



SUBARU

Confidence in Motion

President & CEO, Yasuyuki Yoshinaga
Fuji Heavy Industries Ltd.

May 12, 2016

Business Results of the FYE 2016



	FYE 2015	FYE 2016		YoY	vs. plan
	Actual results	Plan	Actual results		
Consolidated sales volume	910,700 units	954,800 units	957,900 units	+5.2%	+0.3%
Net sales (100 million yen)	28,779	32,100	32,323	+12.3%	+0.7%
Operating income (100 million yen)	4,230	5,500	5,656	+33.7%	+2.8%
OPM	14.7%	17.1%	17.5%	+2.8pt	+0.4pt
Ordinary income (100 million yen)	3,936	5,470	5,770	+46.6%	+5.5%
Net income attributable to owners of parent (100 million yen)	2,619	4,140	4,367	+66.7%	+5.5%
FHI exchange rate	¥108/US\$	¥120/US\$	¥121/US\$	+¥12/US\$	+¥1/US\$

Business Plan for the FYE 2017



	FYE 2016	FYE 2017	YoY
	Actual results	Plan	
Consolidated sales volume	957,900 units	1,049,700 units	+9.6%
Net sales (100 million yen)	32,323	31,700	-1.9%
Operating income (100 million yen)	5,656	4,200	-25.7%
OPM	17.5%	13.2%	-4.2pt
Ordinary income (100 million yen)	5,770	4,200	-27.2%
Net income attributable to owners of parent (100 million yen)	4,367	2,930	-32.9%
FHI exchange rate	¥121/US\$	¥105/US\$	-¥16/US\$

【Details of the Repurchase】

Class of shares
to be repurchased

Common stock in FHI

Total number of shares to be
repurchased

Up to 15 million

Total value of shares
to be repurchased

Up to 48 billion yen

Repurchase period

May 13 – Sep 30, 2016

* All of shares repurchased will be cancelled

Shareholder Returns (Dividend)



【Dividend Per Share】

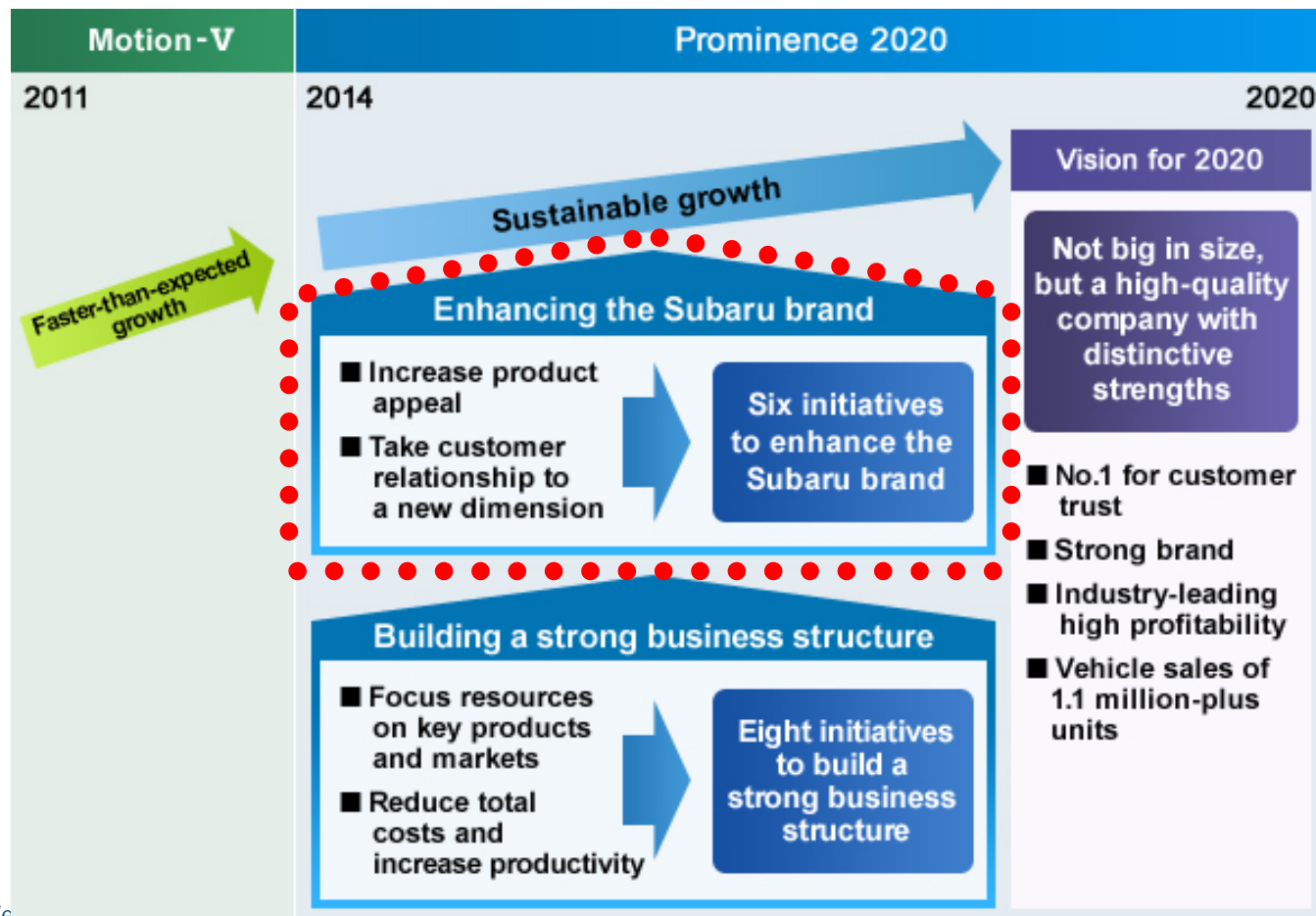
	FYE 2015 (a)	FYE 2016 (b)	FYE 2017 (Plan)	YoY (b)-(a)
End of 2 nd quarter	¥31	¥72	¥72	+¥41
End of 4 th quarter	¥37	¥72	¥72	+¥35
Year total	¥68	¥144	¥144	+¥76
Dividend payout ratio	20.3%	25.7%	38.4%	+5.5pt
Total return ratio	20.3%	36.7%	38.4%	+16.5pt

* Total return ratio: The amount of the repurchase of own shares (48 billion yen) is included in FYE2016.

Prominence 2020 (update)



- Vision for 2020 set in May 2014 remains the same
- Revised the product strategy, market strategy and production strategy in accordance with the progress and changes in business environment
- Accelerate the initiatives to enhance the Subaru brand



Prominence 2020 - Product Strategy



CY2016

CY2017

CY2018

CY2019

CY2020~

Key Models



New Impreza



Next generation platform (Subaru Global Platform)

* Will be introduced with the new Impreza to be launched in late 2016, and will then be rolled out to other models as they undergo full model changes

Will introduce new models year after year

FMC

FMC

FMC

FMC

North America
New 3-row SUV

Environmental
Performance



Expansion of direct fuel injection engine

2019
New downsized turbo engine

Plug-in Hybrid

* Will meet the regulation in each country or region with a combination of the combustion engine performance improvement as well as the electrification

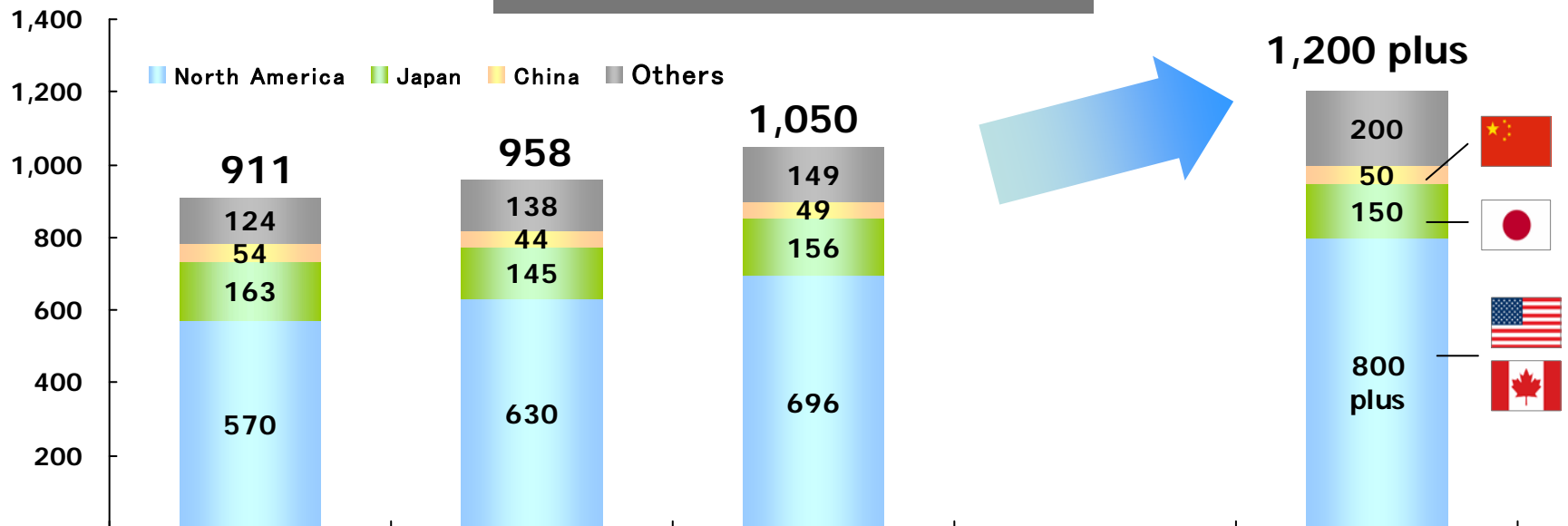
2021
EV

Prominence 2020 - Market Strategy



- Sales in North America is exceeding the original forecast and is expected to keep growing
- Maintain the current sales level in Japan and China, and increase the volume in other countries or regions
- Revised the global sales forecast upward to 1.2 plus million units from 1.1 plus million units

Global Consolidated Unit Sales

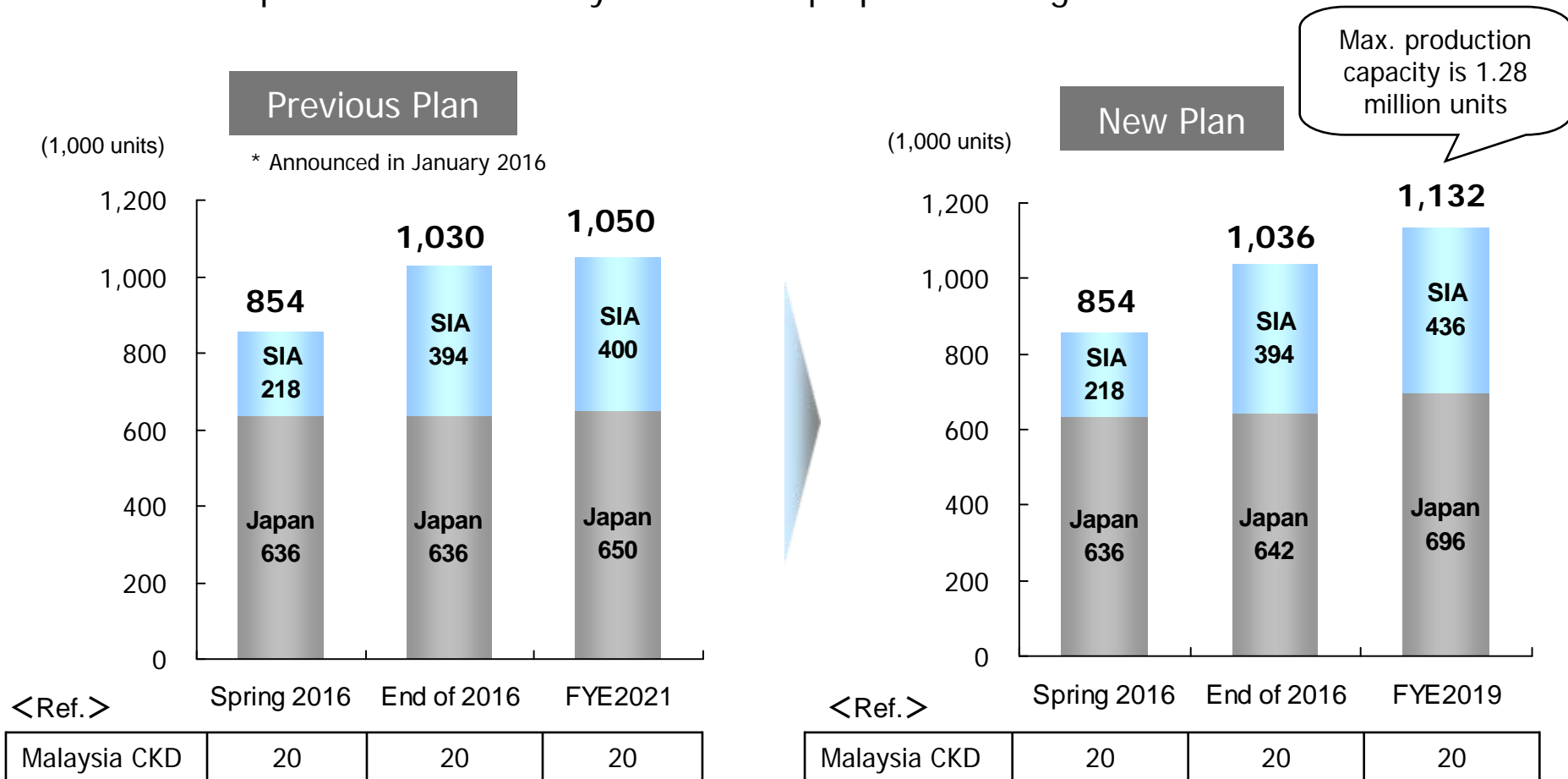


	FYE2015	FYE2016	FYE2017		FYE2021 (forecast)
New	910k units (actual result)	960K units (actual result)	1,050K units (plan)	⇒	1.2 million plus
Previous	920K units	950K units	1 million		1.1 million plus

Prominence 2020 - Production Strategy



- Revised the production capacity plan in accordance with the revision of sales forecast (Previous: 1.05 million units in FYE2021 → New: 1.13 million units in FYE2019)
- Camry production at SIA to end in May 2016. Will start producing Outback utilizing the same production line in July 2016 to keep up with strong demand.



Mid-Term Three-Year Profit Plan



Three-Year Business Operation / Profit Plan

- Increase both revenue and income while further enhancing the investments for the future growth (*under the same currency exchange rate)
- Sustain the high OPM in the industry

	Forecast for FYE15-17 (Result of FYE15-16 & plan for FYE17)		Plan for FYE17-19	
	(a)	(b)	(c)	(c) - (b)
Exchange rate	¥111/US\$	¥100/US\$	¥100/US\$	difference
Net sales	¥9.3 trillion	¥8.5 trillion	¥9.8 trillion	+¥1.3 trillion
Operating income	¥1.4 trillion	¥1 trillion	¥1.1 trillion	+¥0.1 trillion
OPM	15.2%	11.8%	11.2%	-0.6pt
R&D expenses	¥300 billion	¥300 billion	¥360 billion	+¥60 billion
Capital expenditures	¥400 billion	¥390 billion	¥470 billion	+¥80 billion
Depreciation and amortization	¥210 billion	¥200 billion	¥290 billion	+¥90 billion

* Figures of (b) are calculated based on (a) using the exchange rate of ¥100/US\$

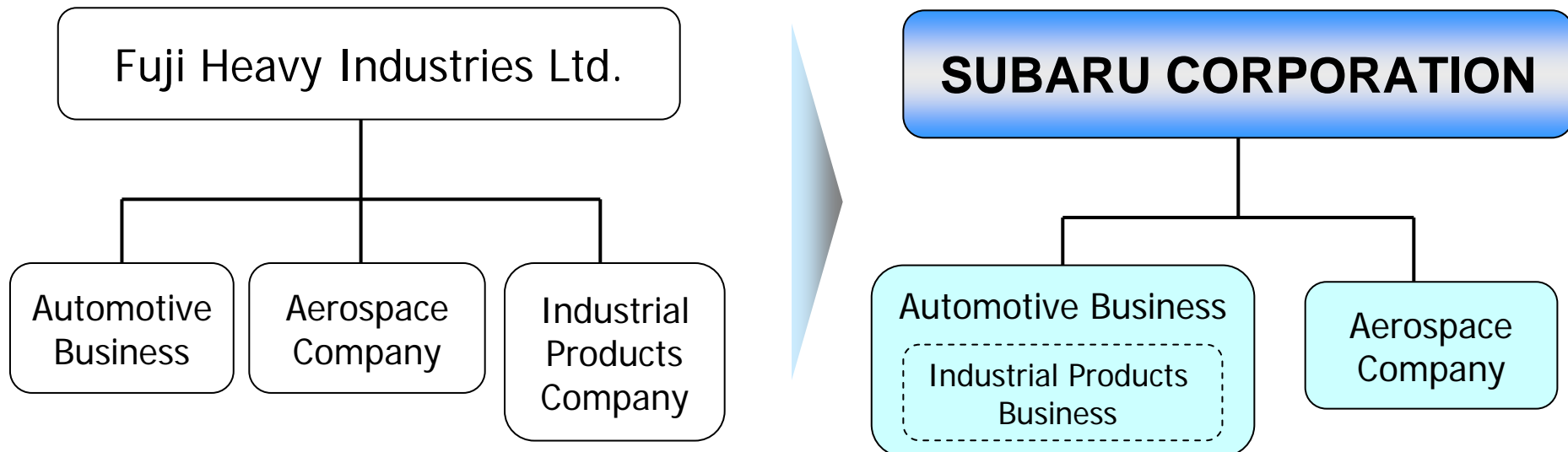
Fuji Heavy Industries Ltd.
(Fuji Jyukogyo Kabushiki Gaisha)



SUBARU CORPORATION
(Kabushiki Gaisha SUBARU)

- * Subject to approval by the 85th ordinary general meeting of shareholders scheduled for June 28th, 2016
- * Effective from April 1st, 2017

- Change the company name to SUBARU Corporation from Fuji Heavy Industries Ltd. to accelerate the initiatives to enhance the Subaru brand
- Optimize company-wide allocation of management resources to enhance development resources in the automotive business by restructuring the Industrial Products Company to be integrated in the Subaru Automobile Division (effective from Oct 1st, 2016)
- Enhance Subaru as attractive global brand in automotive and aerospace industries





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



SUBARU

Confidence in Motion

Consolidated Financial Results for FYE 2016

Mitsuru Takahashi

Executive Vice President & CFO

May 12, 2016

Consolidated Financial Results for FYE 2016

- Consolidated global unit sales set an all time record for the 4th consecutive year mainly with the continuous strong sales in North American market.
- Net sales and all profit levels posted all-time records for the 4th consecutive year with gain on currency exchange, increase in sales volume and cost reduction offsetting increase in various expenses.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Actual results (YoY)	¥3,232.3bil. (+¥354.3bil.)	¥565.6bil. (+¥142.5bil.)	¥577.0bil. (+¥183.3bil.)	¥436.7bil. (+¥174.8bil.)	957.9k units (+47.2k units)

Forecasts for FYE 2017

- Consolidated global unit sales are projected to 1,050k units.
- Unit sales growth and cost reduction progress are expected to offset increases in various expenses; but on the assumption of a stronger yen, net sales and profit to decrease for the first time in 5 years.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Forecasts (YoY)	¥3,170.0bil. (-¥62.3bil.)	¥420.0bil. (-¥145.6bil.)	¥420.0bil. (-¥157.0bil.)	¥293.0bil. (-¥143.7bil.)	1,049.7k units (+91.8k units)

Consolidated financial results for FYE 2016

FYE 2016 : Consolidated Unit Sales



(Thousand units)

	Actual Results FYE 2015	Actual Results FYE 2016	Variance
Passenger car	127.9	111.6	-16.3
Minicar	34.9	33.7	-1.2
Domestic total	162.8	145.3	-17.5
US	527.6	582.7	+55.0
Canada	42.4	47.6	+5.1
Russia	11.6	5.7	-5.8
Europe	35.7	41.8	+6.0
Australia	38.9	44.6	+5.7
China	53.8	44.4	-9.4
Others	37.9	45.8	+7.9
Overseas total	747.9	812.6	+64.6
Total	910.7	957.9	+47.2

* Figures of China are consolidated results on the calendar year basis from Jan. to Dec.

FYE 2016 : Consolidated Income Statements



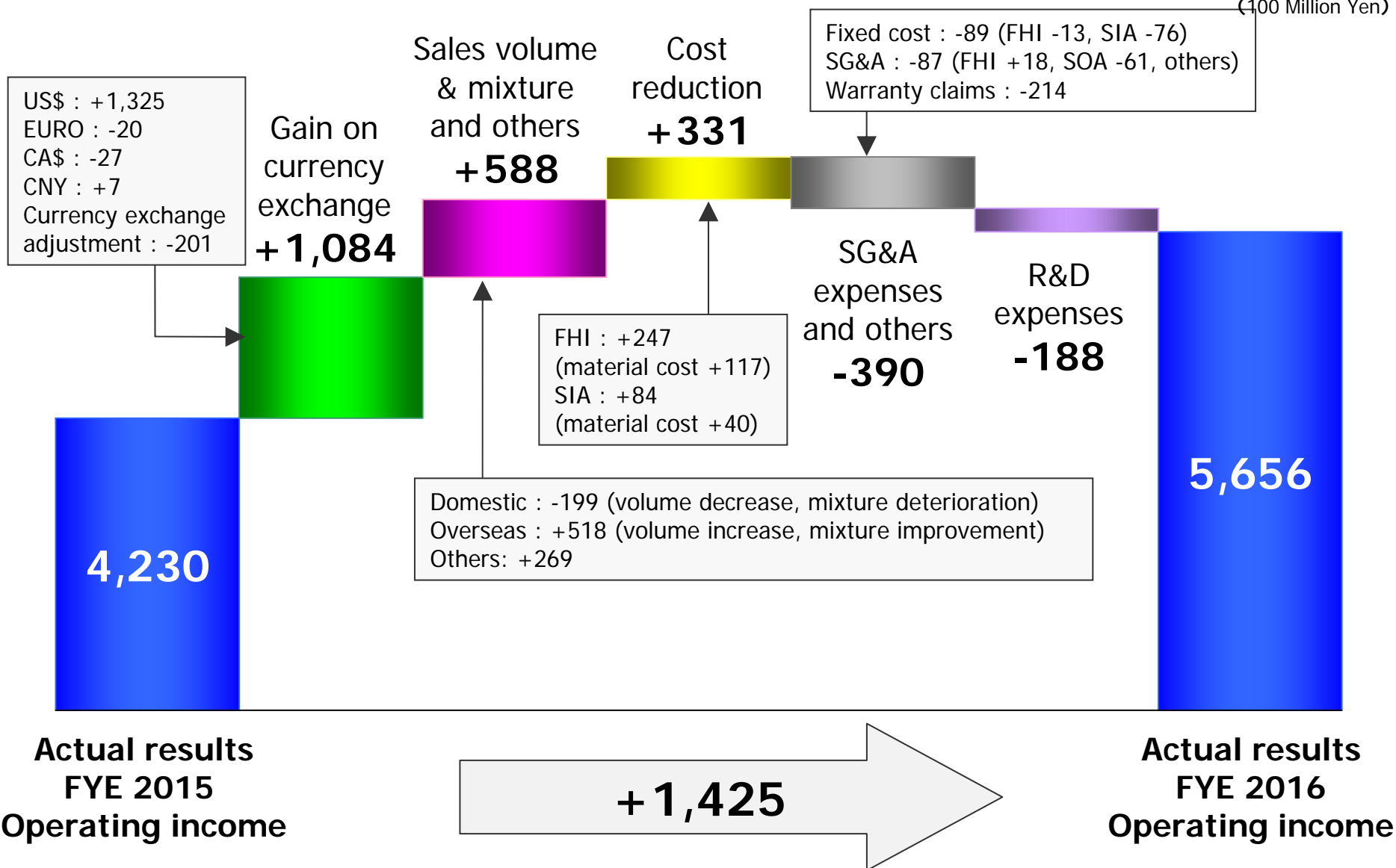
(100 Million Yen)

	Actual Results FYE 2015	Actual Results FYE 2016	Variance
Net sales	28,779	32,323	+3,543
Domestic	6,529	6,054	-475
Overseas	22,250	26,269	+4,018
Operating income	4,230	5,656	+1,425
Total non-operating income & expenses	-294	+114	+408
Ordinary income	3,936	5,770	+1,833
Total extraordinary income & loss	-14	420	+435
Income before taxes and minority interests	3,922	6,190	+2,268
Net income attributable to owners of parent	2,619	4,367	+1,748
FHI exchange rate	¥108/US\$	¥121/US\$	+¥12/US\$

FYE 2016 : Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)



Consolidated Balance Sheets



(100 Million Yen)

	As of March 31 2015	As of March 31 2016	Variance
Total assets	21,997	25,924	+3,927
Current assets	14,733	17,841	+3,108
Noncurrent assets	7,264	8,083	+819
Interest bearing debts	2,112	1,700	-412
Net assets	10,307	13,494	+3,187
Retained earnings	6,974	10,490	+3,516
Shareholders' equity	10,224	13,437	+3,213
Ratio of shareholders' equity to total assets	46.5%	51.8%	+5.3pt
D/E ratio	0.21	0.13	-0.08

FYE 2016: Consolidated Statement of Cash Flows



(100 Million Yen)

	Actual results FYE 2015	Actual results FYE 2016	Variance
Net cash provided by (used in) operating activities	3,115	6,143	+3,027
Net cash provided by (used in) investing activities	-1,728	-2,557	-829
Free cash flows	1,388	3,586	+2,198
Net cash provided by (used in) financing activities	-1,105	-1,262	-156
Effect of exchange rate change on cash and cash equivalents	260	-149	-409
Net increase (decrease) in cash and cash equivalents	542	2,175	1,633
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation¥	-	-1	-1
Cash and cash equivalents at end of period	6,121	8,295	+2,174

FYE 2016 : Operating Results of Subsidiaries in U.S.



(Million US\$)

SOA	Actual results FYE 2015	Actual results FYE 2016	Variance
Net sales	13,393	15,203	+1,810
Operating income	490	770	+280
Net income	309	480	+171
Retail sales (Thousand units)	530.5	581.4	+50.9

SIA	Actual results FYE 2015	Actual results FYE 2016	Variance
Net sales	4,770	5,468	+698
Operating income	108	209	+101
Net income	70	134	+64
Subaru production (Thousand units)	206.7	236.0	+29.3

Forecasts for FYE 2017

FYE 2017 : Consolidated Unit Sales Plan



(Thousand units)

	Actual results FYE 2016	Plan FYE 2017	Variance
Passenger car	111.6	119.0	+7.5
Minicar	33.7	37.3	+3.6
Domestic total	145.3	156.3	+11.0
US	582.7	643.1	+60.4
Canada	47.6	52.6	+5.0
Russia	5.7	9.6	+3.9
Europe	41.8	40.1	-1.7
Australia	44.6	48.2	+3.6
China	44.4	48.5	+4.1
Others	45.8	51.2	+5.4
Overseas total	812.6	893.4	+80.8
Total	957.9	1,049.7	+91.8

FYE 2017 : Consolidated Operating Plan



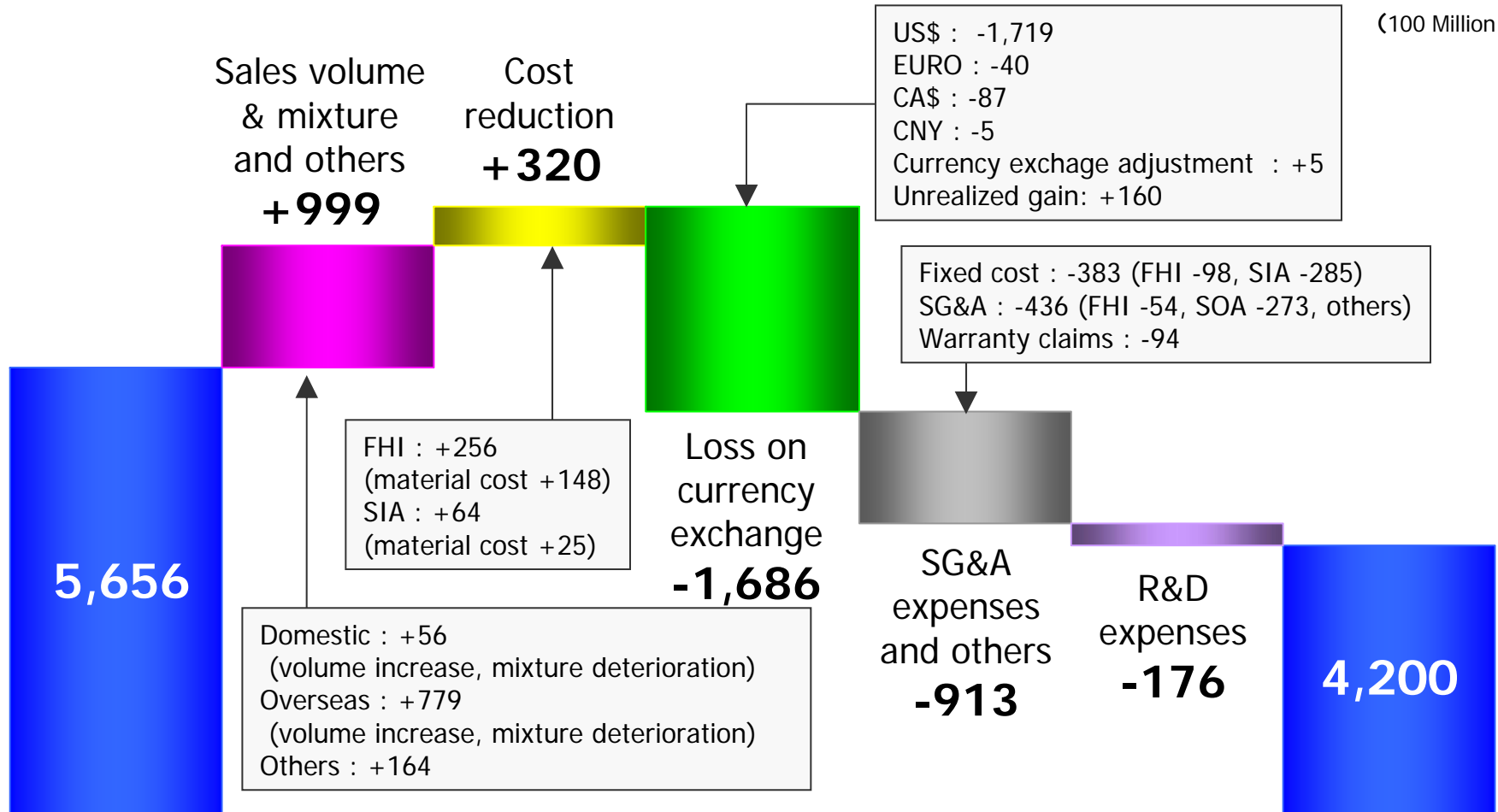
(100 Million Yen)

	Actual results FYE 2016	Plan FYE 2017	Variance
Net sales	32,323	31,700	-623
Domestic	6,054	6,103	+49
Overseas	26,269	25,597	-672
Operating income	5,656	4,200	-1,456
Ordinary income	5,770	4,200	-1,570
Income before taxes and minority interests	6,190	4,130	-2,060
Net income attributable to owners of parent	4,367	2,930	-1,437
FHI exchange rate	¥121/US\$	¥105/US\$	-¥16/US\$

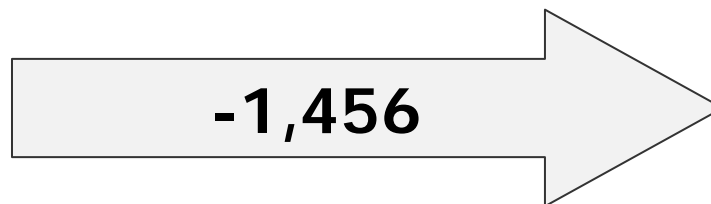
FYE 2017 : Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)



**Actual results
FYE 2016
Operating income**



**Plan
FYE 2017
Operating income**

FYE 2017 : Operating Plan of Subsidiaries in U.S.



(Million US\$)

SOA	Actual results FYE 2016	Plan FYE 2017	Variance
Net sales	15,203	16,973	+1,770
Operating income	770	789	+19
Net income	480	484	+4
Retail sales (Thousand units)	581.4	623.6	+42.2

SIA	Actual results FYE 2016	Plan FYE 2017	Variance
Net sales	5,468	7,496	+2,028
Operating income	209	178	-31
Net income	134	107	-27
Subaru production (Thousand units)	236.0	341.3	+105.3

Capex / Depreciation / R&D / Interest bearing debt



(100 Million Yen)

	Actual Results FYE 2015	Actual Results FYE 2016 (a)	Plan FYE 2017 (b)	Variance (b) - (a)
Capex	1,107	1,357	1,600	+243
Depreciation	648	650	800	+150
R&D	835	1,024	1,200	+176
Interest bearing debt	2,112	1,700	1,650	-50

Appendix (1)

- Non-operating income & expenses and extraordinary income & loss
- Segment information by Business & Geographic
- Overseas net sales
- Non-consolidated unit sales
- Consolidated income statements in 4th quarter (3 months)
- FYE 2016 plan vs. Actual results
- Consolidated income statements in 1st half of FYE 2017

FYE 2016 : Non-operating Income & Expenses and Extraordinary Income & Loss (Consolidated)



(100 Million Yen)

	Actual Results FYE 2015	Actual Results FYE 2016	Variance
Financial revenue and expenditure	12	27	+15
FOREX effects	-263	78	+341
Others	-43	9	+52
Total non-operating income& expenses	-294	114	+408
Gain on sales of noncurrent assets	6	3	-4
Gain on sales of investment securities	11	27	+17
Reversal of allowance for doubtful accounts	-	302	+302
State subsidy	-	30	+30
Loss on sales and retirement of noncurrent assets	-39	-48	-9
Loss on reduction of noncurrent assets	-	-17	-17
Loss on valuation of investment securities	-	-54	-54
Others	8	177	+169
Total extraordinary income & loss	-14	420	+435

FYE 2016 : Net Sales and Operating Income by Business Segment (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	Actual Results FYE 2015	Actual Results FYE 2016	Variance	Actual Results FYE 2015	Actual Results FYE 2016	Variance
Automobile	26,990	30,394	+3,405	4,009	5,436	+1,427
Aerospace	1,428	1,528	+100	189	182	-7
Industrial products	290	326	+35	8	1	-7
Others	71	75	+4	19	29	+10
Elimination & Corporate	/	/	/	6	8	+2
Total	28,779	32,323	+3,543	4,230	5,656	+1,425

FYE 2016 : Net Sales and Operating Income by Geographic Area (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	Actual Results FYE 2015	Actual Results FYE 2016	Variance	Actual Results FYE 2015	Actual Results FYE 2016	Variance
Japan	9,722	9,621	-101	3,518	4,457	+938
North America	16,250	19,878	+3,628	909	1,155	+246
Others	2,807	2,824	+17	140	28	-112
Elimination & Corporate	/	/	/	-336	17	+353
Total	28,779	32,323	+3,543	4,230	5,656	+1,425

FYE 2016 : Overseas Net Sales (Consolidated)



(100 Million Yen)

	Actual Results FYE 2015	Actual Results FYE 2016	Variance
North America	17,309	21,045	+3,736
Europe	1,233	1,262	+30
Asia	2,387	2,373	-15
Other	1,321	1,589	+268
Total	22,250	26,269	+4,018

FYE 2016 : Non-consolidated Unit Sales



(Thousand units)

	Actual Results FYE 2015	Actual Results FYE 2016	Variance
Domestic production	707.7	714.9	+7.2
Domestic sales	167.1	150.0	-17.1
Passenger cars	131.6	114.4	-17.2
Minicars	35.6	35.6	+0.1
Number of exported vehicles	545.6	576.5	+30.9
Components for overseas production	222.5	242.4	+19.9
Total	935.3	968.9	+33.7

* Domestic production figures include Toyota 86.

4th Quarter (3 months) : Consolidated Unit Sales



(Thousand units)

	Actual results 4Q FYE 2015	Actual results 4Q FYE 2016	Variance
Passenger cars	44.4	35.7	-8.7
Minicars	12.5	9.7	-2.8
Domestic total	56.9	45.4	-11.5
U.S.	128.9	136.4	+7.4
Canada	10.5	10.9	+0.4
Russia	0.7	1.0	+0.2
Europe	12.8	13.2	+0.3
Australia	10.7	11.7	+1.0
China	13.1	14.3	+1.2
Others	13.4	12.9	-0.4
Overseas total	190.1	200.3	+10.1
Total	247.0	245.7	-1.4

4th Quarter (3 months) : Consolidated Income Statements



(100 Million Yen)

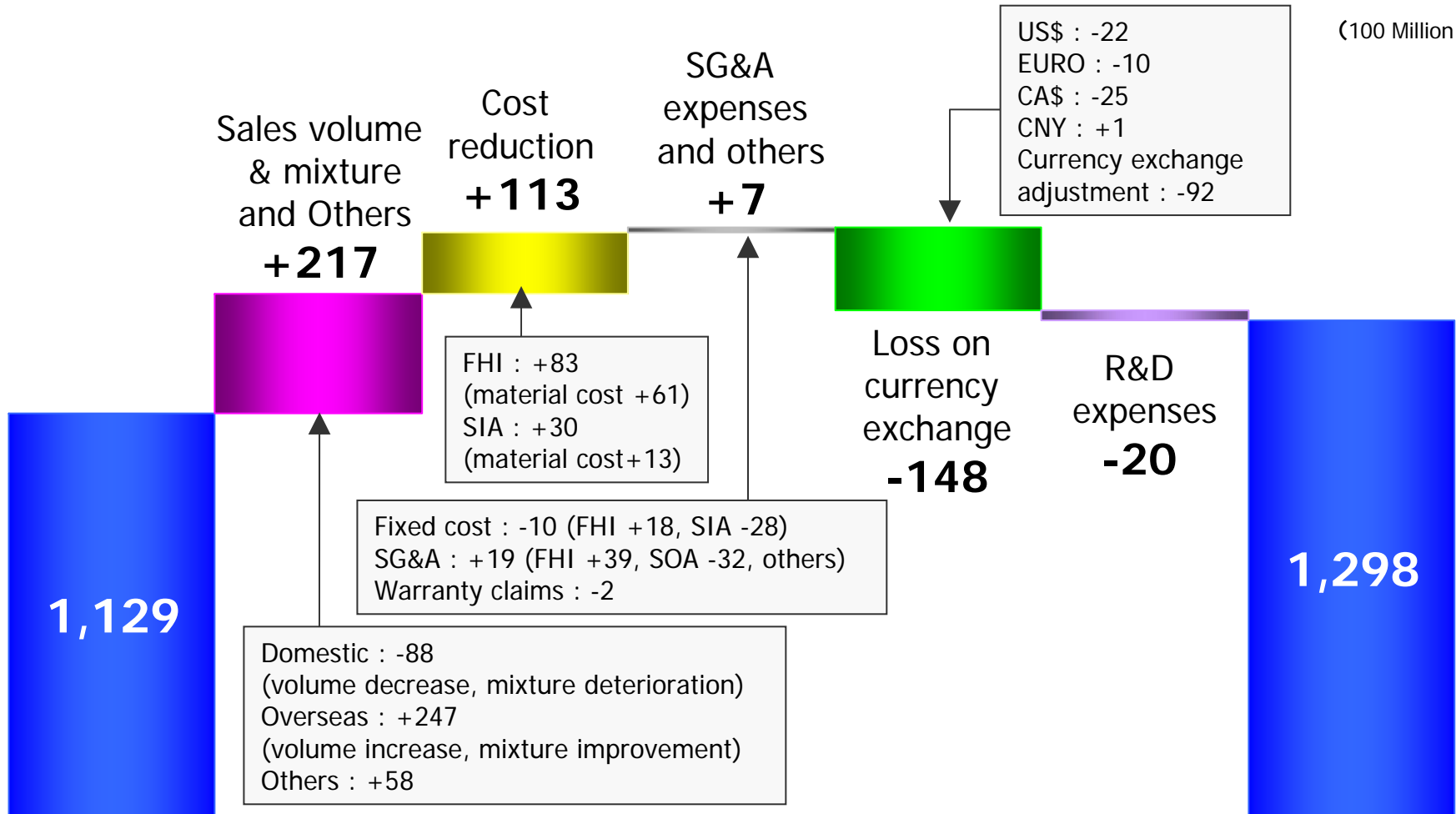
	Actual results 4Q FYE 2015	Actual results 4Q FYE 2016	Variance
Net sales	8,172	8,136	-36
Domestic	2,110	1,772	-338
Overseas	6,062	6,364	+303
Operating income	1,129	1,298	+170
Ordinary income	1,053	1,430	+377
Income before taxes and minority interests	1,055	1,385	+330
Net income attributable to owners of parent	715	989	+273
FHI exchange rate	¥118/US\$	¥118/US\$	-¥1/US\$

4th Quarter (3 months) :

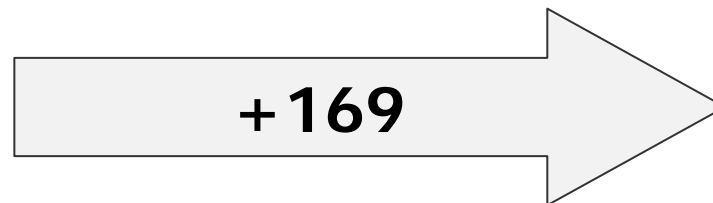
Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)



**Actual results
4Q FYE 2015
Operating income**



**Actual results
4Q FYE 2016
Operating income**

FYE 2016 Plan vs. Actual Results : Consolidated Unit Sales



(Thousand units)

	Plan FYE 2016	Actual results FYE 2016	Variance
Passenger cars	109.8	111.6	+1.8
Minicars	33.5	33.7	+0.2
Domestic total	143.3	145.3	+2.0
U.S.	583.0	582.7	-0.3
Canada	47.1	47.6	+0.5
Russia	6.1	5.7	-0.4
Europe	41.3	41.8	+0.4
Australia	44.5	44.6	+0.1
China	44.4	44.4	±0
Others	45.1	45.8	+0.7
Overseas total	811.5	812.6	+1.1
Total	954.8	957.9	+3.0

FYE 2016 Plan vs. Actual Results : Consolidated Income Statements



(100 Million Yen)

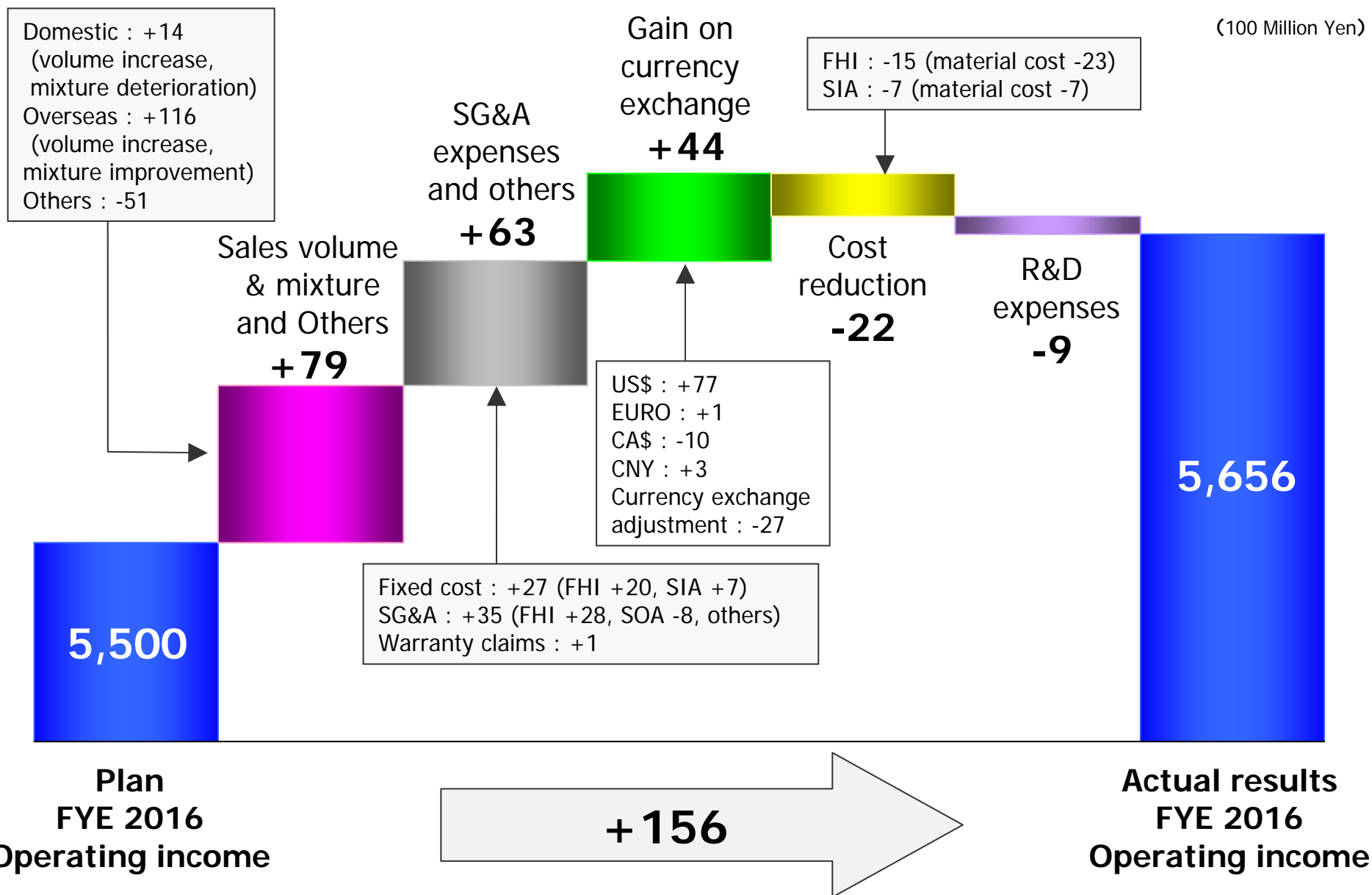
	Plan FYE 2016	Actual results FYE 2016	Variance
Net sales	32,100	32,323	+223
Domestic	5,962	6,054	+92
Overseas	26,138	26,269	+130
Operating income	5,500	5,656	+156
Ordinary income	5,470	5,770	+300
Income before taxes and minority interests	5,870	6,190	+320
Net income attributable to owners of parent	4,140	4,367	+227
FHI exchange rate	¥120/US\$	¥121/US\$	+¥1/US\$

FYE 2016 Plan vs. Actual Results :

Analysis of Variance in Operating Income (consolidated)



(100 Million Yen)



Plan for 1st Half of FYE 2017 : Consolidated Unit Sales



(Thousand units)

	Actual results 1st half FYE 2016	Plan 1st half FYE 2017	Variance
Passenger cars	49.8	50.5	+0.7
Minicars	16.7	14.6	-2.1
Domestic total	66.5	65.1	-1.4
U.S.	290.6	315.1	+24.5
Canada	26.1	28.2	+2.1
Russia	3.5	5.3	+1.9
Europe	19.6	19.3	-0.3
Australia	23.0	22.3	-0.7
China	20.5	24.0	+3.5
Others	22.5	22.5	+0.0
Overseas total	405.7	436.7	+31.0
Total	472.2	501.8	+29.6

Plan for 1st Half of FYE 2017 : Consolidated Income Statements



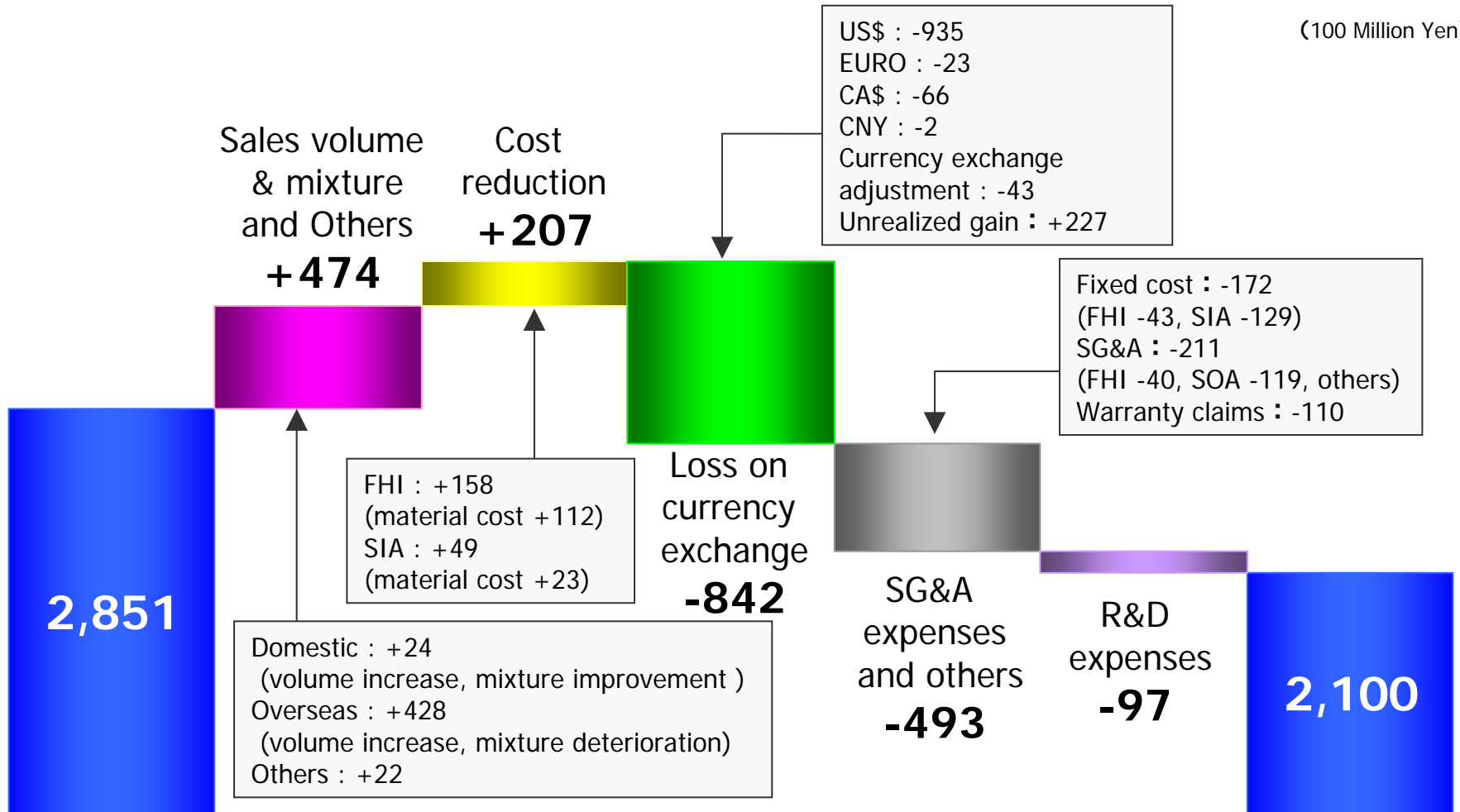
(100 Million Yen)

	Actual results 1st half FYE 2016	Plan 1st half FYE 2017	Variance
Net sales	16,015	15,335	-680
Domestic	2,852	2,796	-56
Overseas	13,163	12,539	-624
Operating income	2,851	2,100	-751
Ordinary income	2,850	2,140	-710
Income before taxes and minority interests	2,831	2,120	-711
Net income attributable to owners of parent	1,932	1,480	-452
FHI exchange rate	¥122/US\$	¥105US\$	-¥17/US\$

1st Half of FYE 2016 Results vs. FYE 2017 Plan : Analysis of Variance in Operating Income (consolidated)



(100 Million Yen)



Actual results
1st half
FYE 2016
Operating income

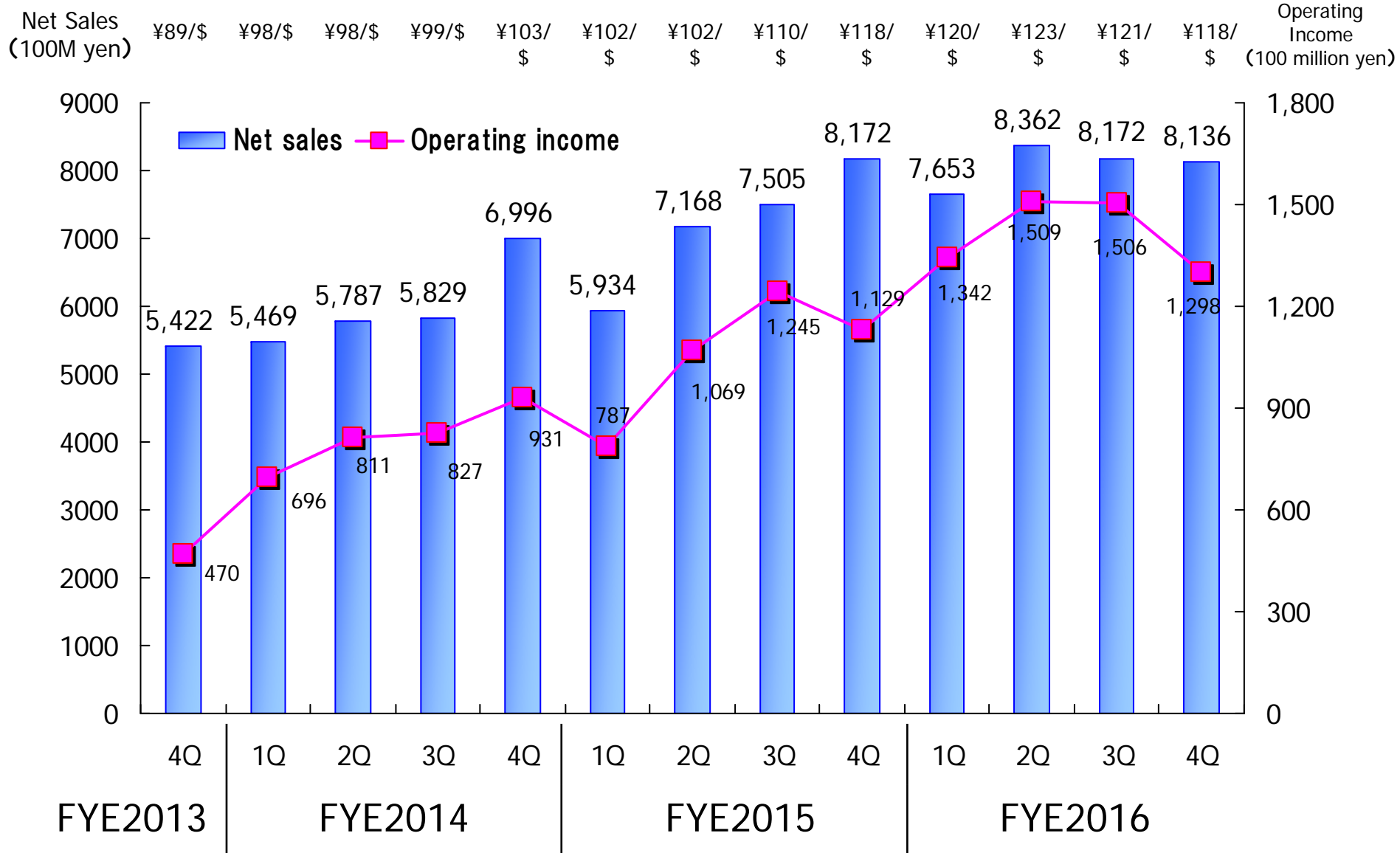
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Plan
1st half
FYE 2017
Operating income

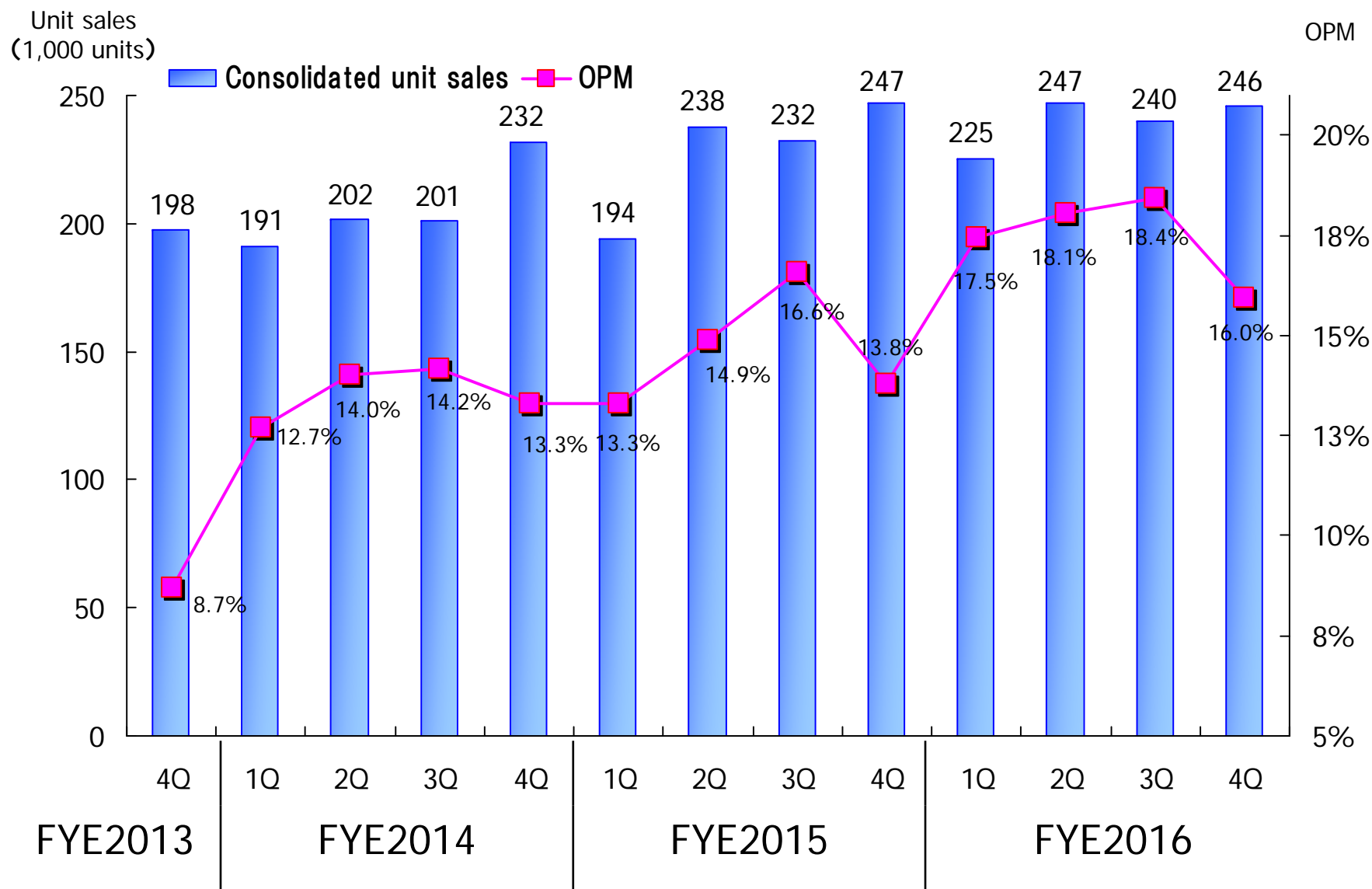
Appendix (2)

- 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



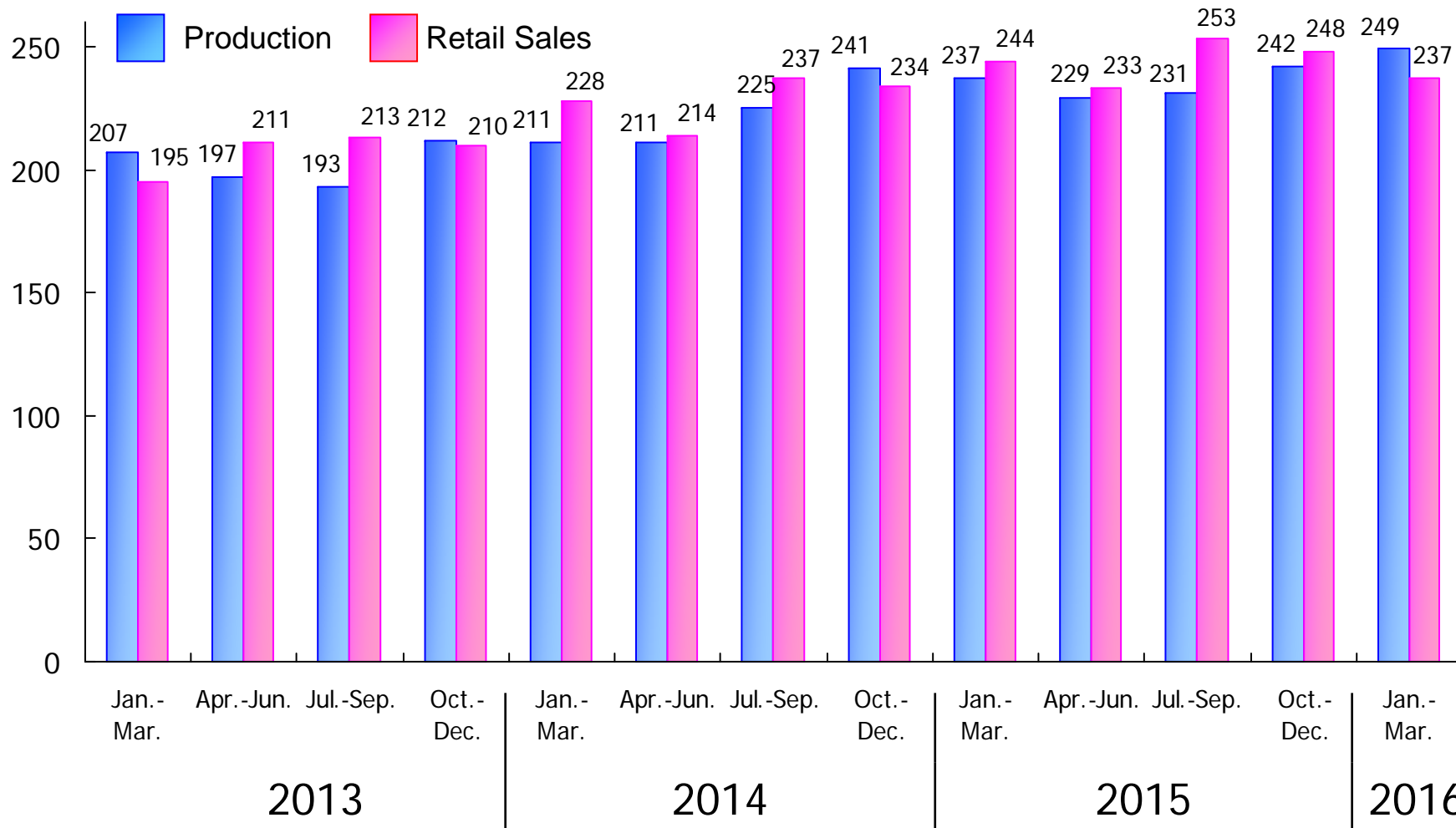
Consolidate Unit Sales & Operating Income Margin



Complete Cars Production / Retail Sales Units

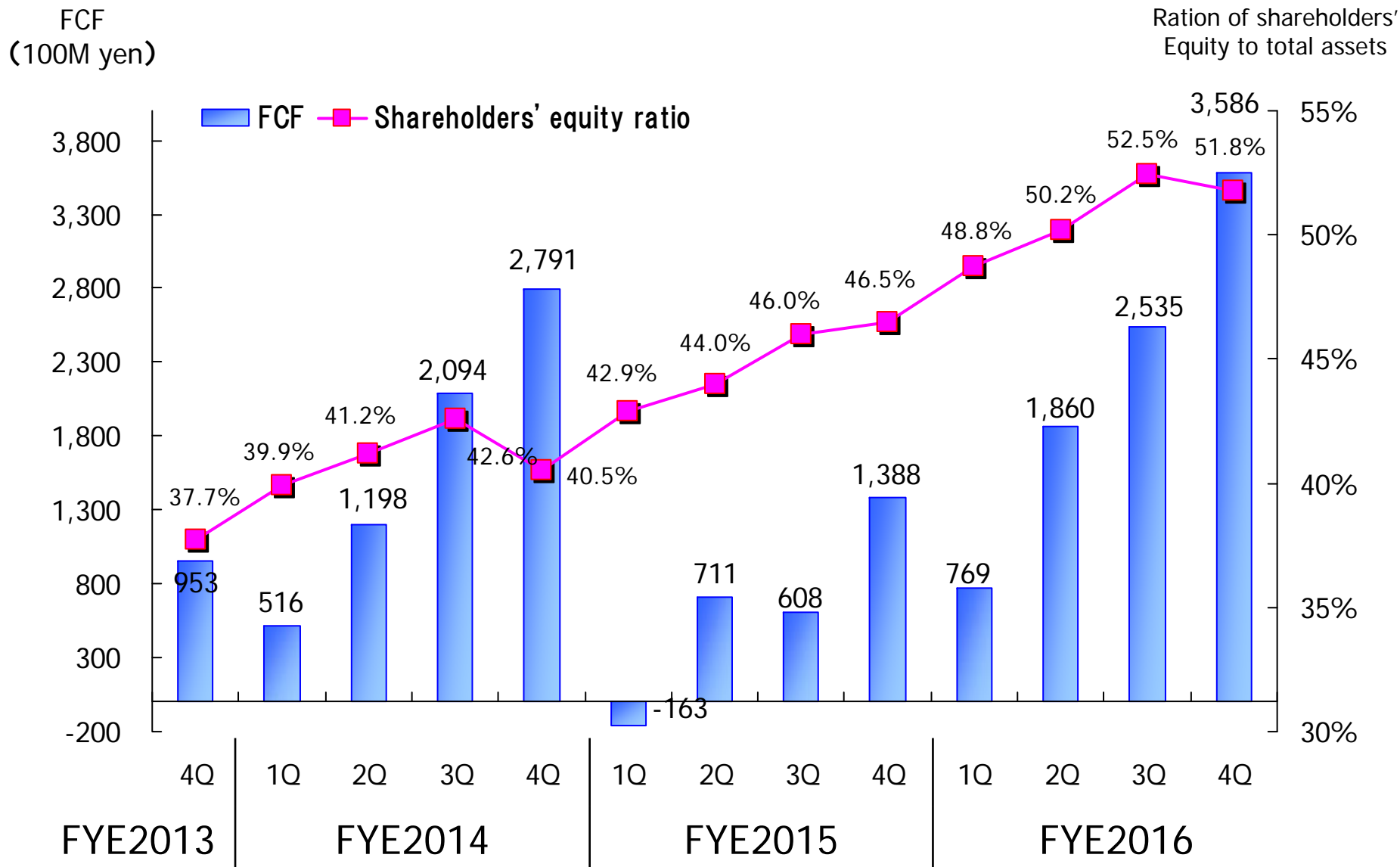


(1,000 units)

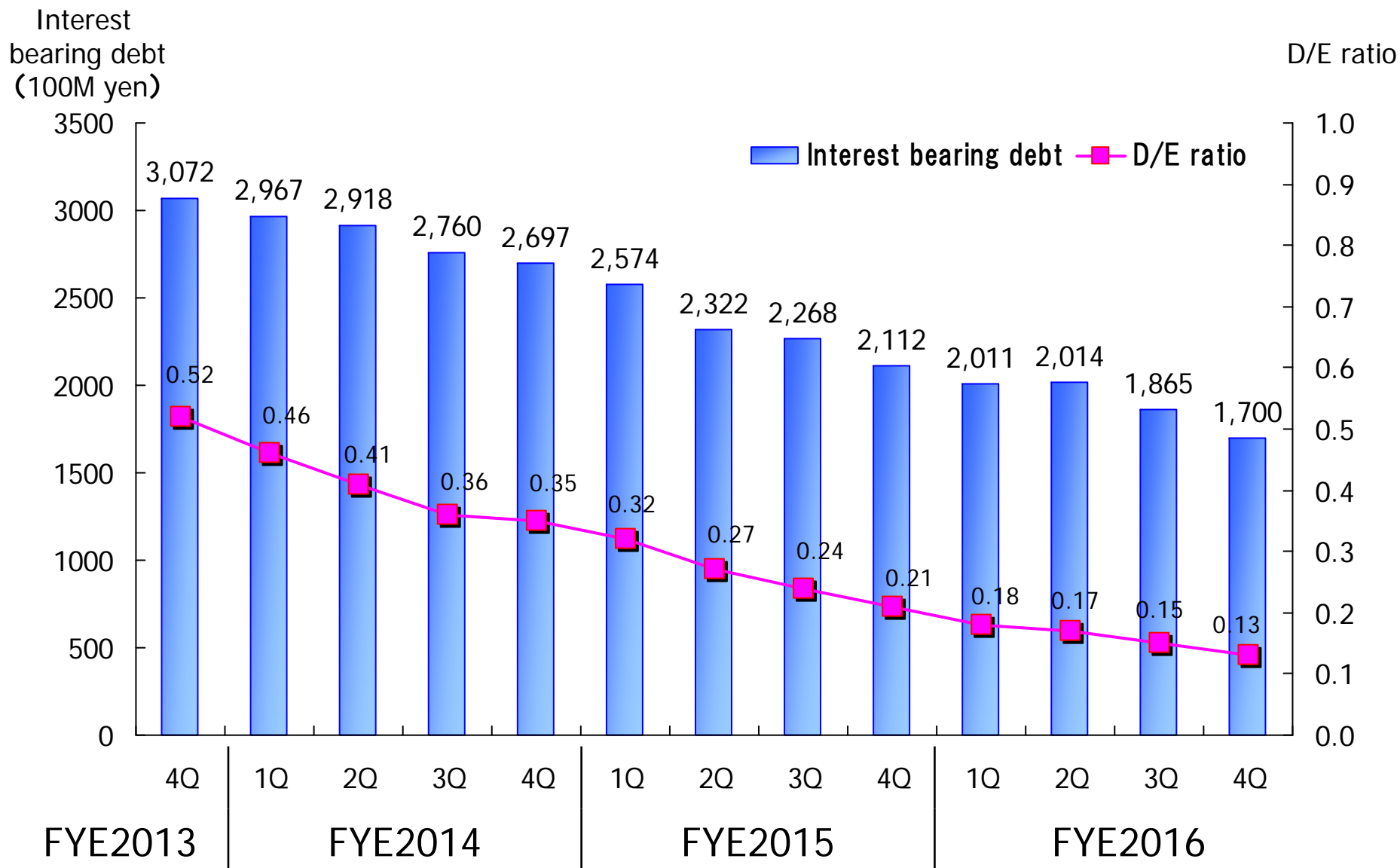


※ Production figures include Toyota 86

Free Cash Flows & Ratio of Shareholders' Equity to Total 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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