$

Net Sales
(100M yen)

Operating
Income
(100M yen)



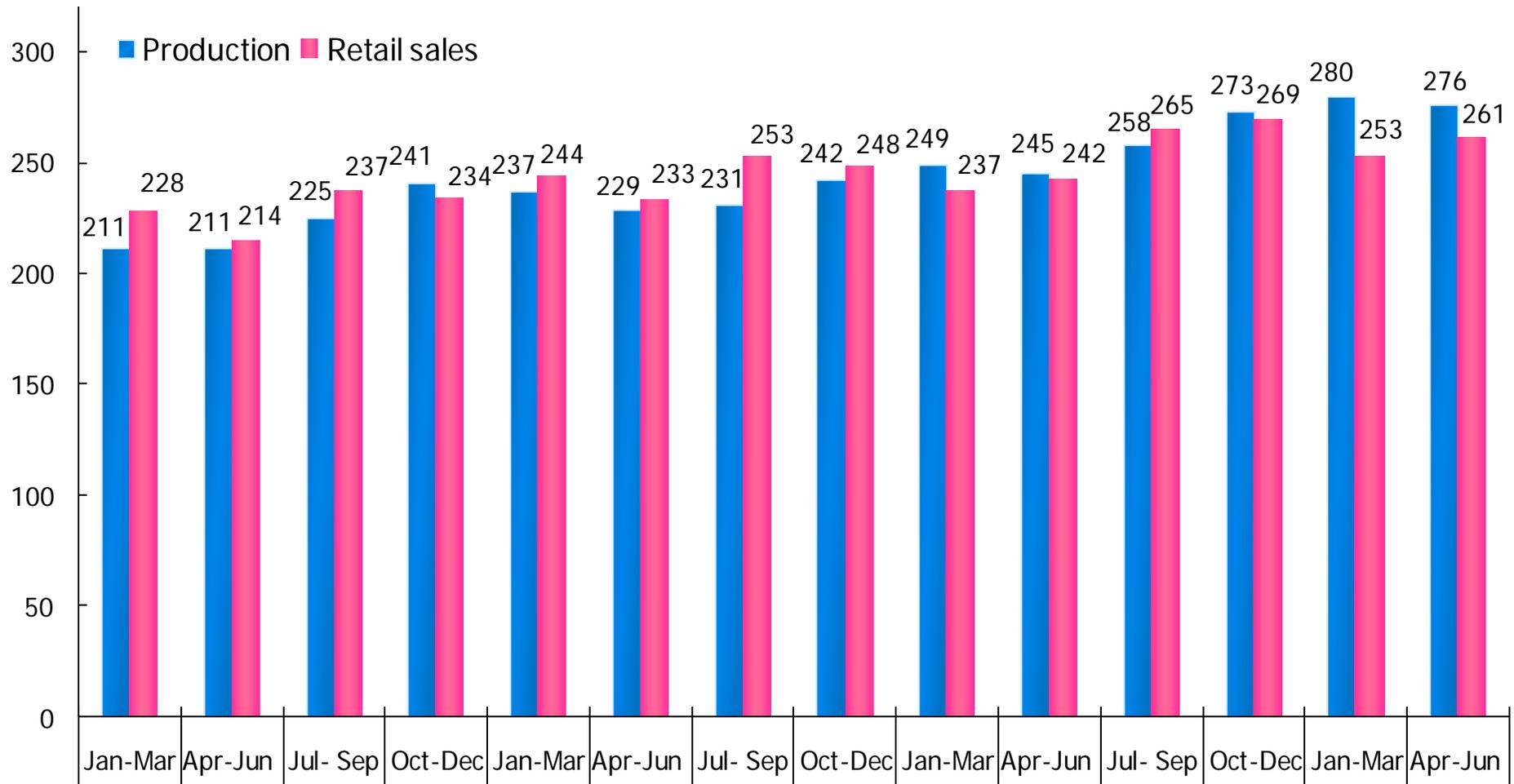
Consolidate Unit Sales & Operating Income Margin



Complete Cars Production / Retail Sales Units

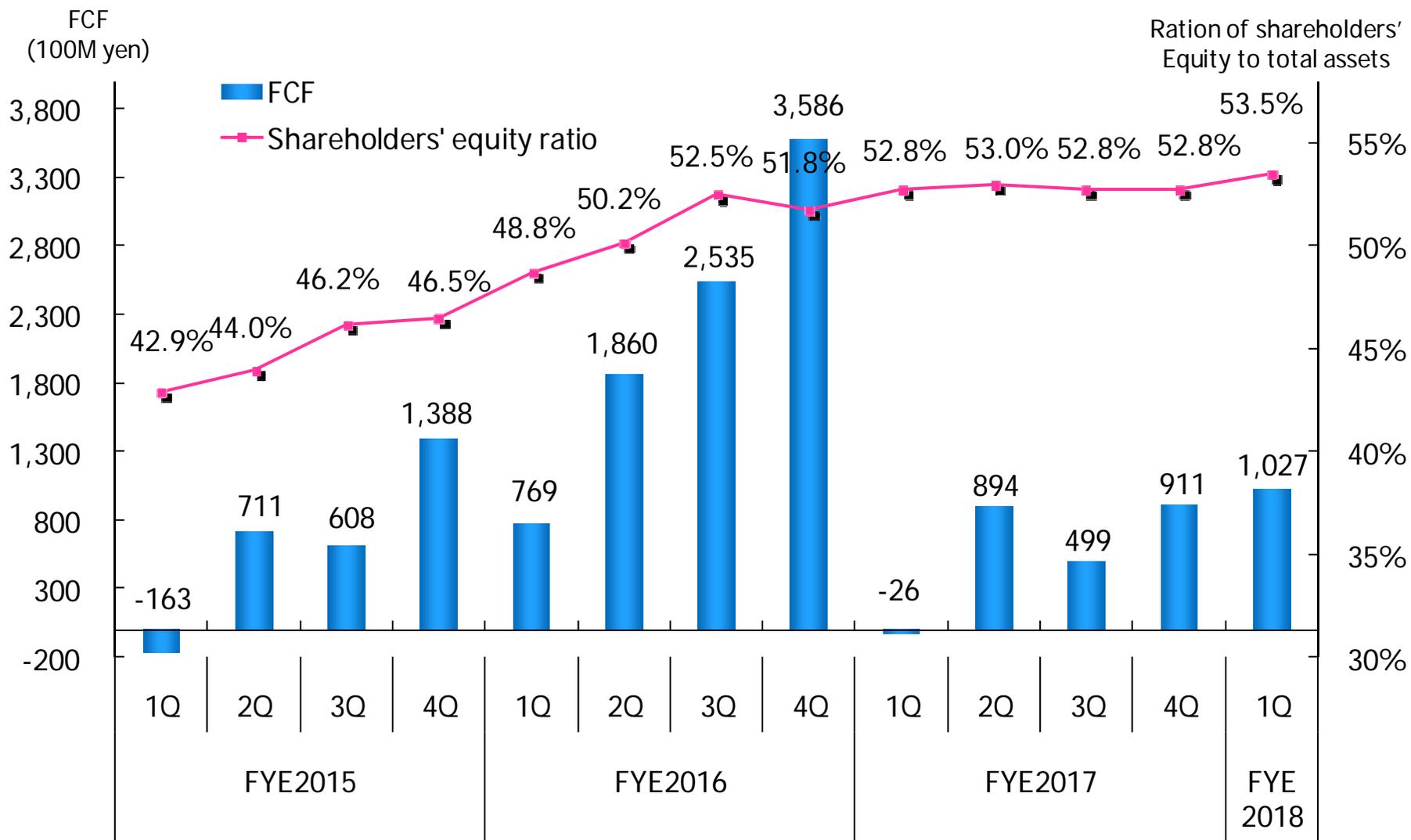


(1,000 units)

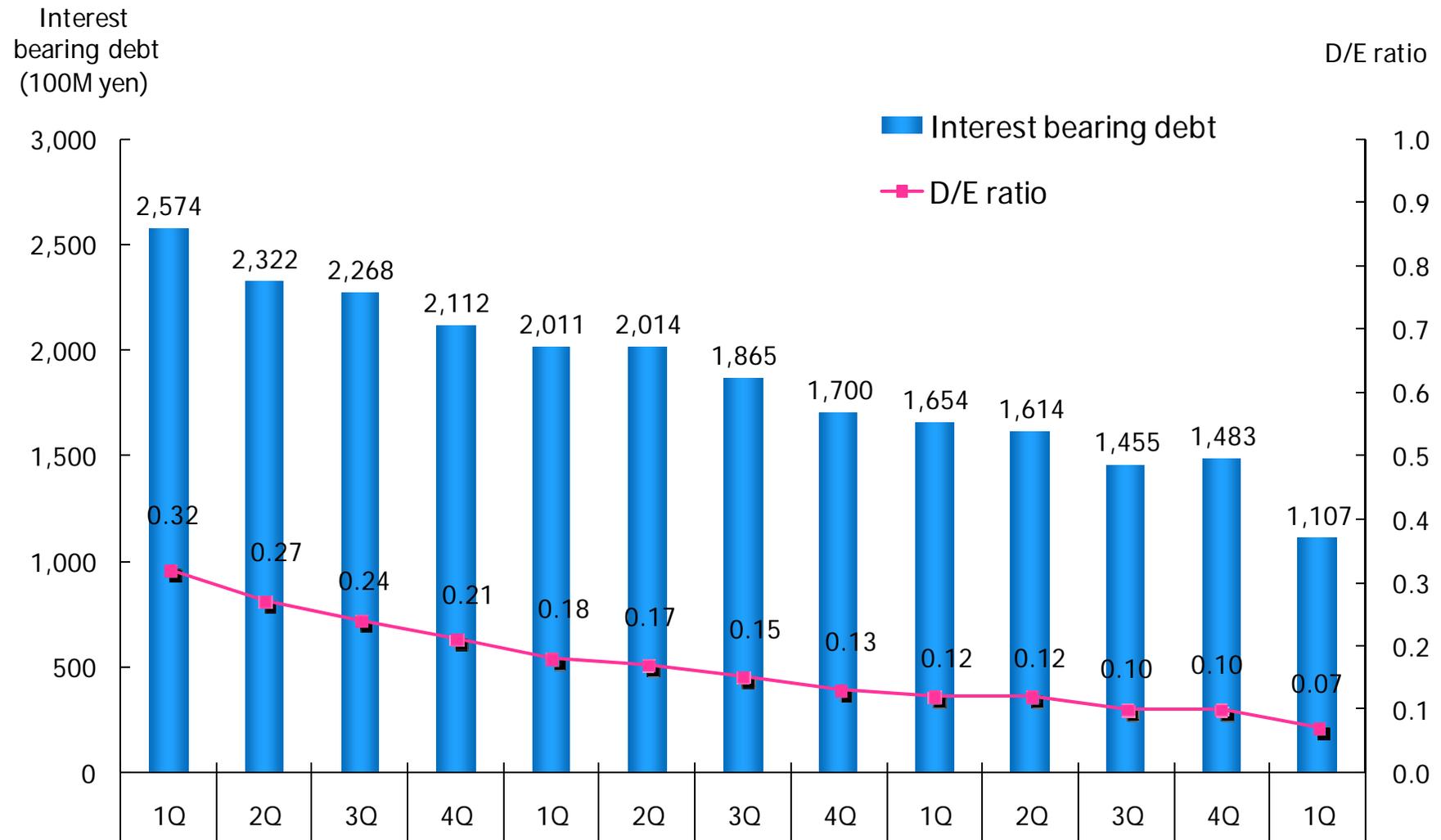


※ Production figures include Toyota 86

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



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.



SUBARU