



Business Results for the 1st Half of FYE 2020

SUBARU CORPORATION

Tomomi Nakamura
Representative Director, President and CEO
November 6th, 2019

1st Half of FYE 2020: Consolidated Financial Results

Yen in 100 Millions, Units in Thousands

		Results 1 st Half FYE 2019 ^(*1) (a)	Results 1 st Half FYE 2020 (b)	Change (b)-(a)
Consolidated unit sales		484.0	503.8	+19.8
Revenue ^(*2)		14,914	16,057	+1,142
Operating profit ^(*3)		564	948	+384
Profit for the period attributable to owners of parent ^(*4)		431	683	+252
SUBARU exchange rates	US\$	¥109	¥109	-¥0
	EURO	¥131	¥123	-¥8
	CAN\$	¥84	¥82	-¥2

*1: The Company is voluntarily adopting International Financial Reporting Standards (IFRS) from this fiscal year (FYE2020) in place of the Japanese generally accepted accounting principles (JGAAP) previously adopted. The first-half result figures of the previous fiscal year (FYE2019) have been recalculated based on IFRS for comparison and analysis purposes.

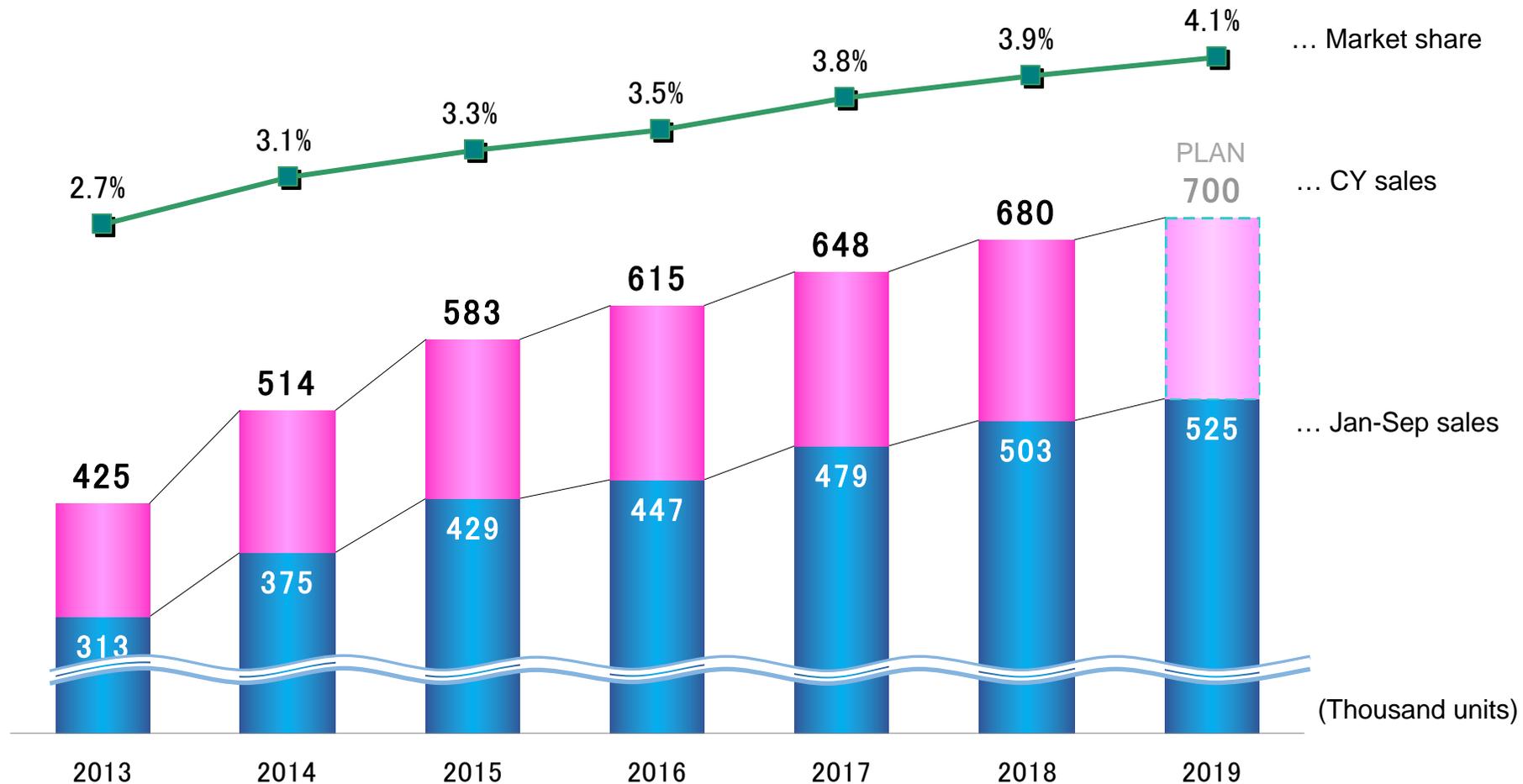
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*3: "Operating income" in JGAAP is stated as "operating profit" in IFRS.

*4: "Net income attributable to owners of parent" in JGAAP is stated as "profit for the period attributable to owners of parent" in IFRS.

1st Half of FYE 2020: Business Review

Subaru's U.S. Retail Sales and Market Share Growth



* Market share figure for 2019 is based on January-September sales results.
 * U.S. total industry sales data source: MOTOR INTELLIGENCE "U.S. Market New Vehicle Deliveries" (2013 – September 2019)

1st Half of FYE 2020: Business Review

- **Quality enhancement: Top-priority initiative in the mid-term management vision “STEP”**

New Quality Policy (Revised on Apr 1st, 2019)

“At Subaru, quality is our highest priority as we earn the trust of our customers.”

Enhance product quality level from development phase: Ensure quality at inception, not at final inspection.

- Incorporate quality measures at early stages of product planning, design, and engineering.
- Select suppliers with focus on their quality. Work together with them to enhance quality.
- Install testing equipment for new technologies. Allocate resources necessary to examine and identify causes of defect.

Take quick action pursuant to “customer-first” principle upon occurrence of any defect.



Establish production line that ensures quality from upstream



Raise company-wide attention to quality
(Quality workshop for employees)

1st Half of FYE 2020: Business Review

■ Alliance with Toyota Motor Corporation

New business and capital alliance with Toyota (Announced on Sep 27th, 2019)

- **Strengthen response to the new domains of CASE and accelerate efforts to make ever-better cars.**
- **Further enhance “Enjoyment and Peace of Mind” Subaru is committed to offering.**

Advancing the 14-year-long partnership to the next stage:

- Jointly developing BEV-dedicated platform and C-segment-class BEV SUV. Scheduled for launch in the first half of the 2020s. (Announced on Jun 6th, 2019)
- Bringing together both companies’ strengths to jointly develop AWD models that offer the ultimate sensation in all-wheel driving.
- Expanding use of the Toyota Hybrid System in the Subaru lineup.
- Cooperation in the domain of connected vehicles and technical collaboration in the field of autonomous driving.
- Capital and business partnership with MONET Technologies Inc. (Announced on Jun 28th, 2019)



At Toyota test course



Image: BEV-dedicated platform to be jointly developed



At SUBARU head office (Ebisu, Tokyo)

FYE 2020 Consolidated Financial Plan

Yen in 100 Millions, Units in Thousands

		Results FYE 2019 (a)	Previous Plan ^(*1) FYE 2020 (as of Aug 5 th , 2019) (b)	Revised Plan FYE 2020 (c)	Change (c)-(a)	Change (c)-(b)
Consolidated unit sales		1,000.8	1,058.3	1,058.3	+57.5	±0
Revenue ^(*2)		31,562	33,100	33,100	+1,539	±0
Operating profit ^(*3)		1,817	2,600	2,200	+383	-400
Profit for the period attributable to owners of parent ^(*4)		1,414	2,100	1,630	+216	-470
SUBARU exchange rates	US\$	¥111	¥110	¥107	-¥4	-¥3
	EURO	¥129	¥120	¥119	-¥11	-¥1
	CAN\$	¥85	¥80	¥81	-¥4	+¥1

*1: Originally announced on May 11, 2019.

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*3: "Operating income" in JGAAP is stated as "operating profit" in IFRS.

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Shareholder Returns

< Dividend per share >

	FYE 2019 Result	FYE 2020 Plan
Interim dividend	72 yen	72 yen
Year-end dividend	72 yen	72 yen
Total	144 yen	144 yen
Payout ratio	74.7%	67.7%



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.



Consolidated Financial Results for the 1st Half of FYE 2020

SUBARU CORPORATION

Toshiaki Okada
Corporate Executive Vice President & CFO
November 6th, 2019

Consolidated Financial Results for the 1st Half of FYE 2020

SUBARU Corporation is voluntarily adopting the International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 2020. Therefore, the figures are based on IFRS.

Please refer to Appendix (2) for changes in the consolidated financial statements as a result of voluntary adoption of IFRS .

1st Half :

Consolidated Unit Sales (by market)

(Thousand Units)

	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance	Reference : JGAAP Results 1 st Half FYE 2019
Passenger cars (*)	54.1	55.1	+1.1	52.4
Minicars (*)	12.8	12.8	+0.0	12.6
Domestic total(*)	66.9	68.0	+1.1	65.0
US	302.2	336.3	+34.1	302.2
Canada	31.8	27.7	-4.2	31.8
Russia	5.1	4.6	-0.5	5.1
Europe	20.6	12.3	-8.3	20.6
Australia	23.5	24.6	+1.1	23.5
China	9.2	10.8	+1.6	9.2
Others	24.6	19.5	-5.2	24.6
Overseas total	417.1	435.8	+18.7	417.1
Total	484.0	503.8	+19.8	482.1

* IFRS : on delivery-to-customer basis, JGAAP : on vehicle registration basis

1st Half :

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance
Consolidated Unit Sales Total	484.0	503.8	+19.8

(Thousand Units)

	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance
Production in U.S.	172.6	172.2	-0.4
Production in Japan	318.9	325.8	+6.9
Total	491.5	497.9	+6.4

* Production figures include Toyota 86.

1st Half:

Consolidated Profit Results

(100 Million Yen)

		Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance	Reference : JGAAP Results 1 st Half FYE 2019
Revenue (*1)		14,914	16,057	+1,142	14,868
Domestic		2,924	2,975	+51	2,874
Overseas		11,990	13,082	+1,091	11,994
Operating profit (*2)		564	948	+384	550
Profit before tax (*3)		605	931	+326	630
Profit for the period attributable to owners of parent (*4)		431	683	+252	443
SUBARU exchange rate	US\$	¥109	¥109	-¥0	¥109
	EURO	¥131	¥123	-¥8	¥131
	CAN\$	¥84	¥82	-¥2	¥84

*1 : "Net sales" on JGAAP is shown as "Revenue".

*2 : "Operating income" on JGAAP is shown as "Operating profit".

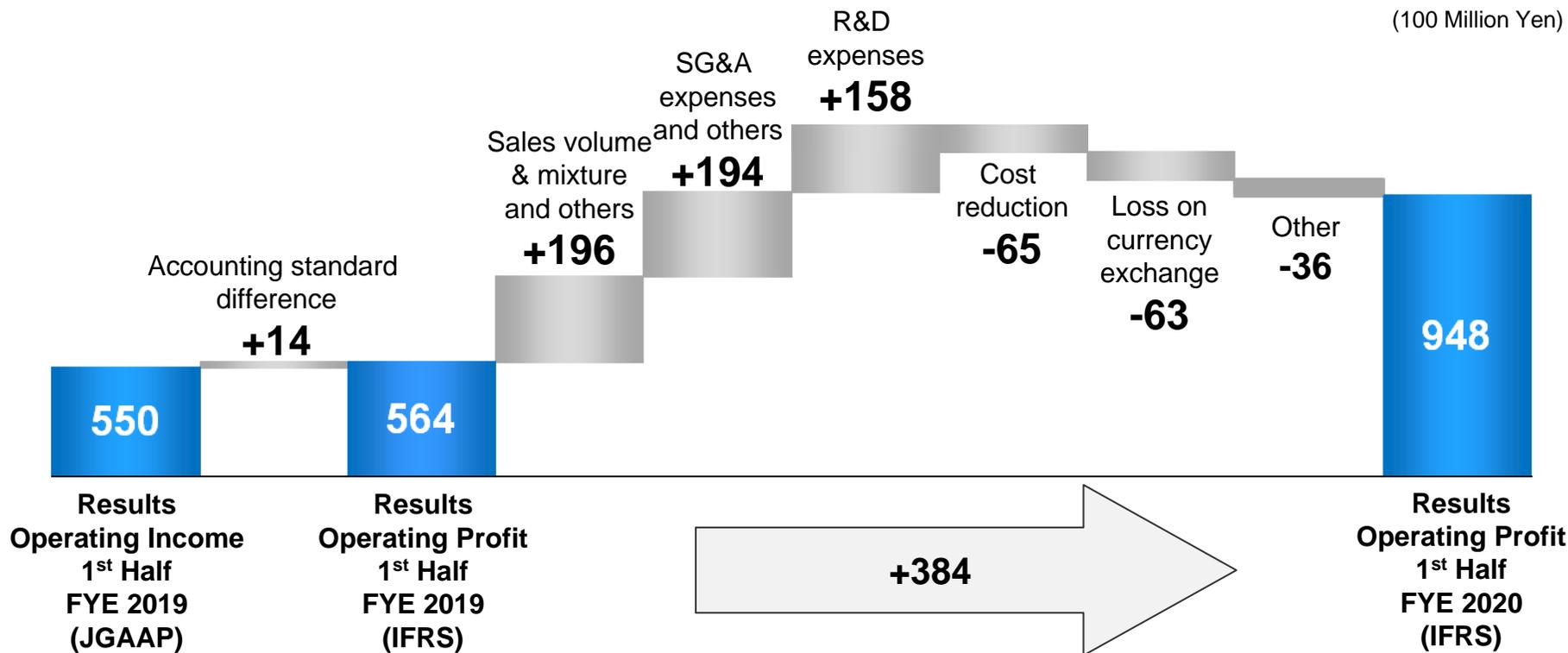
*3 : "Income before income tax" on JGAAP is shown as "Profit before tax".

*4 : "Net income attributable to owners of parent" on JGAAP is shown as "Profit for the period attributable to owners of parent".

1st Half :

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



Sales volume & mixture and others		SG&A expenses and others				Cost reduction				Currency exchange				
196		194				-65				-63				
Domestic	-13	Fixed manufacturing cost		-38	SG&A	-3	Warranty claims	235	SUBARU	-19	SIA	-46	US\$	-22
Overseas	50	SUBARU	-35	SIA	-3	SUBARU	10		Cost reduction	36	Cost reduction	17	EURO	-8
Sales Incentive	173	Suppliers' dies cost	-6	Suppliers' dies cost	-1	Domestic dealers	5		Material cost and others	-55	Material cost and others	-63	CAN\$	-10
Others	-14	Fixed processing costs	-29	Fixed processing costs	-2	SOA (*1)	-10						CNY	0
						SCI (*2)	-2						Currency exchange adjustment	-70
						Others	-6						Unrealized gain	47

*1 SOA: Subaru of America Inc.

*2 SCI : Subaru Canada Inc.

Capex / Depreciation / Interest Bearing Debt / R&D

(100 Million Yen)

	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance	Reference : JGAAP
				Results 1 st Half FYE 2019
Capex (*1)	592	732	+140	591
Depreciation (*1)	467	457	-10	473
Interest bearing debt (*1)	532	1,333	+801	498
R&D expenditures (*2)	545	548	+3	

*1 : Leases, capex & amortization for intangible assets and lease liabilities are not included in the results above.

*2 : Research and development activity related costs incurred during the reporting period are written.

In accordance with IFRS, as a part of research and development expenditures is recorded as an intangible asset and amortized over its estimated useful life, this amount is different from "Research and development expenses" on Consolidated Statements of Income on IFRS.

(It matches with R&D expenses in consolidated statement of income on JGAAP)

| Forecast for FYE 2020

Revised Plan FYE 2020 :

Consolidated Unit Sales (by market)

	(Thousand Units)					Reference : JGAAP
	Results FYE 2019 (a)	Previous Plan FYE 2020 (as of Aug. 5 th) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)	Results FYE 2019
Passenger cars (*)	110.2	112.3	111.3	+1.1	-1.0	109.7
Minicars (*)	26.0	28.2	26.9	+0.9	-1.3	25.6
Domestic total(*)	136.2	140.5	138.2	+1.9	-2.3	135.3
US	659.7	693.2	701.8	+42.1	+8.5	659.7
Canada	56.8	60.0	61.4	+4.6	+1.4	56.8
Russia	8.1	8.6	9.7	+1.5	+1.1	8.1
Europe	32.1	37.7	37.4	+5.3	-0.3	32.1
Australia	41.7	45.9	42.5	+0.8	-3.4	41.7
China	22.8	25.2	24.6	+1.8	-0.6	22.8
Others	43.3	47.2	42.7	-0.6	-4.5	43.3
Overseas total	864.6	917.8	920.1	+55.5	+2.3	864.6
Total	1,000.8	1,058.3	1,058.3	+57.5	±0	999.9

* IFRS : on delivery-to-customer basis, JGAAP : on vehicle registration basis
<https://www.subaru.co.jp/en/ir/>

Revised Plan FYE 2020 :

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	Results FYE 2019 (a)	Previous Plan FYE 2020 (as of Aug. 5 th) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)
Consolidated Unit Sales Total	1,000.8	1,058.3	1,058.3	+57.5	±0

(Thousand Units)

	Results FYE 2019 (a)	Previous Plan FYE 2020 (as of Aug. 5 th) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)
Production in U.S.	372.2	388.7	389.7	+17.5	+0.9
Production in Japan	617.0	667.5	667.5	+50.5	+0.0
Total	989.1	1,056.2	1,057.2	+68.1	+1.0

* Production figures include Toyota 86.

Revised Plan FYE 2020 : Consolidated Profit Plan

(100 Million Yen)

Reference : JGAAP

		Results FYE 2019 (a)	Previous Plan FYE 2020 (as of Aug. 5 th) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)	Results FYE 2019
Revenue (*1)		31,562	33,100	33,100	+1,539	±0	31,605
Domestic		5,941	5,841	5,975	+34	+134	5,966
Overseas		25,620	27,260	27,125	+1,505	-134	25,639
Operating profit (*2)		1,817	2,600	2,200	+383	-400	1,955
Profit before tax (*3)		1,860	2,700	2,200	+340	-500	1,958
Profit for the period attributable to owners of parent (*4)		1,414	2,100	1,630	+216	-470	1,478
SUBARU exchange rate	US\$	¥111	¥110	¥107	-¥4	-¥3	¥111
	EURO	¥129	¥120	¥119	-¥11	-¥1	¥129
	CAN\$	¥85	¥80	¥81	-¥4	+¥1	¥85

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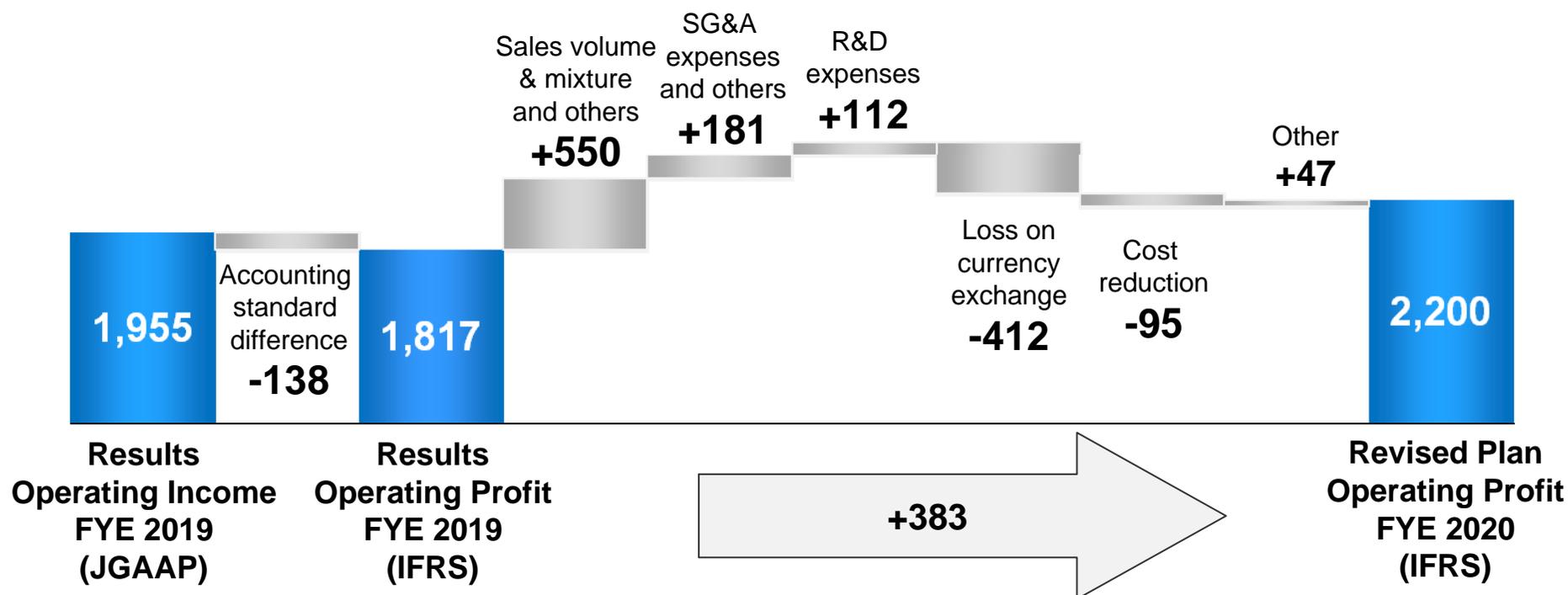
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<https://www.subaru.co.jp/en/ir/>

Revised Plan FYE2020:

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)

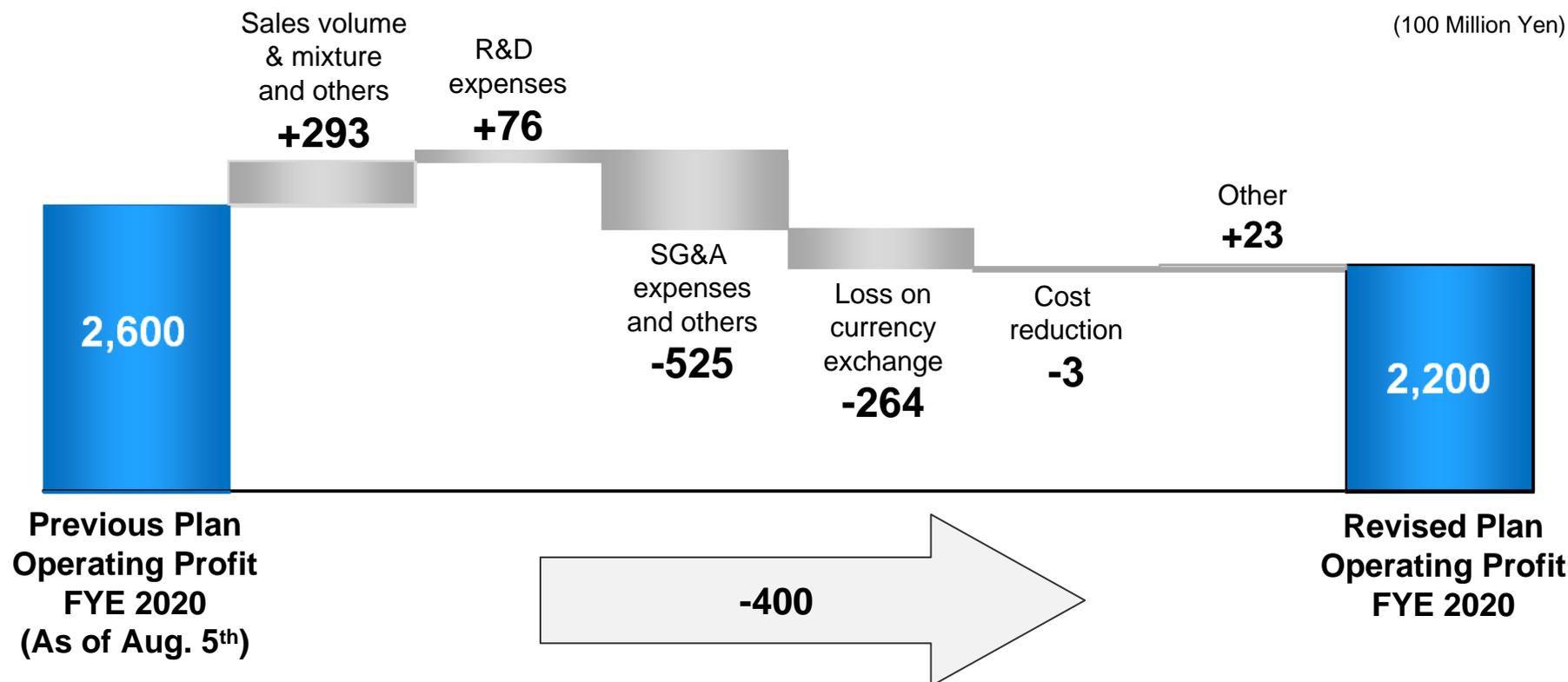


Sales volume & mixture and others	SG&A expenses and others				Currency exchange	Cost reduction	
550	181				-412	-95	
Domestic	Fixed manufacturing cost		SG&A	Warranty claims	US\$	SUBARU	SIA
0	-60	-24	-206	447	-402	28	-123
Overseas	SUBARU	SIA	SUBARU		EURO	Cost reduction	Cost reduction
375	-36	-24	-72		-43	92	30
Sales Incentive	Suppliers' dies cost	Suppliers' dies cost	Domestic dealers		CAN\$	Material cost and others	Material cost and others
301	-5	-24	5		-30	-64	-153
Others	Fixed processing costs	Fixed processing costs	SOA (*1)		CNY		
-126	-31	0	-66		0		
			SCI (*2)		Currency exchange adjustment		
			-15		-59		
			Others		Unrealized gain		
			-58		122		

Previous Plan FYE 2020 (as of August 5th) vs. Revised Plan :

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



Sales volume & mixture and others		SG&A expenses and others				Currency exchange		Cost reduction						
293		-525				-264		-3						
Domestic	38	Fixed manufacturing cost		17	SG&A	-36	Warranty claims	-506	US\$	-338	SUBARU	-1	SIA	-2
Overseas	8	SUBARU	-8	SIA	25	SUBARU	-35		EURO	-12	Cost reduction	-28	Cost reduction	8
Sales Incentive	366	Suppliers' dies cost	-5	Suppliers' dies cost	2	Domestic dealers	9		CAN\$	8	Material cost and others	27	Material cost and others	-10
Others	-119	Fixed processing costs	-3	Fixed processing costs	23	SOA (*1)	-12		CNY	0				
						SCI (*2)	30		Currency exchange adjustment	-34				
						Others	-28		Unrealized gain	112				

*1 SOA: Subaru of America Inc.

*2 SCI : Subaru Canada Inc.

Capex / Depreciation / Interest Bearing Debt / R&D

(100 Million Yen)

Reference : JGAAP

	Results FYE 2019 (a)	Previous Plan FYE 2020 (as of Aug. 5 th) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)	Results FYE 2019
Capex (*1)	1,140	1,400	1,400	+260	±0	1,135
Depreciation (*1)	891	1,000	1,000	+110	±0	888
Interest bearing debt (*1)	1,037	1,450	2,400	+1,363	+950	1,004
R&D expenditures (*2)	1,027	1,200	1,200	+173	±0	

*1 : Leases, capex & amortization for intangible assets and lease liabilities are not included in the results above.

*2 : Research and development activity related costs incurred during the reporting period are written.

In accordance with IFRS, as a part of research and development expenditures is recorded as an intangible asset and amortized over its estimated useful life, this amount is different from "Research and development expenses" on Consolidated Statements of Income on IFRS.

(It matches with R&D expenses in consolidated statement of income on JGAAP)

Appendix (1)

- Segment information by Business & Geographic (1st Half)
- Overseas Revenue (1st Half)
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flows (1st Half)
- Non-consolidated Unit Sales (1st Half)
- Operating Results of Subsidiaries in U.S. (1st Half)
- Consolidated Financial Results for 2nd Quarter (3 months)
- Forecast for 2nd Half FYE 2020
- Complete Cars Production / Retail Sales Units

1st Half :

Revenue and Operating Profit by Business Segment (Consolidated)

(100 Million Yen)

	Revenue				Operating profit			
	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance		
Automobile	(14,164)	14,196	+1,108	(500)	507	874	+367	
Aerospace	(630)	645	+64	(30)	32	51	+19	
Other	(74)	74	-30	(18)	24	24	+1	
Elimination & Corporate				(3)	2	0	-2	
Total	(14,868)	14,914	+1,142	(550)	564	948	+384	

* Figure in () : JGAAP

1st Half :

Revenue and Operating Profit by Geographic Area (Consolidated)

(100 Million Yen)

	Revenue				Operating profit			
	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance		
Japan	(4,496)	4,545	4,545	-0	(266)	286	439	+152
North America	(9,553)	9,549	10,833	+1,284	(239)	236	479	+243
Other	(820)	820	678	-141	(13)	12	9	-3
Elimination & Corporate					(32)	29	21	-8
Total	(14,868)	14,914	16,057	+1,142	(550)	564	948	+384

* Figure in () : JGAAP

1st Half :

Overseas Revenue (Consolidated)

(100 Million Yen)

	Results 1 st Half FYE 2019		Results 1 st Half FYE 2020	Variance
North America	(10,016)	10,012	11,350	+1,338
Europe	(629)	629	421	-208
Asia	(538)	538	558	+20
Other	(811)	811	753	-58
Total	(11,994)	11,990	13,082	+1,091

* Figure in () : JGAAP

Consolidated Statement of Financial Position

(100 Million Yen)

	As of March 2019	As of September 2019	Variance
Total assets	31,806	31,364	-442
Current assets	19,137	18,235	-903
Non-current assets	12,669	13,130	+461
Total liabilities	14,907	14,467	-440
Interest bearing debts	1,037	1,333	+296
Total equity	16,899	16,897	-2
Retained earnings	13,506	13,637	+131
Equity attributable to owners of parent	16,822	16,827	+4
Ratio of equity attributable to owners of parent to total assets	52.9%	53.6%	-
D/E ratio	0.06	0.08	-

1st Half :

Consolidated Statement of Cash Flows

(100 Million Yen)

	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance
Net cash provided by (used in) operating activities	1,038	792	-247
Net cash provided by (used in) investing activities	-969	226	+1,195
Free cash flows	70	1,018	+948
Net cash provided by (used in) financing activities	-1,146	-470	+676
Effect of exchange rate change on cash and cash equivalents	283	-151	-434
Net increase (decrease) in cash and cash equivalents	-794	396	+1,190
Cash and cash equivalents at end of period	6,862	7,420	+558

1st Half :

Non-consolidated Unit Sales

(Thousand Units)

	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance
Domestic production	318.9	325.8	+6.9
Domestic sales	68.9	68.0	-0.9
Passenger cars	56.0	53.9	-2.0
Minicars	12.9	14.1	+1.1
Number of exported vehicles	254.4	266.1	+11.7
Components for overseas production	190.6	178.3	-12.2
Total	513.8	512.4	-1.5

* Domestic production figures include Toyota 86.

1st Half :

Operating Results of Subsidiaries in U.S.

(Million US\$)

SOA	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance
Net sales	8,643	9,919	+1,276
Operating income	104	382	+278
Net income	94	304	+210
Retail sales (Thousand units)	352.6*	367.5	+14.9

SIA	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance
Net sales	4,044	4,148	+104
Operating income	33	50	+17
Net income	28	48	+20
Production (Thousand units)	172.6	172.2	-0.4

* Correction

2nd Quarter (3 months) :

Consolidated Unit Sales (by market)

(Thousand Units)

	Results 2 nd Quarter (3 months) FYE 2019	Results 2 nd Quarter (3 months) FYE 2020	Variance	Reference : JGAAP
				Results 2 nd Quarter (3 months) FYE 2019
Passenger cars (*)	28.2	27.7	-0.5	29.5
Minicars (*)	6.3	7.0	+0.7	6.6
Domestic total(*)	34.5	34.7	+0.2	36.0
US	152.4	157.0	+4.6	152.4
Canada	16.1	12.1	-4.1	16.1
Russia	2.6	2.4	-0.1	2.6
Europe	5.3	6.4	+1.1	5.3
Australia	12.6	12.9	+0.3	12.6
China	5.8	5.0	-0.8	5.8
Others	13.3	10.6	-2.6	13.3
Overseas total	208.1	206.6	-1.6	208.1
Total	242.7	241.3	-1.4	244.2

* IFRS : on delivery-to-customer basis, JGAAP : on vehicle registration basis

2nd Quarter (3 months) :

Consolidated Profit Results

(100 Million Yen)

					Reference : JGAAP
		Results 2 nd Quarter (3 months) FYE 2019	Results 2 nd Quarter (3 months) FYE 2020	Variance	Results 2 nd Quarter (3 months) FYE 2019
Revenue (*1)		7,731	7,723	-8	7,776
Domestic		1,527	1,553	+26	1,572
Overseas		6,204	6,170	-34	6,204
Operating profit (*2)		-57	26	+84	-25
Profit before tax (*3)		-29	38	+67	14
Profit for the period attributable to owners of parent (*4)		-43	18	+62	-12
SUBARU exchange rate	US\$	¥111	¥108	-¥3	¥111
	EURO	¥129	¥120	-¥9	¥129
	CAN\$	¥85	¥81	-¥3	¥85

*1 : "Net sales" on JGAAP is shown as "Revenue".

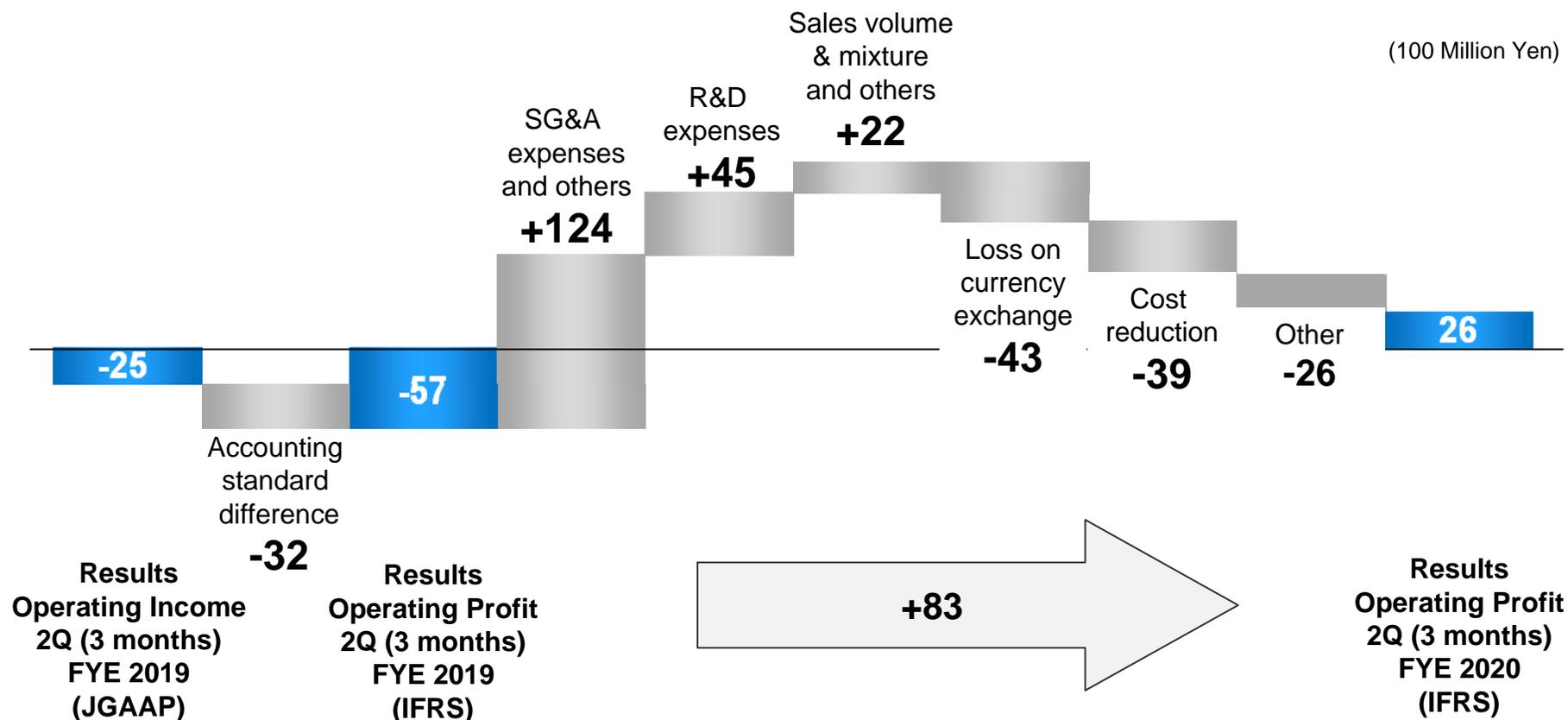
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*3 : "Income before income tax" on JGAAP is shown as "Profit before tax".

*4 : "Net income attributable to owners of parent" on JGAAP is shown as "Profit for the period attributable to owners of parent".

2nd Quarter (3 months) :

Analysis of Variance in Operating Profit (Consolidated)



SG&A expenses and others				124		Sales volume & mixture and others		22		Currency exchange		-43		Cost reduction				-39	
Fixed manufacturing cost		4	SG&A	9	Warranty claims	111	Domestic	-10	US\$	-107	SUBARU		-23	SIA	-16	Cost reduction		7	
SUBARU	10	SIA	-6	SUBARU	8	Overseas	-146	EURO	-5	Cost reduction		13	Cost reduction	7	Material cost and others		-23		
Suppliers' dies cost	16	Suppliers' dies cost	-5	Domestic dealers	3	Sales Incentive	109	CAN\$	-7	Material cost and others		-36	Material cost and others	-23					
Fixed processing costs	-6	Fixed processing costs	-1	SOA ⁽¹⁾	3	Others	69	CNY	0										
				SCI ⁽²⁾	-2			Currency exchange adjustment	-17										
				Others	-3			Unrealized gain	93										

*1 SOA: Subaru of America Inc.
*2 SCI : Subaru Canada Inc.

Plan for 2nd Half:

Consolidated Unit Sales (by market)

(Thousand Units)

Reference : JGAAP

	Results 2 nd Half FYE 2019	Plan 2 nd Half FYE 2020	Variance	Results 2 nd Half FYE 2019
Passenger cars (*)	56.1	56.1	+0.0	57.3
Minicars (*)	13.2	14.1	+0.8	13.0
Domestic total(*)	69.4	70.2	+0.8	70.3
US	357.5	365.4	+7.9	357.5
Canada	25.0	33.7	+8.7	25.0
Russia	3.0	5.0	+2.0	3.0
Europe	11.5	25.1	+13.6	11.5
Australia	18.2	17.9	-0.3	18.2
China	13.6	13.8	+0.3	13.6
Others	18.7	23.2	+4.6	18.7
Overseas total	447.5	484.3	+36.8	447.5
Total	516.8	554.4	+37.6	517.8

* IFRS : on delivery-to-customer basis, JGAAP : on vehicle registration basis

Plan for 2nd Half:

Consolidated Profit

(100 Million Yen)

Reference : JGAAP

		Results 2 nd Half FYE 2019	Plan 2 nd Half FYE 2020	Variance	Results 2 nd Half FYE 2019
Revenue (*1)		16,647	17,043	+396	16,737
Domestic		3,017	2,999	-18	3,092
Overseas		13,630	14,044	+414	13,645
Operating profit (*2)		1,253	1,252	-1	1,405
Profit before tax (*3)		1,256	1,269	+13	1,328
Profit for the period attributable to owners of parent (*4)		983	947	-36	1,035
SUBARU exchange rate	US\$	¥112	¥105	-¥7	¥112
	EURO	¥128	¥115	-¥13	¥128
	CAN\$	¥85	¥80	-¥5	¥85

*1 : "Net sales" on JGAAP is shown as "Revenue".

*2 : "Operating income" on JGAAP is shown as "Operating profit".

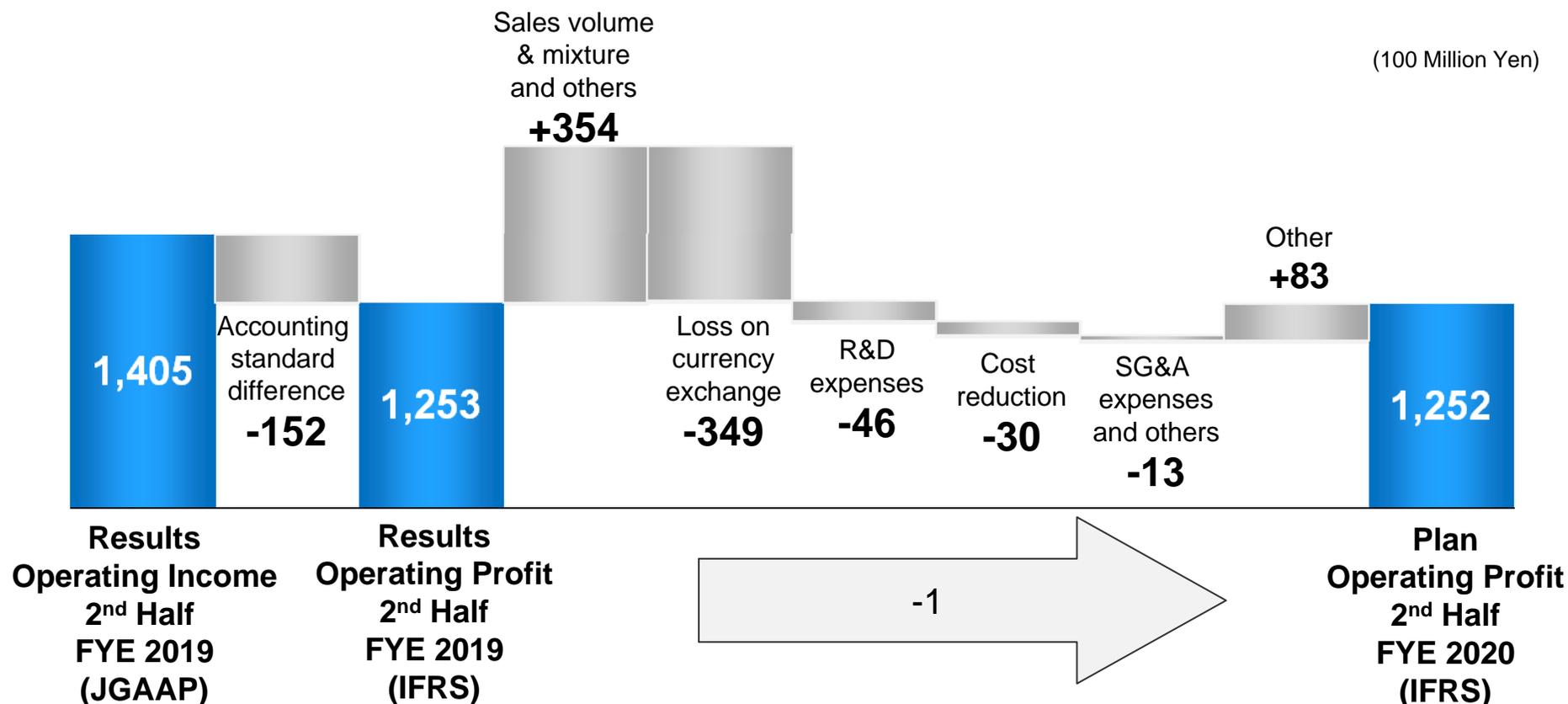
*3 : "Income before income tax" on JGAAP is shown as "Profit before tax".

*4 : "Net income attributable to owners of parent" on JGAAP is shown as "Profit for the period attributable to owners of parent".

Plan for 2nd Half:

Analysis of Variance in Operating Profit (Consolidated)

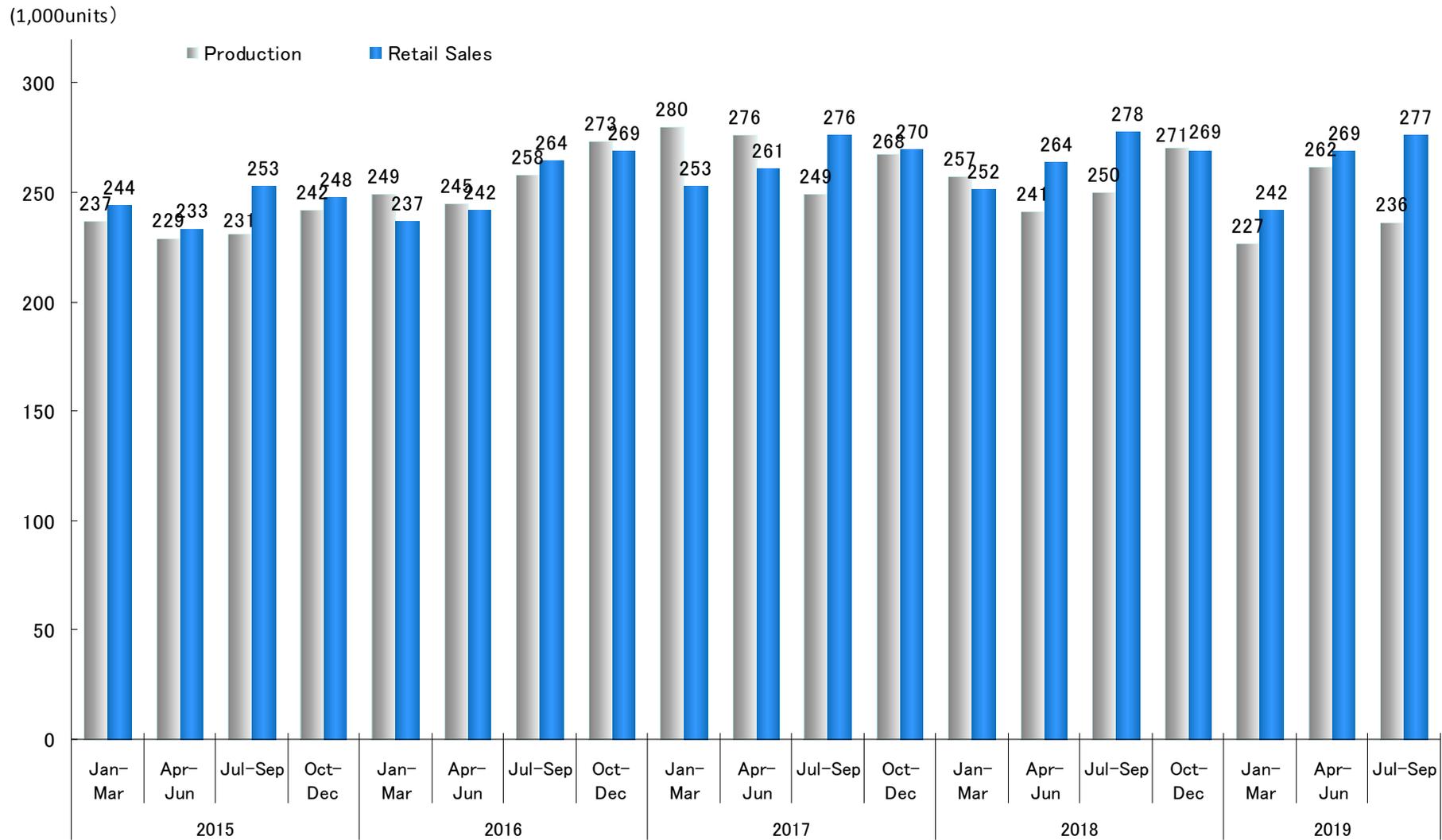
(100 Million Yen)



Sales volume & mixture and others		Currency exchange		Cost reduction		SG&A expenses and others							
354		-349		-30		-13							
Domestic	13	US\$	-380	SUBARU	47	SIA	-77	Fixed manufacturing cost	-22	SG&A	-203	Warranty claims	212
Overseas	325	EURO	-35	Cost reduction	56	Cost reduction	13	SUBARU	-1	SIA	-21	SUBARU	-82
Sales Incentive	128	CAN\$	-20	Material cost and others	-9	Material cost and others	-90	Suppliers' dies cost	1	Suppliers' dies cost	-23	Domestic dealers	0
Others	-112	CNY	0					Fixed processing costs	-2	Fixed processing costs	2	SOA (*1)	-56
		Currency exchange adjustment	11									SCI (*2)	-13
		Unrealized gain	75									Others	-52

*1 SOA: Subaru of America Inc.
*2 SCI : Subaru Canada Inc.

Complete Cars Production / Retail Sales Units



* Production figures include Toyota 86.

| Appendix (2)

Changes in Consolidated Financial Statements Due to Voluntary Adoption of
International Financial Reporting Standards (IFRS)

Key differences of JGAAP and IFRS

Item	Japanese generally accepted accounting principles (JGAAP)	International Financial Reporting Standards (IFRS)
R&D expenses	Recorded as expenses when it incurred.	In case that it is satisfied with criterion of assets, it will be amortized.
	Included in Net cash provided by (used in) operating activities.	R&D expenses which is recoded as assets are included in Net cash provided by (used in) investing activities.
Revenue recognition timing (Only in Japan)	On vehicle registration basis.	On delivery-to-customer basis.
Lease	Financing lease is recorded as assets.	Operating lease is also recorded as assets.
	Operating lease is included in Net cash provided by (used in) operating activities.	Repayments of lease liabilities are included in Net cash provided by (used in) financing activities.

Consolidated Statements of Income

JGAAP	IFRS
Net sales	Revenue
Cost of sales	Cost of sales
Gross profit	Gross profit
Selling, general and administrative expenses	Selling, general and administrative expenses
Operating income	Research and development expenses
Non-operating income	Other income
Equity in earnings of affiliates	Other expenses
Depreciation	Share of profit (loss) of investments accounted for using equity method
Other	Operating profit
Interest income	Finance income
Dividends income	Finance costs
Interest expenses	Profit before tax
Foreign exchange gains or losses	Income tax expense
Gain or loss on valuation of derivatives	Profit for the period
Ordinary income	Profit for the period attributable to
Extraordinary income or loss	Owners of parent
Gain on sales of noncurrent assets	Non-controlling interests
Loss on sales and retirement of noncurrent assets	
Other	
Gain or loss on sales of investment securities	
Income before income taxes	
Income taxes-current	
Income taxes-deferred	
Net income	
Net income (loss) attributable to non-controlling interests	
Net income attributable to owners of parent	

1) "Selling, general and administrative expenses" on "Japanese Generally Accepted Accounting Principles" (hereafter "JGAAP") will be presented as "Selling, general and administrative expenses" and "Research and development expenses".

2) "Operating profit" on IFRS will be presented, but components are different compared with JGAAP, a part of "Non-operating income and expense" and "Extraordinary income or loss" will be included.

3) "Interest income", "Dividends income", "Interest expenses", "Foreign exchange gains or losses" and "Gain or loss on valuation of derivatives" of JGAAP will be presented as "Finance income" and "Finance costs".

4) There is no concept of "Ordinary income" on IFRS. We calculate "Profit before tax" by adding and subtracting "Finance income" and "Finance costs" from "Operating profit" of IFRS.

5) "Gain and loss on sales of investment securities" on JGAAP will be recorded in the statement of comprehensive income.

Consolidated Statement of Financial Position (Assets)

JGAAP

Consolidated Balance Sheet (Assets)

Assets
Current assets
Cash and deposits
Notes and accounts receivable-trade
Lease investment assets
Short-term investment securities
Merchandise and finished goods
Work in process
Raw materials and supplies
Short-term loans receivable
Other
Allowance for doubtful accounts
Total current assets
Noncurrent assets
Property, plant and equipment
Buildings and structures, net
Machinery, equipment and vehicles, net
Land
Vehicles and equipment on operating leases, net
Construction in progress
Other, net
Total property, plant and equipment
Intangible assets
Other
Total intangible assets
Investments and other assets
Investment securities
Net defined benefit asset
Deferred tax assets
Other
Allowance for doubtful accounts
Total investments and other assets
Total noncurrent assets
Total assets

IFRS

Consolidated statement of financial position (Assets)

Assets
Current assets
Cash and cash equivalents
Trade and other receivables
Inventories
Income taxes receivable
Other financial assets
Other current assets
Subtotal
Assets held for sale
Total current assets
Non-current assets
Property, plant and equipment
Intangible assets and goodwill
Investment property
Investments accounted for using equity method
Other financial assets
Other non-current assets
Deferred tax assets
Total non-current assets
Total assets

1) Of "Cash and deposits" and "Short-term investment securities" on JGAAP, Cash and securities that mature within three months will be displayed as "Cash and cash equivalents."

2) "Notes and accounts receivable-trade", "Lease investment assets", "Short-term loans receivable" on JGAAP will be presented as "Trade and other receivables".

3) "Merchandise and finished goods", "Work in process" and "Raw materials and supplies" on JGAAP will be presented as "Inventories".

4) Operating lease transactions that were recorded as expense on JGAAP will be capitalized as "lease assets" and are included in "Property, plant and equipment".

5) In addition to "Intangible assets" on JGAAP, Research and development expenses that are recognized as assets on IFRS will be capitalized and presented as "Intangible assets and goodwill".

6) Of the "Property, plant and equipment" on JGAAP, the assets provided for leasing will be presented as "Investment property".

Consolidated Statement of Financial Position (Liabilities and Equity)

JGAAP	IFRS
Consolidated Balance Sheet (Liabilities and Equity)	Consolidated statement of financial position (Liabilities and Equity)
Liabilities	Liabilities and equity
Current liabilities	Liabilities
Notes and accounts payable-trade	Current liabilities
Electronically recorded obligations-operating	Borrowings
Short-term loans payable	Trade and other payables
Current portion of long-term loans payable	Other financial liabilities
Income taxes payable	Income taxes payable
Accrued expenses	Provisions
Provision for bonuses	Other current liabilities
Provision for product warranties	Total current liabilities
Provision for loss on construction contracts	Non-current liabilities
Provision for loss on business liquidation	Borrowings
Other	Other financial liabilities
Total current liabilities	Employee benefits
Noncurrent liabilities	Provisions
Long-term loans payable	Other non-current liabilities
Deferred tax liabilities	Deferred tax liabilities
Provision for product warranties	Total non-current liabilities
Provision for directors' retirement benefits	Total Liabilities
Net defined benefit liability	Equity
Long-term unearned revenue	Equity attributable to owners of parent
Other	Capital stock
Total noncurrent liabilities	Capital surplus
Total liabilities	Treasury shares
Net Assets	Retained earnings
Shareholders' equity	Other components of equity
Capital stock	Total equity attributable to owners of parent
Capital surplus	Non-controlling interests
Retained earnings	Total equity
Treasury stock	Total liabilities and equity
Total shareholders' equity	
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	
Foreign currency translation adjustment	
Remeasurements of defined benefit plans	
Remeasurements of other postretirement benefits of foreign consolidated subsidiaries	
Total accumulated other comprehensive income	
Non-controlling interests	
Total net assets	
Total liabilities and net assets	

- 1) "Notes and accounts payable-trade", "Electronically recorded obligations-operating" etc. on JGAAP will be presented as "Trade and other payables".
- 2) "Provision for bonuses", "Provision for product warranties", "Provision for loss on construction contracts", "Provision for loss on business liquidation" and will be presented as "Provisions".
- 3) "Provision for directors' retirement benefits" and "Net defined benefit liability" etc. will be presented as "Employee benefits".
- 4) "Provision for product warranties" etc. on JGAAP will be presented as "Provisions".
- 5) "Remeasurements of defined benefit plans" and "Remeasurements of other postretirement benefits of foreign consolidated subsidiaries" on JGAAP will be included in "Retained earnings".
- 6) "Valuation difference on available-for-sale securities" and "Foreign currency translation adjustment" on JGAAP will be presented as "Other components of equity".

Consolidated Statements of Cash Flows

JGAAP
Net cash provided by (used in) operating activities
Income (loss) before income taxes
Depreciation and amortization
Increase (decrease) in allowance for doubtful accounts
Increase (decrease) in provision for product warranties
Interest and dividends income
Interest expenses
Loss (gain) on sales and retirement of noncurrent assets
Loss (gain) on sales and valuation of investment securities
Decrease (increase) in operating loans receivable
Decrease (increase) in notes and accounts receivable-trade
Decrease (increase) in inventories
Increase (decrease) in notes and accounts payable-trade
Increase (decrease) in accrued expenses
Other, net
Subtotal
Interest and dividends income received
Interest expenses paid
Income taxes paid
Net cash provided by (used in) operating activities
Net cash provided by (used in) investing activities
Net decrease (increase) in time deposits
Purchase of short-term investment securities
Proceeds from sales of short-term investment securities
Purchase of non-current assets
Proceeds from sales of non-current assets
Purchase of investment securities
Proceeds from sales of investment securities
Payments of loans receivable
Collection of loans receivable
Other, net
Net cash provided by (used in) investing activities
Net cash provided by (used in) financing activities
Net increase (decrease) in short-term loans payable
Proceeds from long-term loans payable
Repayments of long-term loans payable
Purchase of treasury shares
Cash dividends paid
Other, net
Net cash provided by (used in) financing activities
Effect of exchange rate change on cash and cash equivalents
Net increase (decrease) in cash and cash equivalents
Cash and cash equivalents at beginning of period
Decrease in cash and cash equivalents resulting from change of scope of consolidation
Cash and cash equivalents at end of period

IFRS
Net cash provided by (used in) operating activities
Profit before tax
Depreciation and amortization
Finance income
Finance costs
Share of loss (profit) of investments accounted for using equity method
Decrease (increase) in trade and other receivables
Decrease (increase) in inventories
Increase (decrease) in trade and other payables
Increase (decrease) in provisions and employee benefits
Other
Subtotal
Interest received
Dividends received
Interest paid
Income taxes paid
Net cash provided by (used in) operating activities
Net cash provided by (used in) investing activities
Purchase of property, plant and equipment
Proceeds from sale of property, plant and equipment
Purchases of intangible assets and expenditure on internally generated intangible assets
Purchase of other financial assets
Proceeds from sale and collection of other financial assets
Other
Net cash provided by (used in) investing activities
Net cash provided by (used in) financing activities
Net increase (decrease) in short-term borrowings
Proceeds from long-term borrowings
Repayments of long-term borrowings
Proceeds from sale of treasury shares
Purchase of treasury shares
Dividends paid to owners of parent
Repayments of lease liabilities
Other
Net cash provided by (used in) financing activities
Effect of exchange rate changes on cash and cash equivalents
Net increase (decrease) in cash and cash equivalents
Cash and cash equivalents at beginning of period
Decrease in cash and cash equivalents resulting from change of scope of consolidation
Cash and cash equivalents at end of period

1) Operating lease transactions that were recorded as expense on JGAAP will be capitalized, and their depreciation cost will be included in "Depreciation and amortization". And amortization cost of research and development cost will be also included in "Depreciation and amortization".

2) "Increase (decrease) in provision for product warranties" and other provision included in "Other" in "Net cash provided by (used in) operating activities" etc. will be presented as "Increase (decrease) in provisions and employee benefits".

3) "Purchase of non-current assets" on JGAAP will be separately presented as "Purchase of property, plant and equipment" and "Purchases of intangible assets and expenditure on internally generated intangible assets".

4) "Purchase of short-term investment securities", "Purchase of investment securities" and "Payments of loans receivable" on JGAAP will be presented as "Purchase of other financial assets".

5) Proceeds from sales of short-term investment securities", "Proceeds from sales of investment securities" and "Collection of loans receivable" will be presented as "Proceeds from sale and collection of other financial assets".

6) Operating lease transactions that were recorded as expense on JGAAP will be capitalized and recorded on liabilities. Payments of the liabilities will be presented as "Repayments of lease liabilities".



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.