

## Subaru Corporation Announces Consolidated Financial Results for the Nine Months of FYE2019

Tokyo, February 7, 2019 – Subaru Corporation today announced its consolidated financial results for the first nine months of fiscal year ending March 31, 2019.

### < Results for April-December 2018: Consolidated Net Sales >

Consolidated global unit sales of Subaru vehicles decreased 5.0% to 762,000 units.

Unit sales in Japan decreased 17.1% to 98,000 units, as sales of Impreza, Subaru XV and Levorg declined, offsetting strong demand for the fully-redesigned Forester launched in July 2018.

In overseas markets, Subaru kept strong momentum on retail sales with growth in its largest North American market driven by the newly-introduced Ascent and the Crosstrek (“Subaru XV” outside North America). On the other hand, consolidated overseas unit sales fell 2.8% to 664,000 units, as deliveries of the Forester decreased before the launch of its fully-redesigned version and deliveries were adjusted to optimize local inventory levels mainly in the U.S. market. Consolidated net sales declined 2.5% to 2,377.4 billion yen.\*<sup>1</sup>

### < Results for April-December 2018: Consolidated Profit and Loss >

Operating income declined 49.8% to 153.7 billion yen for factors such as an increase in quality-related expenses due to recall campaigns notified in November 2018 and a decrease in consolidated unit sales. Ordinary income decreased 48.2% to 157.0 billion yen. Net income attributable to owners of parent fell 22.7% to 118.2 billion yen.

### < Forecasts for FYE2019 >

Full-year forecasts for FYE2019 are revised from the previous announcement made on November 5, 2018, reflecting factors such as higher raw material costs and decreases in production output and unit sales volume as a result of production halt at the Gunma manufacturing plant due to a defect in the Electronic Power Steering control unit.

Revised forecasts: Consolidated unit sales of 996,000 vehicles, net sales of 3,120 billion yen, operating income of 185 billion yen, ordinary income of 193 billion yen, net income attributable to owners of parent of 140 billion yen.

Currency rate assumptions: 110 yen/US\$, 129 yen/euro

#### Previous Forecasts for FYE2019 (Announced on November 5, 2018)

Consolidated unit sales: 1,041,000 vehicles

Net sales: 3,210 billion yen

Operating income: 220 billion yen

Ordinary income: 229 billion yen

Net income attributable to owners of parent: 167 billion yen

Currency rate assumptions: 110 yen/US\$, 130 yen/euro

\*1: With effect from this fiscal year (FYE2019), the Company has changed its accounting policies. In the new method, sales incentives are deducted from net sales, whereas they were previously recognized as SG&A expenses.

For comparison purposes, net sales and SG&A expenses of the previous fiscal year (FYE2018) have been recalculated according to the new policies. The recalculated figures of net sales and SG&A expenses for the first nine months of FYE2018 are 2,437.7 billion yen and 305.5 billion yen, respectively, a decrease of 126.9 billion yen each from the originally-reported figures (announced on February 8, 2018). There is no impact of the recalculation on profit figures of the previous fiscal year.

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