

FHI Announces First Half Financial Results for FYE2017

Tokyo, November 2, 2016 - Fuji Heavy Industries Ltd. (FHI), the manufacturer of Subaru automobiles, today announced its consolidated financial results for the first half of fiscal year ending March 31, 2017.

< FYE2017 1st Half Results: Consolidated Net Sales >

Subaru's consolidated global unit sales rose 8.4% to 512,000 units. Unit sales in Japan increased 2.3% to 68,000 units, as passenger car sales growth led by the Forester offset a decline in mini vehicle sales. Overseas unit sales grew 9.4% to 444,000 units, driven by continued strong sales of the Legacy and Outback in North America.

Consolidated net sales decreased 1.5% to 1,577.7 billion yen, as foreign exchange losses and other factors offset unit sales growth.

Consolidated North American unit sales marked a first-half record for the 8th consecutive year.^{*1}

Consolidated global unit sales and overseas unit sales posted first-half records for the 5th consecutive year.^{*1}

< FYE2017 1st Half Results: Consolidated Profit and Loss >

While unit sales growth and cost reduction progress offset increases in R&D and SG&A expenses, operating income fell 26.9% to 208.5 billion yen due to foreign exchange losses. SG&A expenses were mainly quality-related costs associated with airbag inflators. Ordinary income decreased 20.1% to 227.8 billion yen and net income attributable to owners of parent declined 15.2% to 163.8 billion yen.

< FYE2017 Full-Year Forecasts >

Compared to the previous forecasts, unit sales are projected to increase further, offsetting a rise in SG&A expenses, while foreign exchange losses are forecasted to increase. Reflecting these changes, full-year forecasts are revised to net sales of 3,180 billion yen, operating income of 373 billion yen, ordinary income of 397 billion yen, and net income attributable to owners of parent of 278 billion yen.

Consolidated unit sales in North America are projected to reach a record high for the 8th consecutive year.^{*2}

Consolidated global unit sales and overseas unit sales are projected to post record highs for the 5th consecutive year.^{*2}

Currency rate assumptions: 104 yen/US\$, 115 yen/euro

Previous Forecasts for FYE2017 (Announced on August 3, 2016)

Net sales: 3,190 billion yen

Operating income: 400 billion yen

Ordinary income: 410 billion yen

Net income attributable to owners of parent: 285 billion yen

Currency rate assumptions: 106 yen/US\$, 121 yen/euro

^{*1}: Since fiscal year ended March 2001 – the year FHI started half-year consolidated financial reporting

^{*2}: Since fiscal year ended March 1986 – the year FHI started full-year consolidated financial reporting

Forward-looking statements in this document including financial and other forecasts are based on the information available at the time of the announcement and are subject to various risks and uncertainties that could cause actual results to vary materially.

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