

Consolidated Financial Results for FYE 2018



SUBARU CORPORATION



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Summary



Consolidated Financial Results for FYE 2018

- Net sales and global unit sales posted all-time records^{*1} for the 6th consecutive year. Unit sales in North America marked an all-time record^{*1} for the 9th consecutive year.
- Operating income decreased, as foreign exchange gains were offset by a rise in sales expenses due to higher interest rates in the U.S., higher costs of raw materials, an increase in R&D expenses, and other factors.
- Net income attributable to owners of parent decreased reflecting an extraordinary loss of 81.3 billion yen to account for airbag-related losses.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Actual results (YoY)	¥3,405.2bil. (+79.2bil.)	¥379.4bil. (-31.4)	¥379.9bil. (-14.4bil.)	¥220.4bil. (-62.0bil.)	1,066.9k units (+2.4k units)

Forecasts for FYE 2019

- In prospect of further growth in North America and other regions, global unit sales are projected to increase. Global unit sales are projected to post all-time records^{*1}.
- Net sales are projected to decrease, as unit sales growth is expected to be offset by foreign exchange losses, accounting policy change, and other factors.
- Operating income is projected to decrease, as unit sales growth is expected to be offset by factors including foreign exchange losses, a rise in sales expenses due to higher interest rates in the U.S., and raw material cost increases.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Forecasts (YoY)	¥3,250.0bil. (-155.2bil.)	¥300.0bil. (-79.4bil.)	¥305.0bil. (-74.9bil.)	¥220.0bil. (-0.4bil.)	1,100.4k units (+33.5k units)

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

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



Consolidated Financial Results for FYE 2018

FYE 2018 :
Consolidated Unit Sales



(Thousand Units)

	Actual Results FYE 2017	Actual Results FYE 2018	Variance
Passenger Cars	126.4	132.6	+6.2
Minicars	32.5	30.9	-1.7
Domestic Total	158.9	163.4	+4.5
US	667.6	670.9	+3.3
Canada	53.1	56.8	+3.8
Russia	5.3	7.7	+2.4
Europe	40.9	40.2	-0.7
Australia	49.1	55.7	+6.6
China	44.0	26.9	-17.1
Others	45.6	45.2	-0.3
Overseas Total	905.6	903.5	-2.1
Total	1,064.5	1,066.9	+2.4

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<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.

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First, I will report on the full-year consolidated financial results for fiscal year ended March 2018. Consolidated unit sales hit an all-time record of 1,066,900 units, an increase of 2,400 units year on year.

In Japan, minicar sales fell below the level of the previous fiscal year, but passenger car sales were strong, primarily due to the full model change implemented for the SUBARU XV, and rose 6,200 units year on year to 132,600 units.

Overall domestic sales grew 4,500 units year on year to reach 163,400 units.

Performance overseas remained strong, with sales in our key market of North America hitting an all-time record for the 9th consecutive year, and the Australian market posting an all-time high for the sixth consecutive year.

On the other hand, due to lower sales units in the intensely competitive Chinese market, total overseas sales came to 903,500 units, down 2,100 units year on year.

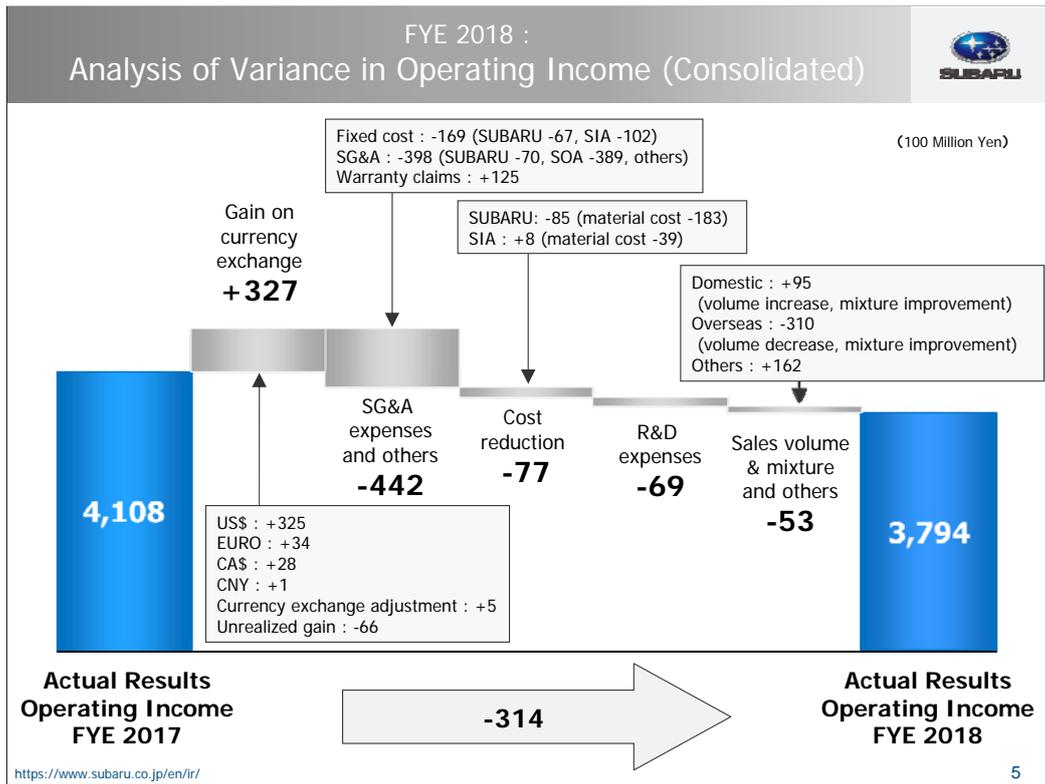
FYE 2018 :			
Consolidated Income Statements			
(100 Million Yen)			
	Actual Results FYE 2017	Actual Results FYE 2018	Variance
Net Sales	33,260	34,052	+792
Domestic	6,503	6,686	+182
Overseas	26,756	27,367	+610
Operating Income	4,108	3,794	-314
Total Non-operating Income & Expenses	-165	5	+170
Ordinary Income	3,943	3,799	-144
Total Extraordinary Income & Loss	4	-826	-830
Income before Taxes and Minority Interests	3,947	2,973	-974
Net Income Attributable to Owners of Parent	2,824	2,204	-620
SUBARU Exchange Rate	¥108/US\$	¥111/US\$	+¥3/US\$

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Moving on to consolidated income statements, consolidated net sales rose 79.2 billion yen year on year to 3,405.2 billion yen, with sales being pushed up by a currency gain of 64.9 billion yen, improvements from better sales volume and mix contributing another 20.4 billion yen, and a negative impact of 6.1 billion yen from SUBARU companies, etc.

Operating income benefited from the positive impact of currency fluctuations, but increases in sales expenses associated with higher interest rates in the U.S., impact of material prices and market conditions, and rising R&D expenses, among other factors, resulted in a fall of 31.4 billion yen year on year to 379.4 billion yen. Ordinary income fell by 14.4 billion yen to 379.9 billion yen.

Net income attributable to owners of parent was hit by an extraordinary loss of 81.3 billion yen due to losses related to airbags, and for this and other reasons it fell by 62.0 billion yen year on year to 220.4 billion yen.



Now let's look at the analysis of variance at the operating income level.

First, in terms of factors pushing up operating income, there was a <1> gain on currency exchange of 32.7 billion yen.

The roughly 3-yen depreciation of the yen against the U.S. dollar contributed to an increase of 32.5 billion yen.

The yen weakened around 11 yen versus the euro, for a gain of 3.4 billion yen, while the roughly 4-yen depreciation against the Canadian dollar pushed up operating income by 2.8 billion yen. Elsewhere, there was a gain on currency translations between the yen and the Chinese yuan of 0.1 billion yen, and another contribution of 0.5 billion yen resulting from foreign exchange adjustments related to transactions between SUBARU and its overseas subsidiaries. Finally, unrealized gains on inventory had a negative impact of 6.6 billion yen.

Next, I will explain the four factors that depressed operating income.

<1> The increase in SG&A and other expenses pushed down operating income by 44.2 billion yen. There were three reasons for this.

(1) Increases in fixed manufacturing costs had a negative impact of 16.9 billion yen. Of this, SUBARU saw increased costs for supplier dies of 4.3 billion yen, and higher fixed processing costs of 2.4 billion yen, which pushed down operating income by 6.7 billion yen. SIA experienced a rise in costs for supplier dies of 5.4 billion yen and increased fixed processing costs of 4.8 billion yen, for a total negative impact of 10.2 billion yen.

(2) Higher SG&A expenses had a negative impact of 39.8 billion yen. Of this, SUBARU accounted for 7.0 billion yen, domestic dealers 1.9 billion yen, SOA 38.9 billion yen, the Canadian subsidiary none, and others 8.0 billion yen.

At SOA, the reduction in advertising and other expenses contributed to an increase of 1.2 billion yen. Incentives had a negative impact of 40.1 billion yen. Incentives per vehicle rose 550 dollars year on year from 1,450 dollars to 2,000 dollars.

(3) A decline in warranty claims contributed to a gain of 12.5 billion yen.

<2> Cost reductions had an overall negative impact of 7.7 billion yen. Of this, SUBARU saw a gain of 9.8 billion yen from cost reductions and loss of 18.3 billion yen due to material prices, etc., for a combined negative impact of 8.5 billion yen.

SIA gained 0.8 billion yen, due to a contribution from cost reductions of 4.7 billion yen and a negative impact from material prices, etc. of 3.9 billion yen.

<3> Higher R&D expenses had a negative impact of 6.9 billion yen.

<4> Sales volume and mix and others had a negative impact of 5.3 billion yen. There were three reasons for this.

(1) New vehicles in Japan: +9.5 billion yen (2) New vehicles overseas: -31.0 billion yen (3) Inventory adjustments and other factors: +16.2 billion yen

As a result of the above factors, operating income for fiscal year ended March 2018 fell by 31.4 billion yen from 410.8 billion yen the previous year to 379.4 billion yen.

FYE 2018 :			
Consolidated Balance Sheets			
(100 Million Yen)			
	As of March 31 2017	As of March 31 2018	Variance
Total Assets	27,623	28,843	+1,220
Current Assets	18,453	18,952	+500
Noncurrent Assets	9,171	9,891	+720
Total Liabilities	12,974	13,233	+259
Interest Bearing Debts	1,483	862	-621
Net Assets	14,649	15,610	+961
Retained Earnings	11,733	12,835	+1,103
Shareholders' Equity	14,587	15,528	+942
Ratio of Shareholders' Equity to Total Assets	52.8%	53.8%	-
D/E Ratio	0.10	0.06	-

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Next, the balance sheet.

Total assets increased by 122.0 billion yen year on year to 2,884.3 billion yen.

The main factors behind this rise were an increase in property, plant and equipment of 45.8 billion yen, an increase of 28.6 billion yen in combined funds on hand, comprised of cash and deposits, and short-term investment securities, and a 26.5 billion yen gain in deferred tax assets.

Liabilities rose by 25.9 billion yen year on year to 1,323.3 billion yen. The main factors were an increase of 64.7 billion yen in provision for losses related to airbags, an increase in accrued expenses of 34.6 billion yen, and a decline of 62.1 billion yen in long-term loans (including the current portion of long-term loans payable) and short-term loans payable.

Net assets rose 96.1 billion yen year on year to 1,561.0 billion yen.

The primary reasons for this include a 110.3 billion yen increase in retained earnings.

The ratio of shareholders' equity to total assets was 53.8%.

FYE 2018 :		Consolidated Statement of Cash Flows		
				(100 Million Yen)
	Actual Results FYE 2017	Actual Results FYE 2018	Variance	
Net Cash Provided by (used in) Operating Activities	3,454	3,663	+209	
Net Cash Provided by (used in) Investing Activities	-2,543	-1,507	+1,035	
Free Cash Flows	912	2,156	+1,244	
Net Cash Provided by (used in) Financing Activities	-1,890	-1,709	+181	
Effect of Exchange Rate Change on Cash and Cash Equivalents	-30	-108	-78	
Net Increase (Decrease) in Cash and Cash Equivalents	-1,008	338	+1,347	
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	7,286	7,656	+370	

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Moving on to the consolidated statement of cash flows, we see that net cash provided by operating activities was 366.3 billion yen. The major components of this were 297.3 billion yen in income before income taxes, and a 64.7 billion yen increase in provision for losses related to airbags.

Net cash used in investing activities was 150.7 billion yen. The main element in this figure was 146.5 billion yen in expenditures for the purchase of property, plant and equipment.

As a result, free cash flow totaled 215.6 billion yen.

Net cash used in financing activities was 170.9 billion yen.

The bulk of this was accounted for by 110.3 billion yen in expenditures for cash dividends paid, a 40.9 billion yen repayment of long-term loans payable, and a decline in short-term loans payable of 18.4 billion yen.

Cash and cash equivalents totaled 765.6 billion yen.

FYE 2018 :			
Operating Results of Subsidiaries in U.S.			
(Million US\$)			
SOA	Actual Results FYE 2017	Actual Results FYE 2018	Variance
Net Sales	17,947	18,402	+455
Operating Income	671	356	-315
Net Income	421	235	-186
Retail Sales (Thousand Units)	625.0	651.9	+26.9
SIA	Actual Results FYE 2017	Actual Results FYE 2018	Variance
Net Sales	7,525	7,673	+148
Operating Income	236	176	-60
Net Income	148	134	-14
Production (Thousand Units)	335.2	348.6	+13.4

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

SOA's retail sales for the full year rose by 26,900 units year on year to 651,900 units, as a result of strong sales of the Impreza and the Crosstrek.

Net sales increased by 455 million dollars year on year to 18,402 million dollars.

At the operating level, profits fell by 315 million dollars year on year to 356 million dollars as a result of improvements in sales volume and sales mix of 43 million dollars, and an increase in SG&A expenses of 358 million dollars.

SIA saw net sales rise 148 million dollars year on year to 7,673 million dollars.

Operating income fell by 60 million dollars year on year to 176 million dollars. The factors behind this decline include a gain of 26 million dollars due to better sales mix variances, together with 7 million dollars from cost reduction efforts/market conditions, offset by an increase of 93 million dollars in fixed costs.

FYE 2018 : Capex / Depreciation / R&D / Interest bearing debt					
(100 Million Yen)					
	Actual Results FYE 2017 (a)	Previous Plan FYE 2018 (b)	Actual Results FYE 2018 (c)	Variance (c) - (a)	Variance (c) - (b)
Capex	1,585	1,500	1,414	-171	-86
Depreciation	770	920	898	+128	-22
R&D	1,142	1,260	1,211	+69	-49
Interest Bearing Debt	1,483	950	862	-621	-88

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

Capital expenditures fell by 17.1 billion yen year on year to 141.4 billion yen.

Depreciation expenses increased by 12.8 billion yen to 89.8 billion yen.

R&D expenses rose by 6.9 billion yen to 121.1 billion yen.

Interest-bearing debt fell by 62.1 billion yen to 86.2 billion yen.



Forecasts for FYE 2019

FYE 2019 :
Consolidated Unit Sales Plan



(Thousand Units)

	Actual Results FYE 2018	Plan FYE 2019	Variance
Passenger Cars	132.6	122.7	-9.9
Minicars	30.9	28.1	-2.8
Domestic Total	163.4	150.8	-12.7
US	670.9	707.0	+36.0
Canada	56.8	61.4	+4.6
Russia	7.7	11.5	+3.8
Europe	40.2	32.5	-7.7
Australia	55.7	55.5	-0.2
China	26.9	29.9	+3.0
Others	45.2	51.9	+6.6
Overseas Total	903.5	949.7	+46.2
Total	1,066.9	1,100.4	+33.5

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Next, we will discuss the plan for the fiscal year ending March 2019.

In terms of consolidated unit sales, we plan for a total of 1.1004 million units in Japan and overseas. This represents a 33,500-unit increase year on year.

By market,

Japan is expected to decline by 12,700 units year on year to 150,800 units.

Overseas, we expect increases driven by the newly introduced the Ascent and by a full model change for the Forester, resulting in plans for a year-on-year rise of 46,200 units to 949,700 units.

FYE 2019 :
Consolidated Operating Plan



(100 Million Yen)

	Actual Results FYE 2018	Plan FYE 2019	Variance
Net Sales	34,052	32,500	-1,552
Domestic	6,686	6,086	-600
Overseas	27,367	26,415	-952
Operating Income	3,794	3,000	-794
Ordinary Income	3,799	3,050	-749
Income before Taxes and Minority Interests	2,973	2,987	+14
Net Income Attributable to Owners of Parent	2,204	2,200	-4
SUBARU Exchange Rate	¥111/US\$	¥105/US\$	-¥6/US\$

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※ Accounting policy change from the FYE 2019 reporting (sales incentives are deducted from net sales)

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Next we will look at the consolidated income statements plan.

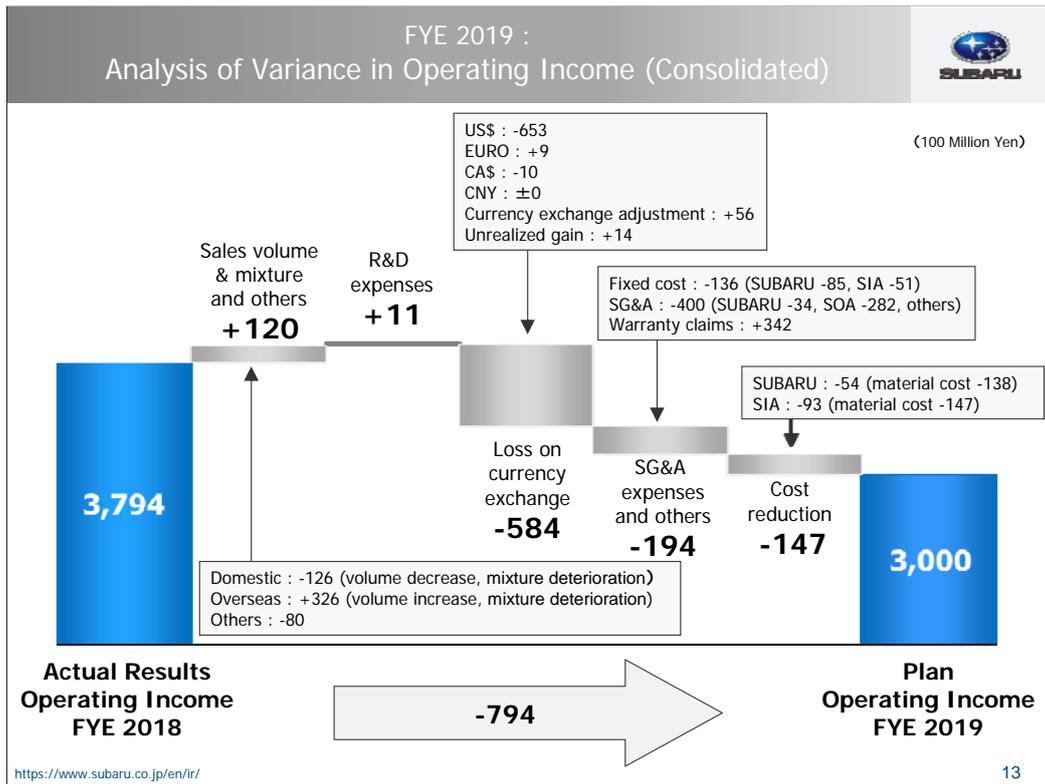
Net sales are seen declining by 155.2 billion yen year on year to 3,250.0 billion yen. The breakdown of that 155.2 billion yen is 122.0 billion yen from foreign exchange rate fluctuations, 21.1 billion yen from SUBARU companies etc., and 12.1 billion yen from sales mix variances.

We will change our accounting treatment beginning in fiscal year ending March 2019. Incentives that were previously posted to SG&A expenses will be deducted from net sales. We expect the impact of this change to be about 180.0 billion yen. As a result, our forecast for this fiscal year is 3,430.0 billion yen based on the same standards as the previous fiscal year.

Operating income is seen declining by 79.4 billion yen year on year, to 300.0 billion yen.

Ordinary income is expected to decline by 74.9 billion yen year on year to 305.0 billion yen.

Net income attributable to owners of parent is expected to be 220.0 billion yen, a year-on-year decline of 0.4 billion yen.



Now let's look at the analysis of variance at the operating income level.

First, I will explain the two factors that are forecast to push up operating income.

<1> One is the positive impact of sales volume and mix, of 12.0 billion yen. There are three reasons for this.

- (1) New vehicles in Japan: -12.6 billion yen.
- (2) New vehicles overseas: +32.6 billion yen
- (3) Inventory adjustments and other factors: -8.0 billion yen.

<2> The second is the positive impact of 1.1 billion yen due to declining R&D expenses.

Now, we will look at factors pushing down profit. There are three main elements.

<1> The first is the foreign exchange rate losses of 58.4 billion yen.

We expect the yen to appreciate by around 6 yen against the U.S. dollar, resulting in a negative impact of 65.3 billion yen.

We expect the yen to depreciate slightly against the euro, resulting in a positive impact of 0.9 billion yen, and for the yen to appreciate about 2 yen against the Canadian dollar, pushing down profit by 1.0 billion yen. Others and foreign exchange adjustments related to transactions between SUBARU and its overseas subsidiaries are predicted to have a positive impact of 5.6 billion yen, while unrealized gains on inventory are forecast to be positive to the tune of 1.4 billion yen.

<2> The second is an increase in SG&A and other expenses, with a negative impact of 19.4 billion yen.

There are three factors at work here.

(1) Increases in fixed manufacturing costs are expected to have a negative impact of 13.6 billion yen.

Of this, SUBARU is to see increased costs for supplier dies of 7.6 billion yen, and higher fixed processing costs of 0.9 billion yen, for a total negative impact of 8.5 billion yen.

SIA will likely experience a rise in costs for supplier dies of 5.5 billion yen and increased fixed processing costs of 0.4 billion yen, for a total negative impact of 5.1 billion yen.

(2) Higher SG&A expenses are predicted to have a negative impact of 40.0 billion yen.

Of this, SUBARU is projected to account for 34.0 billion yen, domestic dealers 0.2 billion yen, SOA 28.2 billion yen, the Canadian subsidiary 1.5 billion yen, and others 6.7 billion yen.

For SOA, advertising and other expenses are planned to be 9.7 billion yen, and incentives are expected to have a negative impact of 18.5 billion yen. Incentives per vehicle this fiscal year are slated to rise 200 dollars year on year from 2,000 dollars to 2,200 dollars.

(3) A decline in warranty claims is predicted to contribute to a gain of 34.2 billion yen.

<3> Finally, cost reductions are expected to have an overall negative impact of 14.7 billion yen.

Of this, SUBARU is forecast to see a gain of 8.4 billion yen from cost reductions and loss of 13.8 billion yen due to material prices and market conditions, etc., for a combined negative effect of 5.4 billion yen. SIA is slated to see a gain of 5.4 billion yen from cost reductions and loss of 14.7 billion yen due to material prices, etc., for a combined negative impact of 9.3 billion yen.

As a result of the above factors, operating income for fiscal year ending March 2019 is forecast to decline by 79.4 billion yen from 379.4 billion yen the previous year to 300.0 billion yen.

FYE 2019 :			
Operating Plan of Subsidiaries in U.S.			
(Million US\$)			
SOA	Actual Results FYE 2018	Plan FYE 2019	Variance
Net Sales	18,402	19,678	+1,276
Operating Income	356	273	-83
Net Income	235	227	-8
Retail Sales (Thousand Units)	651.9	700.0	+48.1
SIA	Actual Results FYE 2018	Plan FYE 2019	Variance
Net Sales	7,673	9,157	+1,484
Operating Income	176	128	-48
Net Income	134	103	-31
Production (Thousand Units)	348.6	384.0	+35.4

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

Our goal for SOA's retail sales for the full year, driven by expanding sales of the still-strong Crosstrek, and the launch of the new Ascent, is an increase of 48,100 units year on year to 700,000 units.

For net sales, SOA is projecting an increase of 1,276 million dollars to 19,678 million dollars.

Operating income is seen benefiting from sales volume and sales mix by 175 million dollars, but is also expected to be hit by higher SG&A expenses of 258 million dollars, resulting in an operating income forecast of 273 million dollars, a decline of 83 million dollars year on year.

SIA's net sales are expected to rise 1,484 million dollars year on year to 9,157 million dollars.

For operating income, SIA anticipates a year-on-year fall of 48 million dollars to 128 million dollars, with a gain of 96 million dollars from better sales mix variances offset by negative impacts of 51 million dollars and 93 million dollars from cost reduction efforts/market conditions and increases in fixed costs, respectively.

FYE 2019 :
Capex / Depreciation / R&D / Interest bearing debt



(100 Million Yen)

	Actual Results FYE 2018	Plan FYE 2019	Variance
Capex	1,414	1,300	-114
Depreciation	898	930	+32
R&D	1,211	1,200	-11
Interest Bearing Debt	862	800	-62

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Finally, we have the full-year plan for capital expenditures, depreciation expenses, R&D expenses, and interest-bearing debt.

For the fiscal year ending March 2019, we are planning on capital expenditures of 130.0 billion yen, which represents a decrease of 11.4 billion yen year on year.

Depreciation expenses are slated to increase by 3.2 billion yen to 93.0 billion yen.

R&D expenses are set to be reduced by 1.1 billion yen to 120.0 billion yen.

Interest-bearing debt is projected to be 80.0 billion yen.

The following pages provide segment information, details of performance plans for the first half of this fiscal year, various KPIs, and other data for your reference.

This concludes the briefing on our financial results for the fiscal year ended March 2018.

Thank you very much.

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 2018 Plan vs. Actual Results
- Consolidated Income Statements in 1st half of FYE 2019

FYE 2018 : Non-operating Income & Expenses and
Extraordinary Income & Loss (Consolidated)



(100 Million Yen)

	Actual Results FYE 2017	Actual Results FYE 2018	Variance
Financial Revenue and Expenditure	28	68	+40
FOREX Effects	-90	-51	+39
Others	-102	-12	+90
Total Non-operating Income & Expenses	-165	5	+170
Gain on Sales of Noncurrent Assets	9	6	-3
Gain on Sales of Investment Securities	101	46	-55
Loss on Sales and Retirement of Noncurrent Assets	-42	-54	-12
Loss on Business Liquidation	-51	-	+51
Loss Related to Airbags	-	-813	-813
Impairment Loss	-12	0	+12
Others	-2	-11	-9
Total Extraordinary Income & Loss	4	-826	-830

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FYE 2018 : Net Sales and Operating Income
by Business Segment (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	Actual Results FYE 2017	Actual Results FYE 2018	Variance	Actual Results FYE 2017	Actual Results FYE 2018	Variance
Automobile	31,520	32,349	+829	3,977	3,615	-362
Aerospace	1,388	1,422	+34	91	123	+32
Others	353	282	-71	35	51	+16
Elimination & Corporate				5	7	+1
Total	33,260	34,052	+792	4,108	3,794	-314

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

FYE 2018 : Net Sales and Operating Income
by Geographic Area (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	Actual Results FYE 2017	Actual Results FYE 2018	Variance	Actual Results FYE 2017	Actual Results FYE 2018	Variance
Japan	9,705	10,118	+413	2,945	2,950	+5
North America	20,947	21,928	+981	1,059	694	-365
Others	2,608	2,006	-602	87	72	-16
Elimination & Corporate	/	/	/	16	79	+63
Total	33,260	34,052	+792	4,108	3,794	-314

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FYE 2018 :
Overseas Net Sales (Consolidated)



(100 Million Yen)

	Actual Results FYE 2017	Actual Results FYE 2018	Variance
North America	21,923	23,058	+1,135
Europe	1,126	1,191	+65
Asia	2,113	1,406	-707
Others	1,595	1,712	+117
Total	26,756	27,367	+610

FYE 2018 :
Non-consolidated Unit Sales



(Thousand Units)

	Actual Results FYE 2017	Actual Results FYE 2018	Variance
Domestic Production	720.5	701.2	-19.4
Domestic Sales	163.7	168.9	+5.2
Passenger Cars	129.6	137.2	+7.6
Minicars	34.1	31.7	-2.4
Number of Exported Vehicles	570.7	556.5	-14.3
Components for Overseas Production	353.8	348.1	-5.6
Total	1,088.2	1,073.5	-14.7

※ Domestic Production includes production of the 86 models for Toyota.

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4th Quarter (3 months) :
Consolidated Unit Sales



(Thousand Units)

	Actual Results 4 th Quarter (3 months) FYE 2017	Actual Results 4 th Quarter (3 months) FYE 2018	Variance
Passenger Cars	43.3	34.9	-8.4
Minicars	10.2	9.7	-0.4
Domestic Total	53.4	44.6	-8.8
US	166.3	161.9	-4.4
Canada	12.6	12.3	-0.3
Russia	1.3	2.1	+0.8
Europe	11.2	11.7	+0.6
Australia	11.2	13.6	+2.5
China	12.0	5.4	-6.7
Others	10.8	13.4	+2.6
Overseas Total	225.3	220.4	-4.9
Total	278.7	265.0	-13.7

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

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

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4th Quarter (3 months) :
Consolidated Income Statements



(100 Million Yen)

	Actual Results 4 th Quarter (3 months) FYE 2017	Actual Results 4 th Quarter (3 months) FYE 2018	Variance
Net Sales	8,981	8,406	-575
Domestic	2,054	1,840	-214
Overseas	6,927	6,565	-361
Operating Income	1,041	731	-309
Ordinary Income	971	768	-203
Income before Taxes and Minority Interests	959	797	-162
Net Income Attributable to Owners of Parent	748	675	-73
SUBARU Exchange Rate	¥114/US\$	¥110/US\$	-¥4/US\$

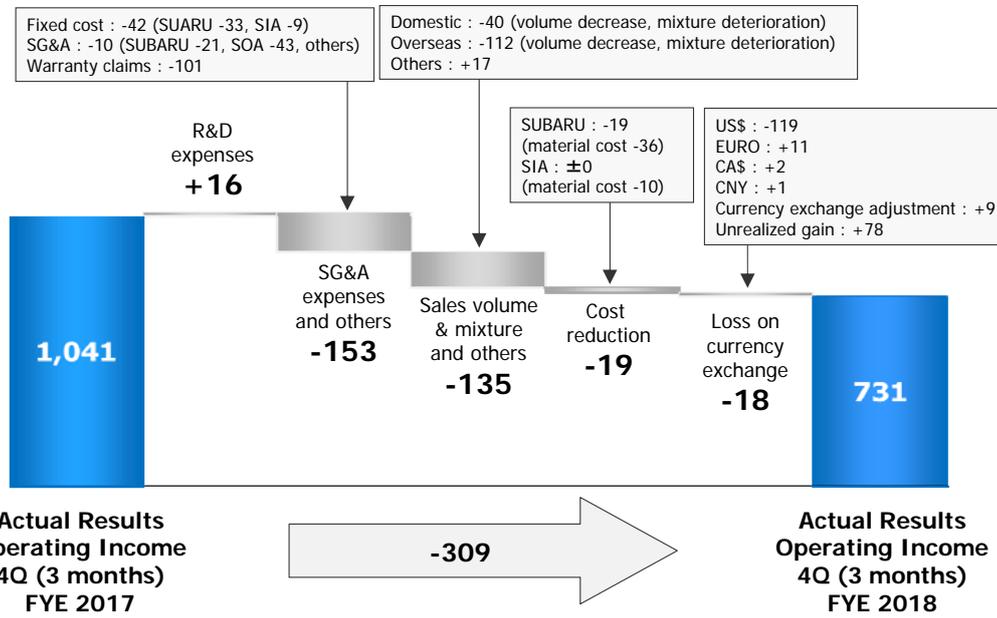
<https://www.subaru.co.jp/en/ir/>

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4th Quarter (3 months) :
Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)



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FYE 2018 (Plan vs. Actual Results) :
Consolidated Unit Sales



(Thousand Units)

	Plan FYE 2018	Actual Results FYE 2018	Variance
Passenger Cars	134.5	132.6	-2.0
Minicars	30.6	30.9	+0.3
Domestic Total	165.2	163.4	-1.7
US	671.3	670.9	-0.4
Canada	57.0	56.8	-0.2
Russia	7.7	7.7	+0.1
Europe	39.1	40.2	+1.1
Australia	55.9	55.7	-0.2
China	26.3	26.9	+0.6
Others	44.7	45.2	+0.6
Overseas Total	901.9	903.5	+1.6
Total	1,067.1	1,066.9	-0.1

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FYE 2018 (Plan vs. Actual Results) :
Consolidated Income Statements



(100 Million Yen)

	Plan FYE 2018	Actual Results FYE 2018	Variance
Net Sales	34,100	34,052	-48
Domestic	6,703	6,686	-18
Overseas	27,397	27,367	-30
Operating Income	3,800	3,794	-6
Ordinary Income	3,750	3,799	+49
Income before Taxes and Minority Interests	2,880	2,973	+93
Net Income Attributable to Owners of Parent	2,070	2,204	+134
SUBARU Exchange Rate	¥112/US\$	¥111/US\$	-¥0/US\$

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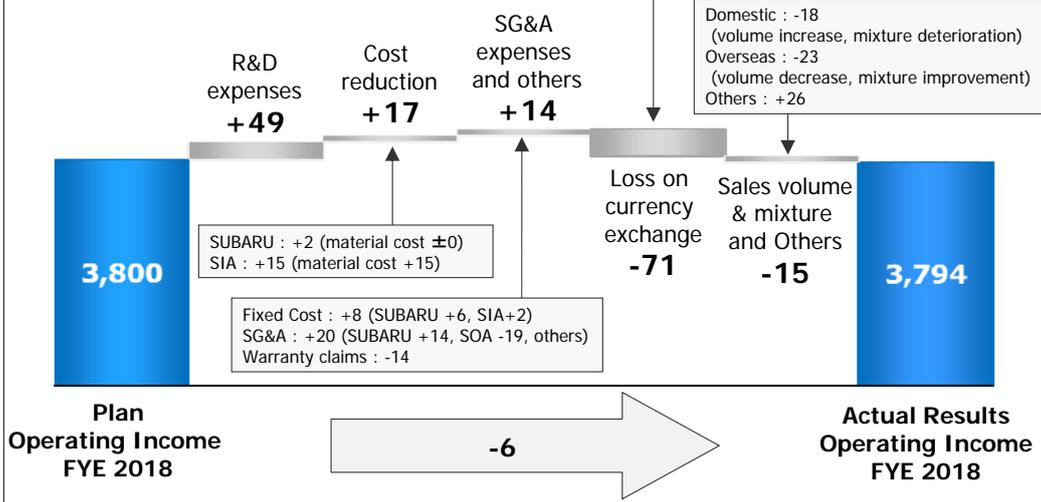
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FYE 2018 (Plan vs. Actual Results) :
Analysis of Variance in Operating Income (Consolidated)



(100 Million Yen)

US\$: -46
EURO : ±0,
CA\$: -2
CNY : ±0
Currency exchange adjustment : +27
Unrealized gain : -50



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1st Half of FYE 2019 :
Consolidated Unit Sales Plan



(Thousand Units)

	Actual Results 1st Half FYE 2018	Plan 1st Half FYE 2019	Variance
Passenger Cars	67.3	56.0	-11.3
Minicars	15.1	13.0	-2.1
Domestic Total	82.3	68.9	-13.4
US	333.2	313.0	-20.3
Canada	30.7	31.6	+0.8
Russia	3.7	7.0	+3.3
Europe	17.8	20.9	+3.1
Australia	27.7	26.9	-0.8
China	13.8	12.4	-1.4
Others	22.0	25.7	+3.7
Overseas Total	448.9	437.4	-11.5
Total	531.3	506.3	-24.9

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1st Half of FYE 2019 :
Consolidated Income Statements Plan



(100 Million Yen)

	Actual Results 1st Half FYE 2018	Plan 1st Half FYE 2019	Variance
Net Sales	16,863	14,630	-2,233
Domestic	3,286	2,670	-616
Overseas	13,577	11,961	-1,616
Operating Income	2,121	1,100	-1,021
Ordinary Income	2,127	1,117	-1,010
Income before Taxes and Minority Interests	1,285	1,082	-202
Net Income Attributable to Owners of Parent	850	791	-59
SUBARU Exchange Rate	¥111/US\$	¥105/US\$	-¥6/US\$

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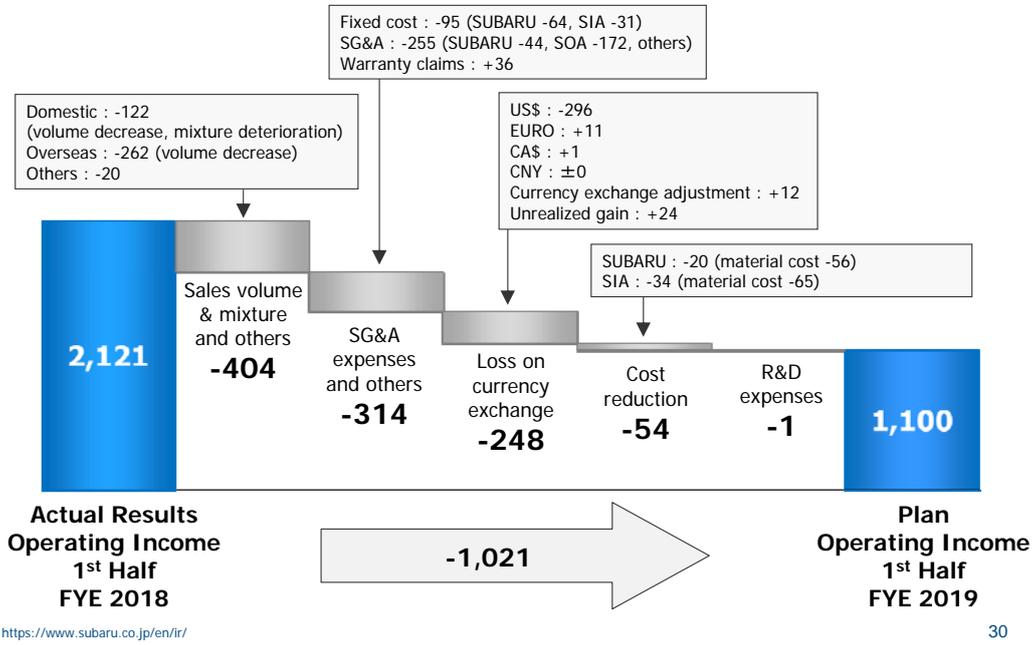
※ Accounting policy change from the FYE 2019 reporting (sales incentives are deducted from net sales)

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1st Half of FYE 2018 Results vs. FYE 2019 Plan :
Analysis of Variance in Operating Income (Consolidated)



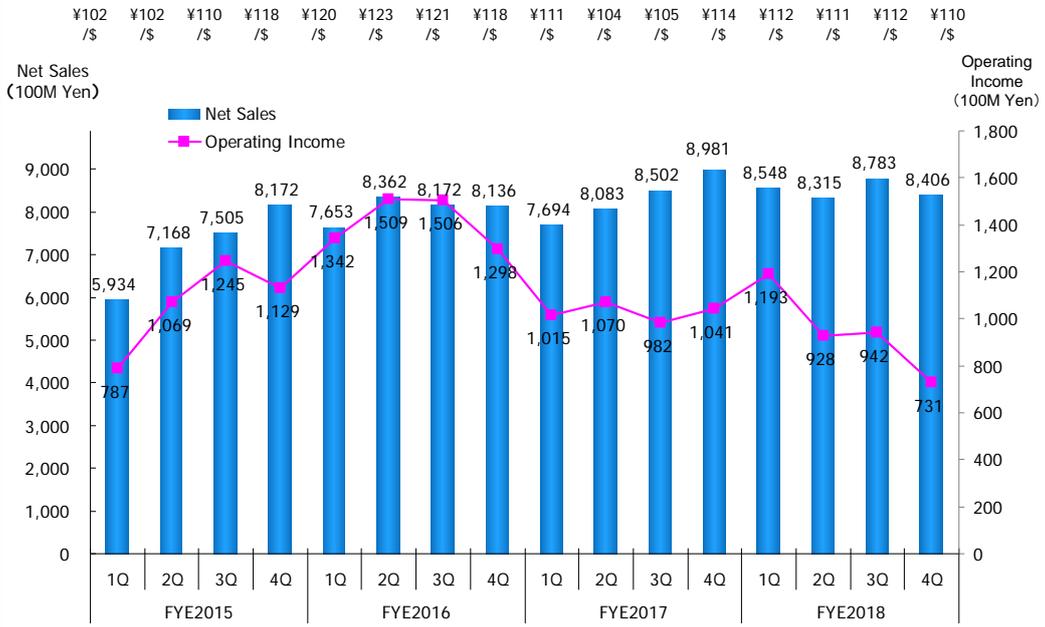
(100 Million Yen)



Appendix (2)

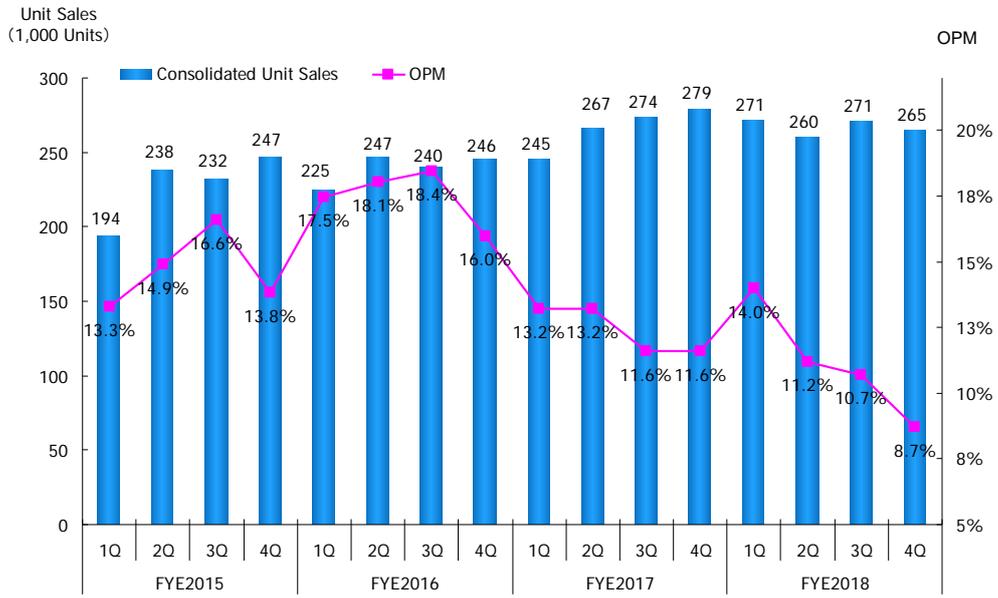
- Net Sales / Operating Income
- Consolidated Unit Sales / OPM
- Complete Cars Production / Retail Sales Units
- FCF / Shareholders' Equity to Total Assets
- Interest Bearing Debt / D/E ratio

Net Sales / Operating Income



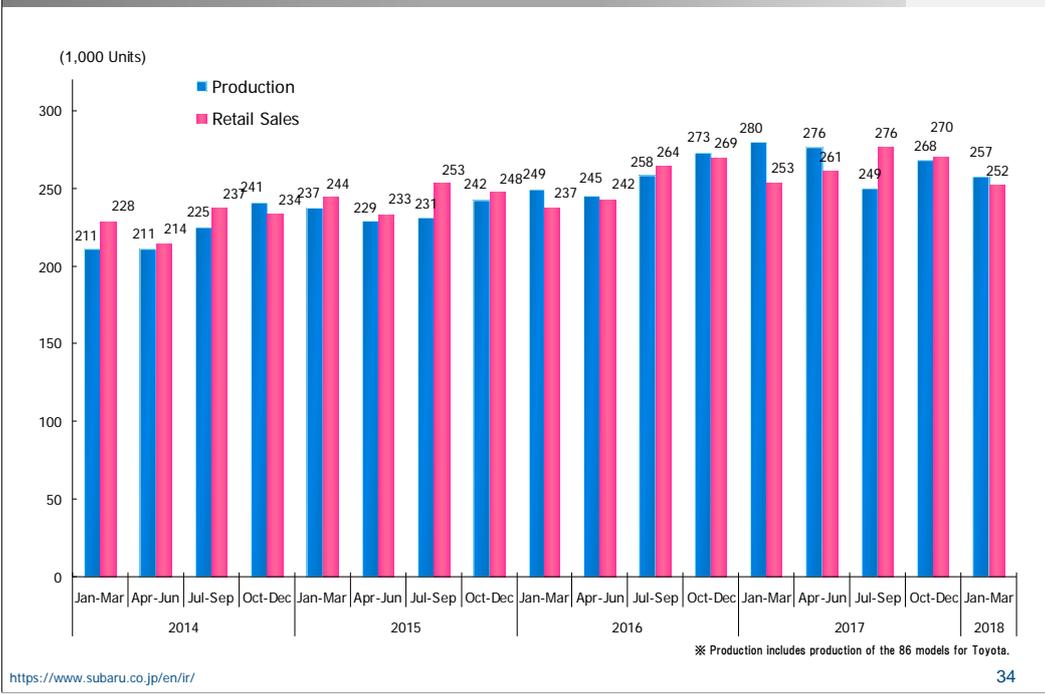
<https://www.subaru.co.jp/en/ir/>

Consolidated Unit Sales / Operating Income Margin

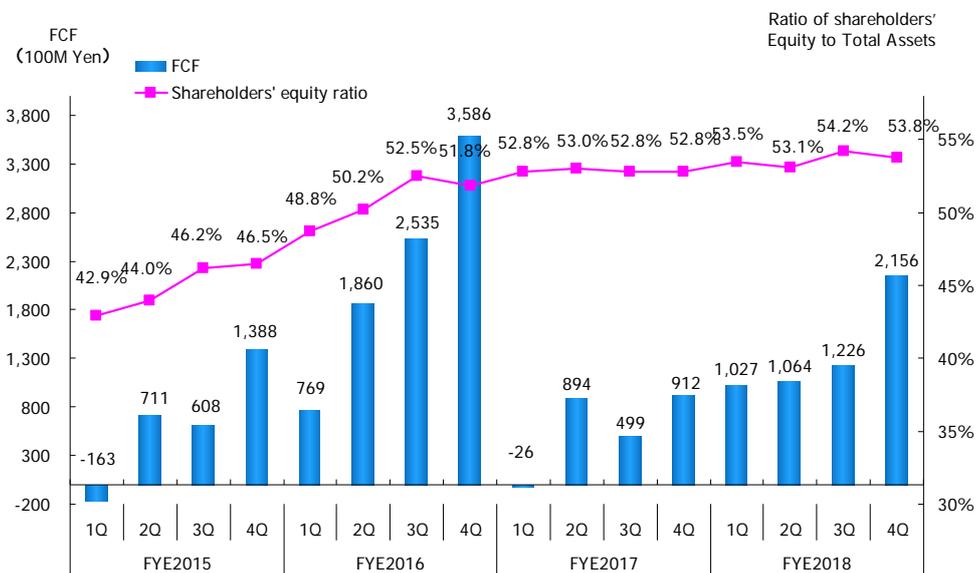


<https://www.subaru.co.jp/en/ir/>

Complete Cars Production / Retail Sales Units

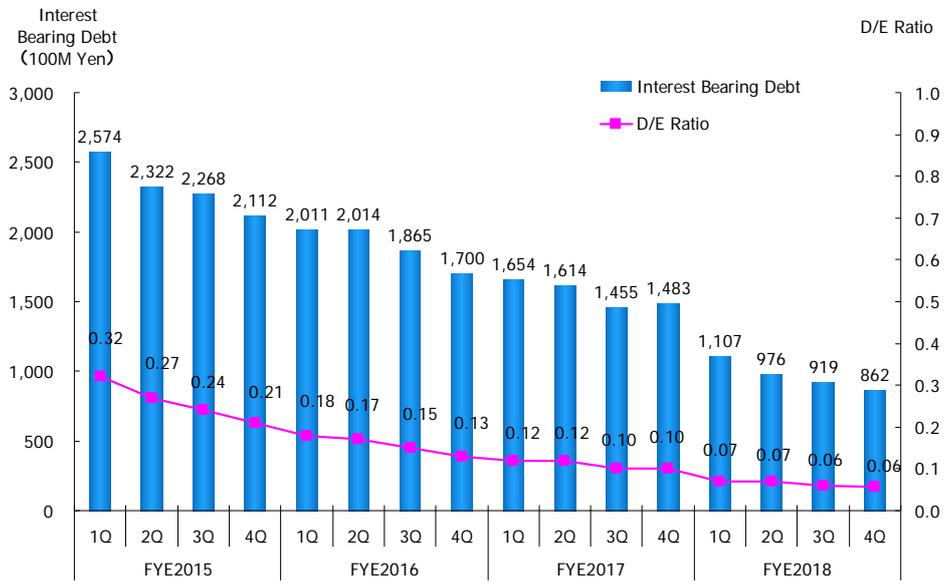


Free Cash Flows / Ratio of Shareholders' Equity to Total Assets



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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.

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