

FHI Announces Financial Results for Nine Months of FYE2017

Tokyo, February 8, 2017 - Fuji Heavy Industries Ltd. (FHI), the manufacturer of Subaru automobiles, today announced its consolidated financial results for the first nine months of fiscal year ending March 31, 2017.

< April-December 2016 Results: Consolidated Net Sales >

Subaru's consolidated global unit sales rose 10.3% to 786,000 units. Unit sales in Japan increased 5.6% to 106,000 units, as passenger car sales growth led by the Forester offset a decline in mini vehicle sales. Overseas unit sales grew 11.1% to 680,000 units, driven by continued strong sales of the Legacy and Outback in North America.

Consolidated net sales increased 0.4% to 2,427.9 billion yen, as unit sales growth offset foreign exchange losses and other factors.

Consolidated net sales, global unit sales, overseas unit sales and North American unit sales posted all-time records for the April-December period.*1

< April-December 2016 Results: Consolidated Profit and Loss >

While posting unit sales growth and cost reduction progress, operating income fell 29.6% to 306.8 billion yen due to increases 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. Ordinary income decreased 31.5% to 297.2 billion yen and net income attributable to owners of parent declined 38.6% to 207.5 billion yen.

< FYE2017 Full-Year Forecasts >

Full-year projections are revised upward to net sales of 3,310 billion yen, operating income of 410 billion yen, ordinary income of 412 billion yen, and net income attributable to owners of parent of 290 billion yen. The revision from the previous forecasts reflects exchange rate fluctuations which offset an increase in SG&A expenses.

Currency rate assumptions: 108 yen/US\$, 119 yen/euro

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

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

Previous Forecasts for FYE2017 (Announced on November 2, 2016)

Net sales: 3,180 billion yen

Operating income: 373 billion yen

Ordinary income: 397 billion yen

Net income attributable to owners of parent: 278 billion yen

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

*1: Since fiscal year ended March 2004 – the year FHI started quarterly 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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