

Consolidated Financial Results for the 1st Half of FYE 2018



SUBARU CORPORATION

Toshiaki Okada
Corporate Executive Vice President & CFO
November 6, 2017

Summary



Consolidated Financial Results for the 1st Half of FYE 2018

- Consolidated global unit sales, overseas unit sales and North American unit sales posted 1st half record.*¹
- Consolidated net sales increased year on year mainly due to foreign exchange rate fluctuations and higher automobile unit sales.
- Operating income increased year on year, as the effect primarily of foreign exchange rate fluctuations and improvement in the automobile sales, despite higher SG&A and other expenses and higher R&D expenses. Net income attributable to owners of parent decreased year on year, mainly due to the posting of an extraordinary loss as provision for loss related to airbags.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Actual results (YoY)	¥1,686.3bil. (+108.7bil.)	¥212.1bil. (+3.6bil.)	¥212.7bil. (-15.0bil.)	¥85.0bil. (-78.8bil.)	531.3k units (+19.3k units)

*1: Since FYE 2001 - the year SUBARU started half-year consolidated financial reporting

Forecasts for FYE 2018

- Plans for the FYE 2018 was revised downward from the previous plans (announced on August 25, 2017), in consideration of factors such as an expected decrease in automobile unit sales, despite the effects of foreign exchange rate and other factors.
- Consolidated unit sales in North America are projected to reach a record high for the 9th consecutive year.*²
Consolidated global unit sales are projected to post record high for the 6th consecutive year.*²

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Forecasts (YoY)	¥3,380.0bil. (+54.0bil.)	¥380.0bil. (-30.8bil.)	¥382.0bil. (-12.3bil.)	¥207.0bil. (-75.4bil.)	1,067.9k units (+3.4k units)

<https://www.subaru.co.jp/en/ir/>

*2: Since FYE 1986 - the year SUBARU started full-year consolidated financial reporting 1



Consolidated Financial Results for the 1st Half of FYE 2018

1st Half :
Consolidated Unit Sales



(Thousand Units)

	Actual Results 1 st Half FYE 2017	Actual Results 1 st Half FYE 2018	Variance
Passenger cars	52.5	67.3	+14.8
Minicars	15.6	15.1	-0.5
Domestic total	68.0	82.3	+14.3
US	326.9	333.2	+6.3
Canada	28.4	30.7	+2.3
Russia	3.7	3.7	-0.1
Europe	18.4	17.8	-0.7
Australia	22.4	27.7	+5.3
China	21.8	13.8	-7.9
Others	22.3	22.0	-0.2
Overseas total	443.9	448.9	+5.0
Total	512.0	531.3	+19.3

<https://www.subaru.co.jp/en/ir/>

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

3

Consolidated automobile unit sales for the first half of the fiscal year ending March 2018 posted a record for the 6th consecutive year, reaching 531,300 units.

In the domestic market, minicar sales fell by 500 units compared with the same period of the previous fiscal year, but in passenger cars the Impreza and SUBARU XV posted strong sales, with unit volumes rising by 14,800, resulting in the total increasing by 14,300 to reach 82,300 units.

Overseas, the Chinese market struggled, but the Impreza and the Forester recorded robust sales, primarily in the key markets of North America and Australia, with the result that sales rose 5,000 units over the same period of the previous fiscal year, to 448,900 units.

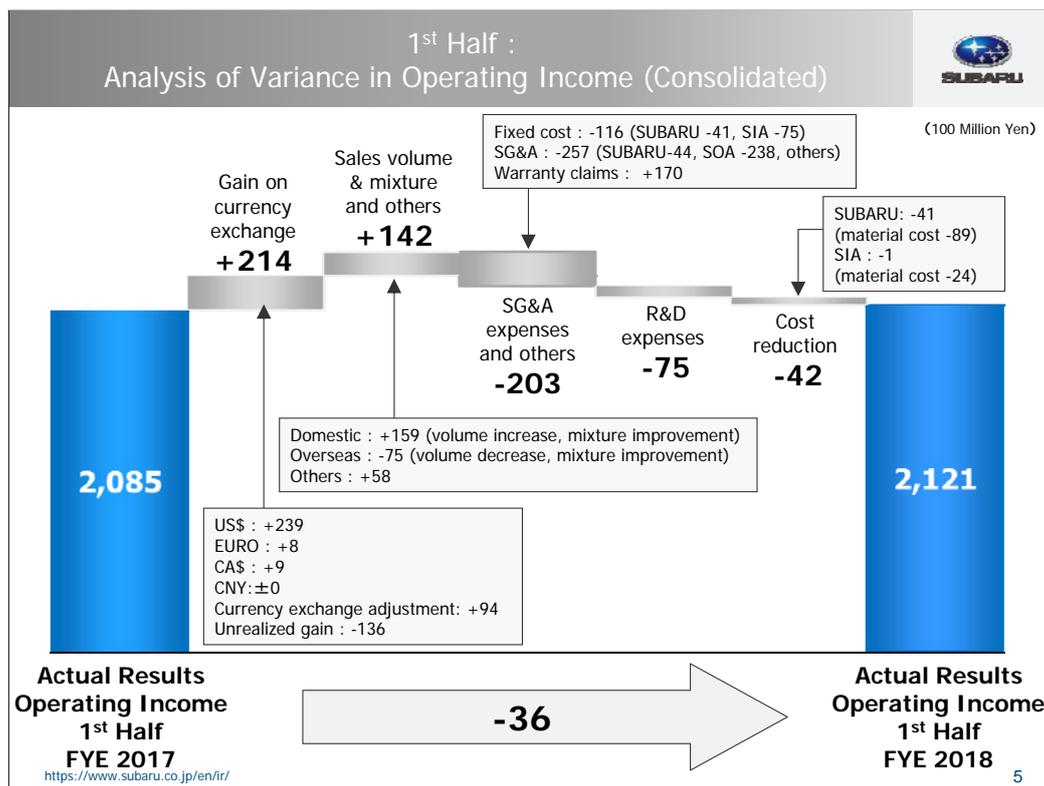
1 st Half :			
Consolidated Income Statements			
(100 Million Yen)			
	Actual Results 1 st Half FYE 2017	Actual Results 1 st Half FYE 2018	Variance
Net sales	15,777	16,863	+1,087
Domestic	2,860	3,286	+426
Overseas	12,916	13,577	+661
Operating income	2,085	2,121	+36
Total non-operating income & expenses	+192	+6	-186
Ordinary income	2,278	2,127	-150
Total extraordinary income & loss	+78	-842	-920
Income before taxes and minority interests	2,356	1,285	-1,071
Net income attributable to owners of parent	1,638	850	-788
SUBARU exchange rate	¥107/US\$	¥111/US\$	+¥4/US\$
https://www.subaru.co.jp/en/ir/			4

Moving on to consolidated income statements, due to such factors as a gain on currency exchange of 59.2 billion yen and a positive sales volume & mixture effect of 50.4 billion yen, net sales increased by 108.7 billion yen year on year to 1,686.3 billion yen.

Operating income was negatively affected by rises in SG&A and other expenses, primarily as a result of higher U.S. interest rates, as well as increases in R&D expenses. However, due to exchange rate fluctuations and improvements in the sales volume & mixture, operating income rose by 3.6 billion yen to 212.1 billion yen.

Ordinary income declined by 15.0 billion yen to 212.7 billion yen, while net income attributable to owners of parent was hit by an extraordinary loss of 81.3 billion yen, as a provision for losses related to airbags, and accordingly fell by 78.8 billion yen to 85.0 billion yen.

Also, the impact of inappropriate practices in relation to final inspection of our vehicles, which was reported to the Ministry of Land, Infrastructure, Transport and Tourism on 30 October 2017, is reflected below operating income to the extent that it can be foreseen at this point in time.



Now let's look at the analysis of variance at the operating income level. Operating income in the period under review increased by 3.6 billion yen over the 208.5 billion yen recorded in the previous year.

The primary reasons pushing up operating income were

<1> Gain on currency exchange: 21.4 billion yen. The yen weakened by roughly 4 yen against the U.S. dollar, leading to a positive impact of 23.9 billion yen.

The yen weakened roughly 5 yen against the euro, for a gain of 800 million yen, and the yen weakened around 2 yen against the Canadian dollar, for a gain of 900 million yen. The Chinese yuan had no net effect, while currency exchange adjustments on transactions between SUBARU and its overseas subsidiaries led to a gain of 9.4 billion yen, and unrealized gains had a negative impact of 13.6 billion yen.

<2> Sales volume & mixture and others: +14.2 billion yen. This is divided into 3 elements.

- ① New vehicles in Japan was +15.9 billion yen.
- ② New vehicles overseas was -7.5 billion yen.
- ③ Inventory adjustments and other factors +5.8 billion yen.

The main factors bringing operating income down were

<3> Increase in other expenses had an impact of -20.3 billion yen. This is divided into 3 elements.

① Increase in fixed manufacturing costs was -11.6 billion yen. Within that, SUBARU accounted for -4.1 billion yen and SIA for -7.5 billion yen. At SUBARU, the impact of increased costs for supplier dies was -2.8 billion yen, and increased fixed processing costs came to -1.3 billion yen. At SIA, the increase in costs for supplier dies had the effect of -3.6 billion yen, and the rise in fixed processing costs was -3.9 billion yen.

② The increase in SG&A expenses had an impact of -25.7 billion yen.

At SUBARU, higher advertising and other expenses had an impact of -4.4 billion yen.

Domestic dealers were -2.0 billion yen, SOA was -23.8 billion yen and the Canadian subsidiary was -200 million yen.

For SOA, the increase in advertising and other expenses came to -2.4 billion yen. The effect of incentives was -21.4 billion yen, due to the value per vehicle rising by 600 dollars, from 1,200 dollars in the same period of the previous year to 1,800 dollars in the current fiscal year, in addition to which the number of units also increased.

③ Declining warranty claims had an impact of +17.0 billion yen.

<4> The effect of R&D expenses increasing was -7.5 billion yen.

<5> The impact of cost reductions was -4.2 billion yen. Of this, SUBARU accounted for -4.1 billion yen and SIA for -100 million yen.

Cost reductions at SUBARU were +4.8 billion yen, while the impact of higher material costs and other negative market factors came to -8.9 billion yen. The impact of cost reductions at SIA was +2.3 billion yen, and that of material prices, etc. was -2.4 billion yen.

As a result of the above, operating income for the first half of the fiscal year ending March 2018 came to 212.1 billion yen.

Consolidated Balance Sheets



(100 Million Yen)

	As of March 2017	As of September 2017	Variance
Total assets	27,623	28,207	+584
Current assets	18,453	18,617	+165
Noncurrent assets	9,171	9,590	+419
Total liabilities	12,974	13,155	+180
Interest bearing debts	1,483	976	-507
Net assets	14,649	15,053	+404
Retained earnings	11,733	12,035	+302
Shareholders' equity	14,587	14,980	+394
Ratio of shareholders' equity to total assets	52.8%	53.1%	+0.3
D/E ratio	0.10	0.07	-0.04

<https://www.subaru.co.jp/en/ir/>

6

The balance sheet shows that total assets increased by 58.4 billion yen from the end of the previous fiscal year to 2,820.7 billion yen. The major factors behind this rise were an increase of 26.1 billion yen in combined funds on hand comprised of cash and deposits, and short-term investment securities, and a 23.8 billion yen gain in property, plant and equipment.

Liabilities rose by 18.0 billion yen to 1,315.5 billion yen from the end of the previous fiscal year. The main reasons for this increase included a 53.2 billion yen decrease in trade accounts payable comprised of notes and accounts payable-trade and electronically recorded obligations-operating, a 12.6 billion yen rise in income taxes payable, and an 81.3 billion yen increase in provision for losses related to airbags.

In addition, interest-bearing debt contracted by 50.7 billion yen to 97.6 billion yen.

Net assets increased by 40.4 billion yen compared with the end of the previous fiscal year to 1,505.3 billion yen.

The primary reasons behind this included a 30.2 billion yen increase in retained earnings. The ratio of shareholders' equity to total assets was 53.1%.

1st Half :		Consolidated Statement of Cash Flows		
(100 Million Yen)				
	Actual Results 1st Half FYE 2017	Actual Results 1st Half FYE 2018	Variance	
Net cash provided by (used in) operating activities	1,984	2,078	+94	
Net cash provided by (used in) investing activities	-1,090	-1,014	+75	
Free cash flows	894	1,064	+170	
Net cash provided by (used in) financing activities	-1,167	-1,033	+133	
Effect of exchange rate change on cash and cash equivalents	-255	27	+282	
Net increase (decrease) in cash and cash equivalents	-528	58	+585	
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	7,767	7,375	-391	

<https://www.subaru.co.jp/en/ir/> 7

Moving on to the consolidated statement of cash flows, we see that net cash provided by operating activities was 207.8 billion yen.

The major components of this were 128.5 billion yen in income before income taxes and minority interests, and an 81.3 billion yen increase in provision for losses related to airbags.

Net cash used in investing activities was 101.4 billion yen.

The main elements within this included a 14.0 billion yen increase in time deposits, 76.0 billion yen in expenditures for the purchase of property, plant and equipment, and 11.8 billion yen in expenditures for the purchase of investment securities.

Free cash flow came to 106.4 billion yen.

Net cash used in financing activities was 103.3 billion yen.

The bulk of this was accounted for by 55.2 billion yen in expenditures for cash dividends paid, and a 39.2 billion yen in repayment of long-term loans payable.

Cash and cash equivalents at the end of period were 737.5 billion yen.

1 st Half :			
Operating Results of Subsidiaries in U.S.			
(Million US\$)			
SOA	Actual Results 1 st Half FYE 2017	Actual Results 1 st Half FYE 2018	Variance
Net sales	8,733	9,115	+382
Operating income	441	278	-163
Net income	272	177	-95
Retail sales (Thousand units)	315.3	334.7	+19.4
SIA	Actual Results 1 st Half FYE 2017	Actual Results 1 st Half FYE 2018	Variance
Net sales	3,392	3,901	+509
Operating income	83	84	+1
Net income	52	54	+2
Production (Thousand units)	147.7	178.9	+31.3

<https://www.subaru.co.jp/en/ir/> 8

Now we will look at the results of the U.S. subsidiary.

SOA's retail sales rose by 19,400 units year on year to 334,700 units due to strong sales of the Impreza and the Crosstrek.

Net sales also rose by 382 million dollars to 9,115 million dollars.

At the operating level, profits fell by 163 million dollars to 278 million dollars as a result of a favorable sales volume and sales mix of +63 million dollars, and an increase in SG&A expenses of -226 million dollars.

SIA's net sales rose by 509 million dollars to 3,901 million dollars, supported by the contribution of the production capacity expansion implemented in the previous fiscal year.

Operating income was affected by better sales mix variances of +73 million dollars, cost reduction efforts of -1 million dollars, and fixed cost increases of -71 million dollars, leading to a year-on-year increase of 1 million dollars, to 84 million dollars.



Forecasts for FYE 2018

Revised Plan FYE 2018 : Consolidated Unit Sales					
(Thousand Units)					
	Actual Results FYE 2017 (a)	Previous Plan FYE 2018 (b)	Revised Plan FYE 2018 (c)	Variance (c)-(a)	Variance (c)-(b)
Passenger cars	126.4	134.2	135.0	+8.6	+0.7
Minicars	32.5	37.8	31.6	-1.0	-6.3
Domestic total	158.9	172.1	166.5	+7.6	-5.5
US	667.6	687.7	668.0	+0.4	-19.7
Canada	53.1	54.6	55.6	+2.5	+1.0
Russia	5.3	6.6	7.3	+2.0	+0.7
Europe	40.9	39.2	39.5	-1.4	+0.4
Australia	49.1	52.6	55.9	+6.8	+3.4
China	44.0	42.3	29.8	-14.2	-12.4
Others	45.6	50.5	45.2	-0.4	-5.2
Overseas total	905.6	933.4	901.4	-4.2	-32.1
Total	1,064.5	1,105.5	1,067.9	+3.4	-37.6

<https://www.subaru.co.jp/en/ir/>

 <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.

Next, we will discuss the plan for the fiscal year ending March 2018.

In terms of consolidated unit sales, we plan for a total of 1.0679 million units in Japan and overseas. This represents a 3,400-unit increase year on year.

Compared to our previous plan, this represents a downward revision of 37,600 units.

By market, Japan is expected to grow by 7,600 units to 166,500 units, a decrease of 5,500 units over the previous plan.

Overseas is seen declining by 4,200 units. Compared with the previous plan this represents a decrease of 32,100 units, for a total of 901,400 units, driven primarily by the impact of lower sales in the U. S. and China.

Revised Plan FYE 2018 : Consolidated Income Statements					
(100 Million Yen)					
	Actual Results FYE 2017 (a)	Previous Plan FYE 2018 (b)	Revised Plan FYE 2018 (c)	Variance (c)-(a)	Variance (c)-(b)
Net sales	33,260	34,200	33,800	+540	-400
Domestic	6,503	6,680	6,717	+213	+37
Overseas	26,756	27,520	27,083	+327	-437
Operating income	4,108	4,100	3,800	-308	-300
Ordinary income	3,943	4,100	3,820	-123	-280
Income before taxes and minority interests	3,947	3,217	2,950	-997	-267
Net income attributable to owners of parent	2,824	2,285	2,070	-754	-215
SUBARU exchange rate	¥108/US\$	¥110/US\$	¥111/US\$	+¥2/US\$	+¥1/US\$

<https://www.subaru.co.jp/en/ir/> 11

Next we will look at the consolidated income statements plan.

This constitutes a downward revision to the income statements compared with the previous plan.

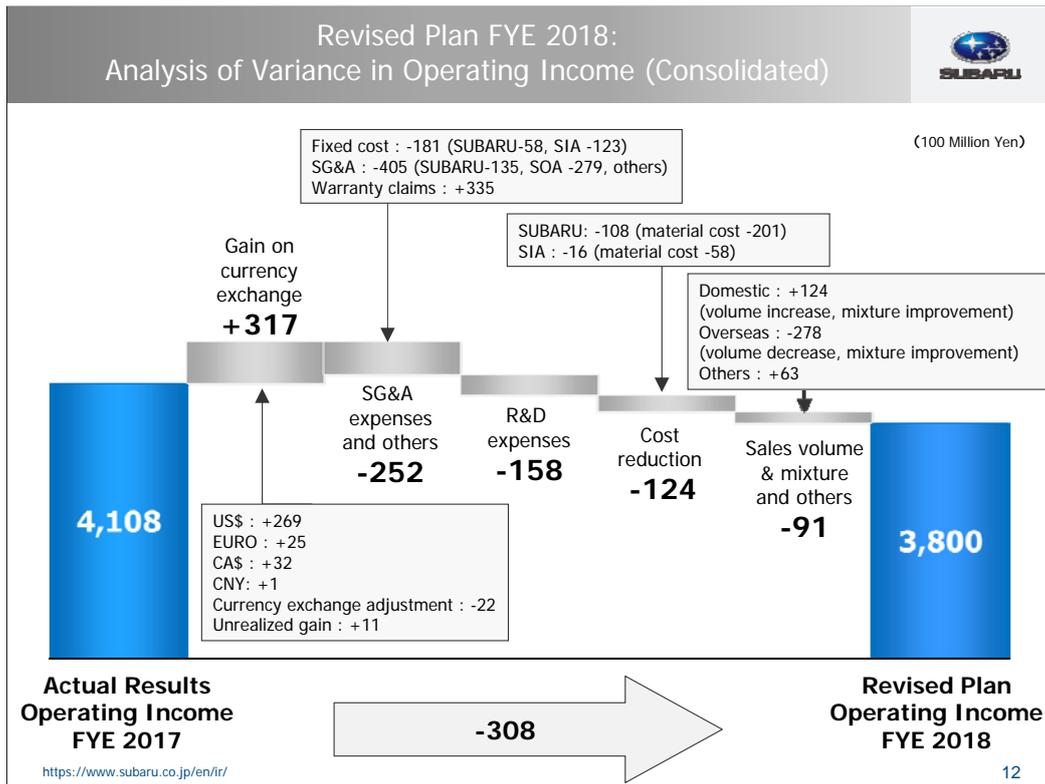
Due to such factors as a gain on currency exchange of 56.1 billion yen and a positive sales volume & mixture effect of 4.4 billion yen, as well as an impact from lower sales from the companies etc. of -6.5 billion yen, we see net sales rising by 54.0 billion yen year on year to 3,380 billion yen.

With regard to operating income, we have revised our forecast to 380.0 billion yen, a decline of 30.8 billion yen year on year.

Ordinary income is projected to be 382.0 billion yen, a decline of 12.3 billion yen.

Income before taxes and minority interests is seen falling by 99.7 billion yen to 295.0 billion yen.

Net income attributable to owners of parent is planned to reach 207.0 billion yen, a decline of 75.4 billion yen.



Now let's look at the analysis of variance at the operating income level. Operating income this fiscal year is expected to decline by 30.8 billion yen compared with the 410.8 billion yen posted in the previous fiscal year.

The primary reasons pushing up operating income are

<1> Gain on currency exchange: 31.7 billion yen. The yen is expected to weaken by roughly 2 yen against the U. S. dollar, leading to a positive impact of 26.9 billion yen. The yen is expected to weaken roughly 9 yen against the euro, for a gain of 2.5 billion yen, with a weakening against the Canadian dollar of about 5 yen, resulting in a gain of 3.2 billion yen. Others/the Chinese yuan is expected to contribute +100 million yen, while currency exchange adjustments on transactions between SUBARU and its overseas subsidiaries are seen having a negative effect of 2.2 billion yen, with unrealized gains on inventory projected to have a positive impact of 1.1 billion yen.

The main factors bringing operating income down are

<2> Increase in other expenses having an impact of -25.2 billion yen. This is divided into 3 elements.

① Impact of increase in fixed manufacturing costs of -18.1 billion yen. Of this, SUBARU is expected to account for -5.8 billion yen and SIA for -12.3 billion yen. At SUBARU, the impact of increased costs for supplier dies is forecast to be -4.4 billion yen, and increased fixed processing costs are seen at -1.4 billion yen. At SIA, the increase in costs for supplier dies is expected to have an effect of -6.3 billion yen, and the rise in fixed processing costs is slated to be -6.0 billion yen.

② The increase in SG&A expenses is expected to have an impact of -40.5 billion yen.

SUBARU is projected to be -13.5 billion yen, domestic dealers are forecast to be -2.6 billion yen, SOA is seen at -27.9 billion yen and the Canadian subsidiary at -1.2 billion yen, with Others projected to be +4.7 billion yen.

For SOA, advertising and other expenses is planned to be +800 million yen, and incentives per vehicle for the current fiscal year are expected to be 1,850 dollars. The plan is for incentives to increase by 400 dollars from the 1,450 dollars of the same period of the previous fiscal year, which is projected to have an impact of -28.7 billion yen.

③ Declining warranty claims are forecast to have an impact of +33.5 billion yen.

<3> The effect of R&D expenses increasing is projected to be -15.8 billion yen.

<4> The impact of cost reductions is expected to be -12.4 billion yen. Of this, SUBARU is expected to account for -10.8 billion yen and SIA for -1.6 billion yen. Cost reductions at SUBARU are projected to be +9.3 billion yen, while the impact higher material costs and other negative market factors is expected to be -20.1 billion yen. The impact of cost reductions at SIA is slated to be +4.2 billion yen, and that of material prices, etc. expected to be -5.8 billion yen.

<5> Sales volume & mixture and others: -9.1 billion yen. This is divided into 3 elements.

① New vehicles in Japan is +12.4 billion yen. ② New vehicles overseas is -27.8 billion yen. ③ Inventory corrections etc. is +6.3 billion yen.

As a result of the above, operating income for the fiscal year ending March 2018 is planned to be 380.0 billion yen.

For details of the changes from the previous forecast, please refer to the reference materials.

Revised Plan FYE 2018:
Operating Plan of Subsidiaries in U.S.



(Million US\$)

SOA	Actual Results FYE 2017	Revised Plan FYE 2018	Variance
Net sales	17,947	18,271	+324
Operating income	671	462	-209
Net income	421	298	-123
Retail sales (Thousand units)	625.0	657.1	+32.1

SIA	Actual Results FYE 2017	Revised Plan FYE 2018	Variance
Net sales	7,525	7,654	+129
Operating income	236	134	-102
Net income	148	85	-63
Production (Thousand units)	335.2	350.9	+15.7

<https://www.subaru.co.jp/en/ir/>

13

Now we will look at the forecasts for the U.S. subsidiary.

Based on strong sales of the Impreza and the Crosstrek, we aim to increase SOA's retail sales by 32,100 units year on year to 657,100 units.

We forecast that net sales will rise by 324 million dollars to 18,271 million dollars. Operating income is seen benefiting from sales volume and sales mix of +54 million dollars, but also being hit by higher SG&A expenses of -263 million dollars, leaving operating income forecast to be 462 million dollars, a decline of 209 million dollars year on year.

SIA's net sales are expected to rise 129 million dollars year on year to 7,654 million dollars.

Operating income is forecast to be affected by sales mix variances of +31 million dollars, with cost reduction efforts of -15 million dollars, and fixed cost increases of -118 million dollars, leading to a decline of 102 million dollars year on year, to 134 million dollars.

Capex / Depreciation / R&D / Interest bearing debt					
	Actual Results 1 st Half FYE 2017	Actual Results FYE 2017 (a)	Actual Results 1 st Half FYE 2018	Revised Plan FYE 2018 (b)	Variance (b) - (a)
Capex	637	1,585	545	1,500	-85
Depreciation	335	770	421	920	+150
R&D	534	1,142	609	1,300	+158
Interest bearing debt	1,614	1,483	976	1,000	-483

(100 Million Yen)

<https://www.subaru.co.jp/en/ir/> 14

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

With regard to capex and depreciation costs, there has been no change to our previous plan, which is for 150.0 billion yen and 92.0 billion yen respectively.

R&D expenses have been reduced by 4.0 billion yen compared with the previous plan, to 130.0 billion yen.

Interest-bearing debt has not changed from the previous plan, and is still scheduled to be 100.0 billion yen.

The following pages provide various reference materials, such as segment information, various indicators and the changes between the previous plan and the current plan.

This concludes the briefing on our financial results for the first half of the fiscal year ending March 2018.

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 2017	Actual Results 1 st Half FYE 2018	Variance
Financial revenue and expenditure	10	24	+15
FOREX effects	205	-20	-225
Other	-22	2	+23
Total non-operating income & expenses	192	6	-186
Gain on sales of noncurrent assets	3	2	-1
Gain on sales of investment securities	99	6	-93
Loss on sales and retirement of noncurrent assets	-21	-29	-8
Loss related to airbags	-	-813	-813
Others	-3	-9	-5
Total extraordinary income & loss	78	-842	-920

<https://www.subaru.co.jp/en/ir/>

16

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



(100 Million Yen)

	Net Sales			Operating Income		
	Actual Results 1 st Half FYE 2017	Actual Results 1 st Half FYE 2018	Variance	Actual Results 1 st Half FYE 2017	Actual Results 1 st Half FYE 2018	Variance
Automobile	14,924	16,000	+1,076	2,033	2,053	+20
Aerospace	668	680	+12	36	42	+6
Others	185	183	-2	12	24	+12
Elimination & Corporate	/	/	/	4	3	-1
Total	15,777	16,863	+1,087	2,085	2,121	+36

<https://www.subaru.co.jp/en/ir/>

17

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



(100 Million Yen)

	Net Sales			Operating Income		
	Actual Results 1 st Half FYE 2017	Actual Results 1 st Half FYE 2018	Variance	Actual Results 1 st Half FYE 2017	Actual Results 1 st Half FYE 2018	Variance
Japan	4,481	4,979	+498	1,327	1,586	+259
North America	9,998	10,927	+928	506	439	-67
Others	1,297	957	-340	39	24	-16
Elimination & Corporate	/	/	/	213	72	-141
Total	15,777	16,863	+1,087	2,085	2,121	+36

<https://www.subaru.co.jp/en/ir/>

18

1st Half :
Overseas Net Sales (Consolidated)



(100 Million Yen)

	Actual Results 1 st Half FYE 2017	Actual Results 1 st Half FYE 2018	Variance
North America	10,489	11,492	+1,003
Europe	549	541	-7
Asia	1,098	698	-400
Others	781	846	+65
Total	12,916	13,577	+661

1st Half :
Non-consolidated Unit Sales



(Thousand Units)

	Actual Results 1 st Half FYE 2017	Actual Results 1 st Half FYE 2018	Variance
Domestic production	354.6	346.2	-8.5
Domestic sales	69.9	85.6	+15.8
Passenger cars	53.5	70.0	+16.4
Minicars	16.3	15.7	-0.7
Number of exported vehicles	287.7	271.3	-16.4
Components for overseas production	163.3	178.4	+15.1
Total	520.9	535.3	+14.4

* Domestic production figures include Toyota 86.

<https://www.subaru.co.jp/en/ir/>

20

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 2017	Actual Results 2Q (3 months) FYE 2018	Variance
Passenger cars	27.9	34.0	+6.1
Minicars	8.9	7.9	-1.1
Domestic total	36.9	41.9	+5.0
US	171.9	159.3	-12.6
Canada	13.0	15.3	+2.3
Russia	1.8	1.8	+0.0
Europe	9.8	9.4	-0.3
Australia	10.4	13.6	+3.2
China	12.2	5.8	-6.4
Others	10.8	12.8	+2.0
Overseas total	230.0	218.1	-11.9
Total	266.8	259.9	-6.9

<https://www.subaru.co.jp/en/ir/>

<China> FYE2017 : Figures are consolidated on the calendar year basis from Apr. to Jun.
FYE2018 : Figures are consolidated on the fiscal year basis from Jul. to Sep.

22

2Q (3 months) :
Consolidated Income Statements



(100 Million Yen)

	Actual Results 2Q (3 months) FYE 2017	Actual Results 2Q (3 months) FYE 2018	Variance
Net sales	8,083	8,315	+233
Domestic	1,557	1,681	+124
Overseas	6,526	6,634	+109
Operating income	1,070	928	-142
Ordinary income	1,090	935	-155
Income before taxes and minority interests	1,178	103	-1,075
Net income attributable to owners of parent	850	27	-823
SUBARU exchange rate	¥104/US\$	¥111/US\$	+¥7/US\$

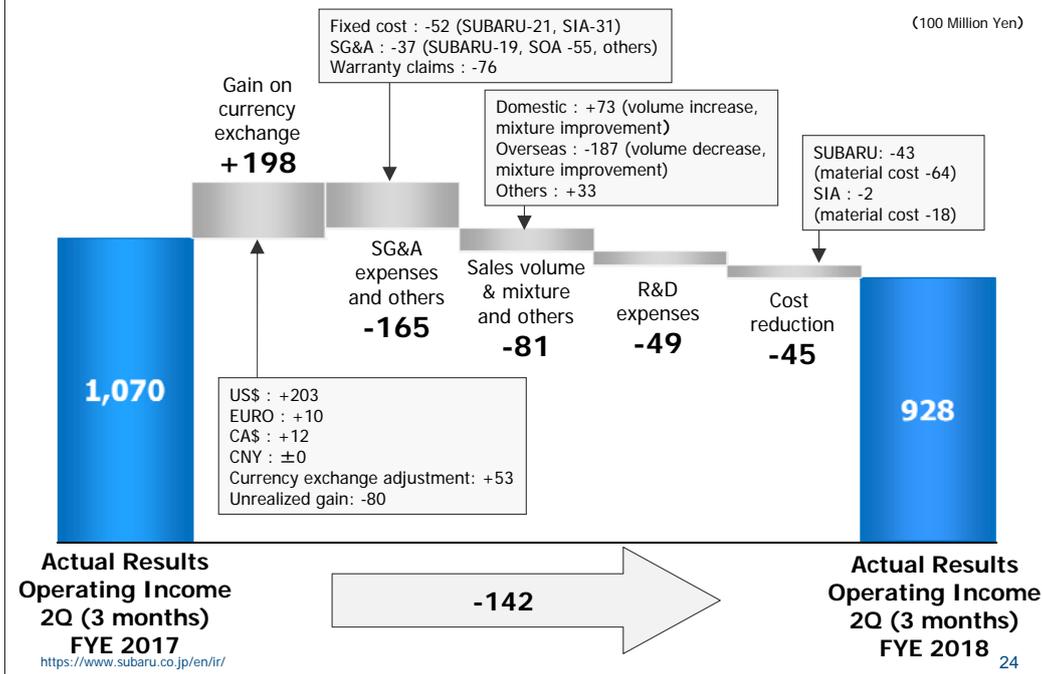
<https://www.subaru.co.jp/en/ir/>

23

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



(100 Million Yen)



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



(Thousand Units)

	Plan 1 st Half FYE 2018	Actual Results 1 st Half FYE 2018	Variance
Passenger cars	65.2	67.3	+2.1
Minicars	17.4	15.1	-2.3
Domestic total	82.6	82.3	-0.2
US	335.0	333.2	-1.7
Canada	30.1	30.7	+0.6
Russia	3.7	3.7	-0.0
Europe	19.6	17.8	-1.8
Australia	27.3	27.7	+0.4
China	21.9	13.8	-8.0
Others	22.2	22.0	-0.1
Overseas total	459.7	448.9	-10.8
Total	542.3	531.3	-11.0

<https://www.subaru.co.jp/en/ir/>

25

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



(100 Million Yen)

	Plan 1 st Half FYE 2018	Actual Results 1 st Half FYE 2018	Variance
Net sales	16,890	16,863	-27
Domestic	3,286	3,286	+0
Overseas	13,604	13,577	-27
Operating income	2,100	2,121	+21
Ordinary income	2,100	2,127	+27
Income before taxes and minority interests	1,257	1,285	+28
Net income attributable to owners of parent	885	850	-35
SUBARU exchange rate	¥110/US\$	¥111/US\$	+¥1/US\$

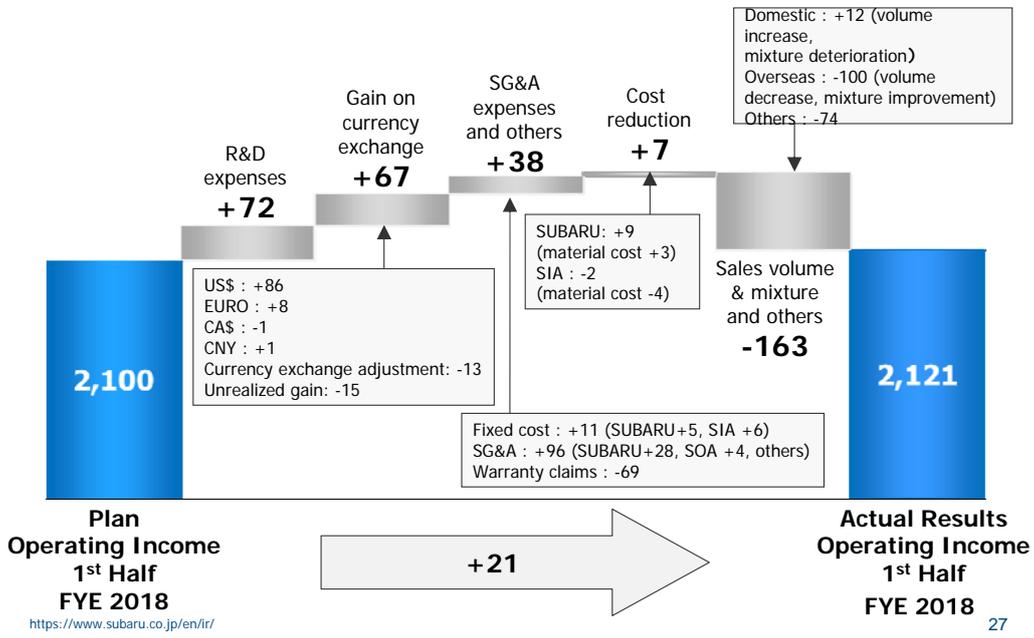
<https://www.subaru.co.jp/en/ir/>

26

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



(100 Million Yen)



(Previous Plan vs. Revised Plan) FYE 2018 :
Consolidated Unit Sales



(Thousand Units)

	Previous Plan FYE 2018	Revised Plan FYE 2018	Variance
Passenger cars	134.2	135.0	+0.7
Minicars	37.8	31.6	-6.3
Domestic total	172.1	166.5	-5.5
US	687.7	668.0	-19.7
Canada	54.6	55.6	+1.0
Russia	6.6	7.3	+0.7
Europe	39.2	39.5	+0.4
Australia	52.6	55.9	+3.4
China	42.3	29.8	-12.4
Others	50.5	45.2	-5.2
Overseas total	933.4	901.4	-32.1
Total	1,105.5	1,067.9	-37.6

<https://www.subaru.co.jp/en/ir/>

28

(Previous Plan vs. Revised Plan) FYE 2018 :
Consolidated Income Statements



(100 Million Yen)

	Previous Plan FYE 2018	Revised Plan FYE 2018	Variance
Net sales	34,200	33,800	-400
Domestic	6,680	6,717	+37
Overseas	27,520	27,083	-437
Operating income	4,100	3,800	-300
Ordinary income	4,100	3,820	-280
Income before taxes and minority interests	3,217	2,950	-267
Net income attributable to owners of parent	2,285	2,070	-215
SUBARU exchange rate	¥110/US\$	¥111/US\$	+¥1/US\$

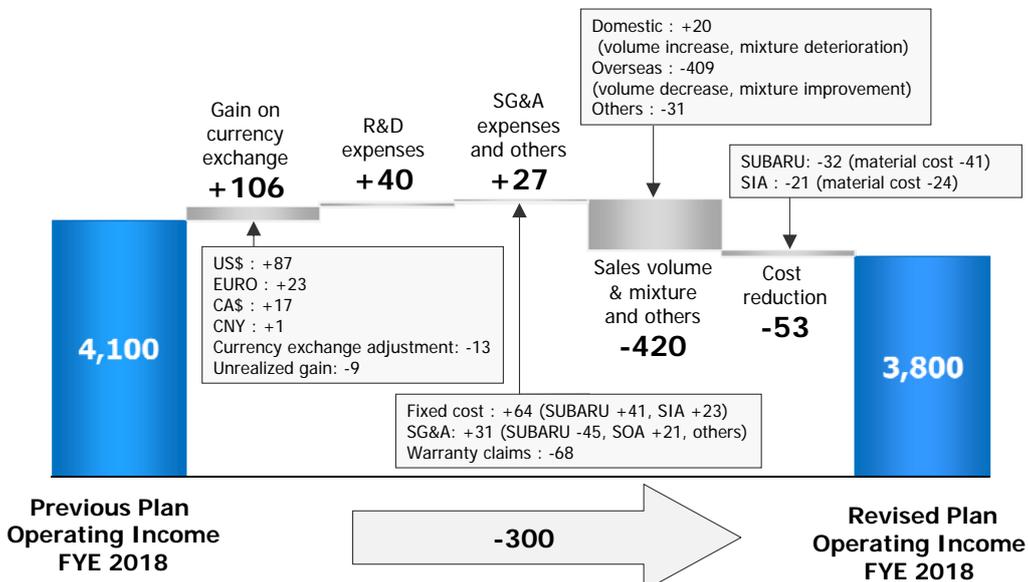
<https://www.subaru.co.jp/en/ir/>

29

(Previous Plan vs. Revised Plan) FYE 2018 :
 Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)



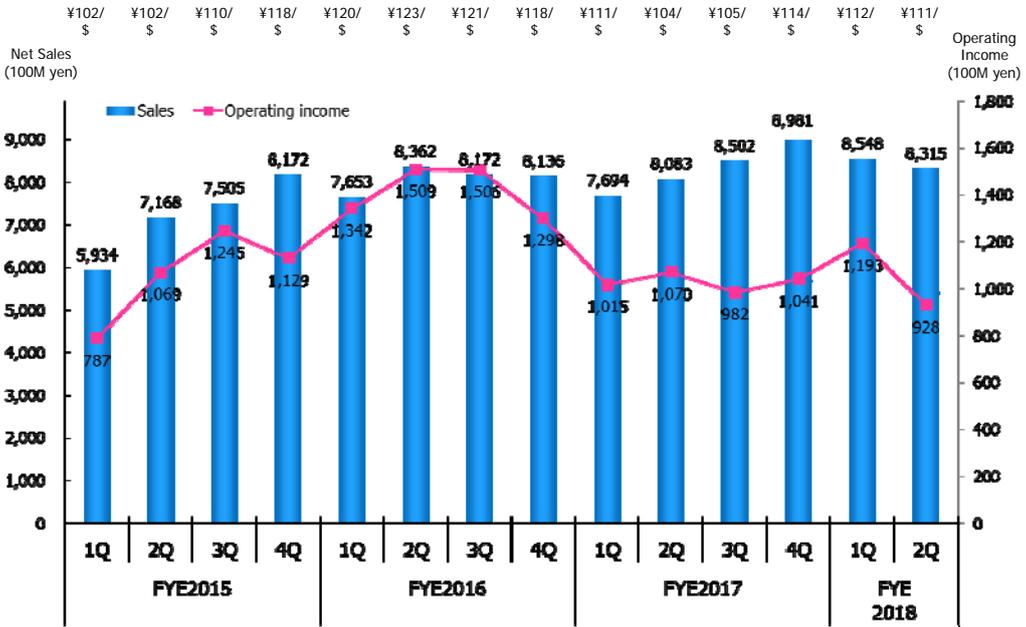
<https://www.subaru.co.jp/en/ir/>

30

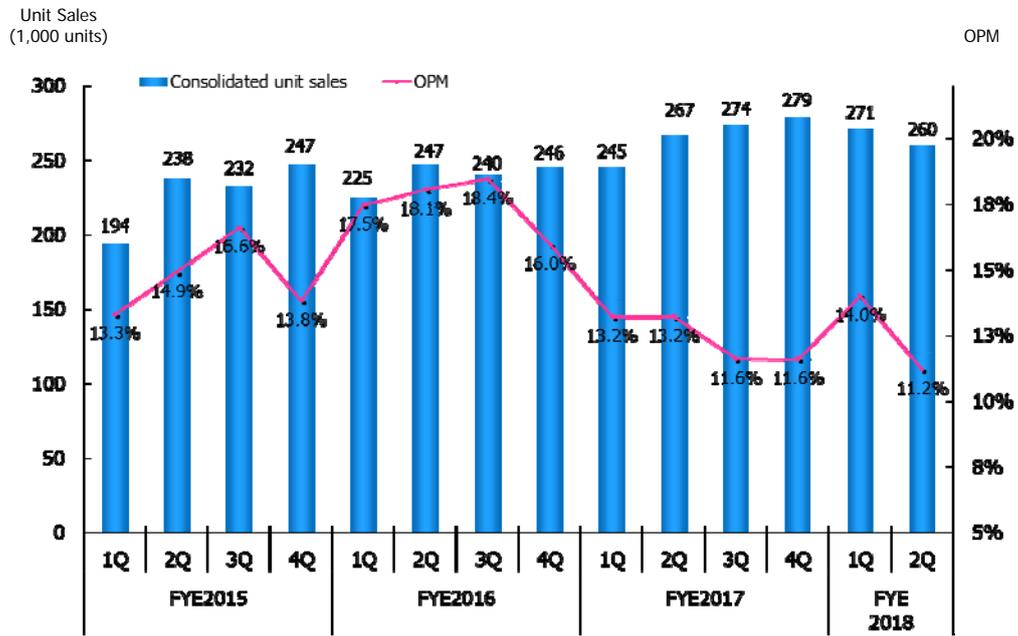
Appendix (3)

- Net sales / Operating income
- Consolidated unit sales / OPM
- Complete cars production / Retail sales units
- FCF / Shareholders' equity to total assets
- Interest-bearing debt / D/E ratio

Net Sales / Operating Income



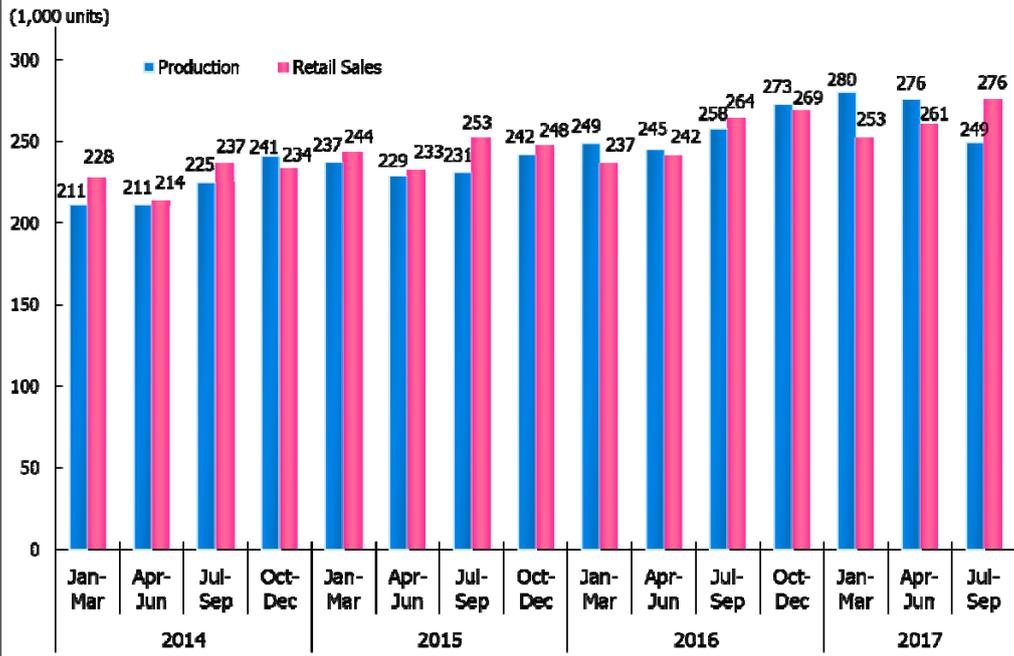
Complete Unit Sales / Operating Income Margin



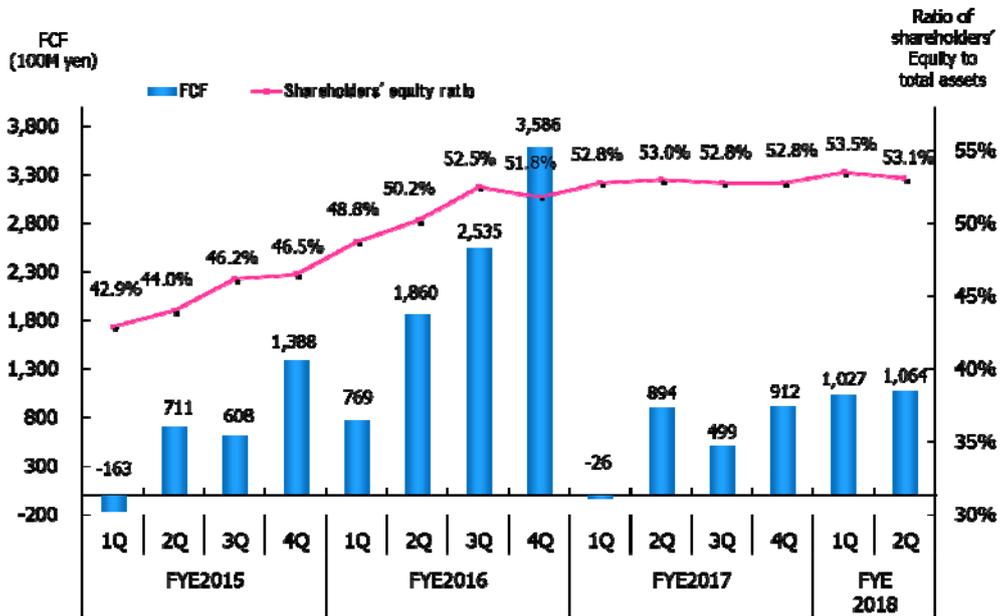
<https://www.subaru.co.jp/en/ir/>

33

Complete Cars Production / Retail Sales Units

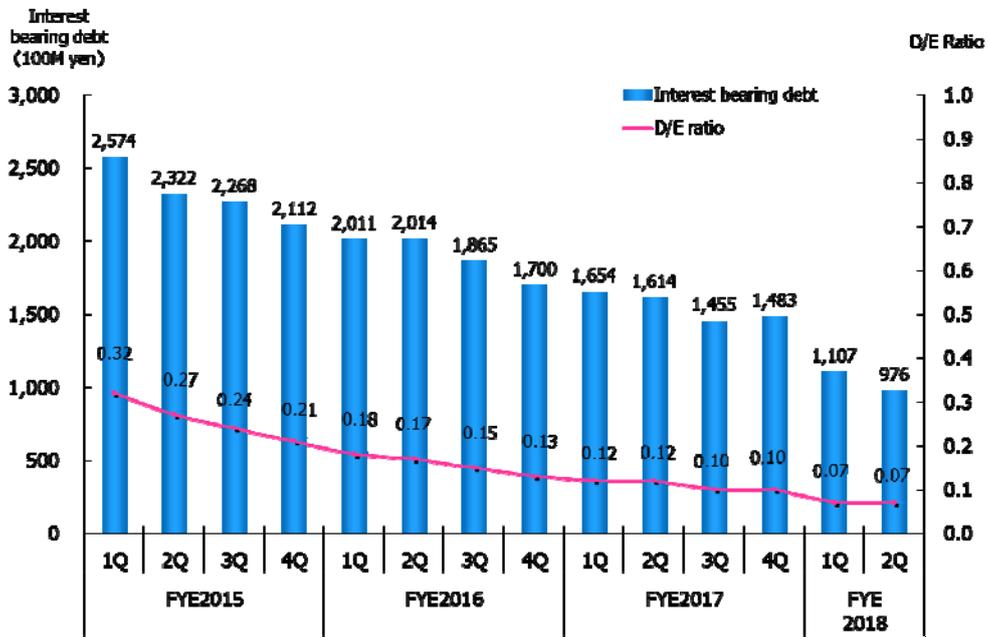


Free Cash Flows / Ratio of Shareholders' Equity to Total Assets



<https://www.subaru.co.jp/en/ir/>

Interest Bearing Debt / D/E Ratio



<https://www.subaru.co.jp/en/ir/>



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.

<https://www.subaru.co.jp/en/ir/>



<https://www.subaru.co.jp/en/ir/>