



Consolidated Financial Results for the 1st Half of FYE 2020

SUBARU CORPORATION

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November 6th, 2019

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

1

NOTE)

This document is an English translation of an original Japanese document. If there are any discrepancies between this document and the original Japanese document, the original Japanese document prevails.

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 .

1 st Half : Consolidated Unit Sales (by market)				
				(Thousand Units)
				Reference : JGAAP
	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance	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
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3

Let's start with the results for the first half.

Consolidated unit sales grew 19.8 thousand units year on year to reach 503.8 thousand units.

Overseas, sales of the Legacy and Outback were down in the United States due to the model changes, but sales of the new Forester and of the Ascent, which was launched in the North American market last summer, were strong, resulting in a year-on-year increase of 18.7 thousand units, to 435.8 thousand units.

In the domestic market, sales of the fully-redesigned Forester and the SUBARU XV with e-BOXER increased, resulting in a year-on-year increase of 1.1 thousand units, to 68 thousand units.

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.

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4

Production increased 6.4 thousand units year on year to reach 497.9 thousand units.

Production in Japan increased year on year due to strong demand for the fully-redesigned Forester, which offset the impact of changes in operation schedules continuing since the fall of 2018 to ensure quality-first production and inspection work.

Production in U.S. remained at roughly the same level as the previous year despite an increase in Ascent production, due to a decrease in Legacy and Outback production resulting from the impact of model changes.

1 st Half: Consolidated Profit Results					
(100 Million Yen)					
Reference : JGAAP					
	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance	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".

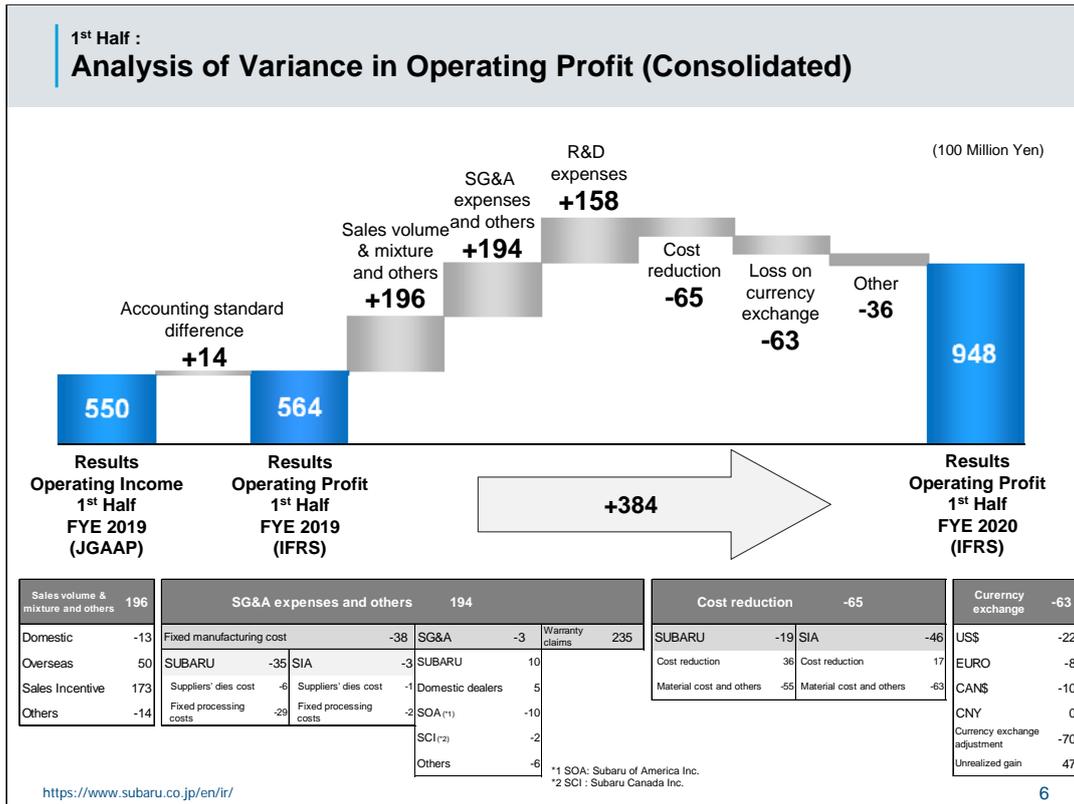
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5

Due primarily to the positive effect of improved sales volume & mixture and others of 132.1 billion yen as a result of increased automobile unit sales and other such factors, revenue increased by 114.2 billion yen year on year to 1,605.7 billion yen.

Operating profit was up 38.4 billion yen year on year to 94.8 billion yen as a result of automobile unit sales growth, sales incentive control, decreases in SG&A expenses and others, R&D expenses, and other factors.

Additionally, profit before tax was up 32.6 billion yen to 93.1 billion yen and profit for the period attributable to owners of parent was up 25.2 billion yen to 68.3 billion yen.



The main factors working to increase operating profit were improvement in the sales volume & mixture and others and a decrease in SG&A expenses and others, R&D, and other expenses.

The sales volume & mixture and others improved substantially due to an increase in overseas unit sales, primarily of the Ascent and the Forester, and sales incentive control.

As for SG&A expenses and others, expenses related to recalls, service campaigns and so on, which had been estimated at around 1% of revenue, rose to around 65 billion yen, but they were down from last year.

The decrease in R&D expenses was primarily a result of an increase in capitalized costs in conjunction with the adoption of IFRS.

The main factors working to decrease operating profit were higher material costs and others, and the exchange rate.

In the U.S., sales of the Legacy and Outback continued favorably ahead of full redesigns, and incentive costs were kept down. As a result, per unit incentives were down 650 dollars year on year to 1,550 dollars, leading to a 14.3 billion yen decrease in the total amount of incentives.

Capex / Depreciation / Interest Bearing Debt / R&D

(100 Million Yen)

Reference : JGAAP

	Results 1 st Half FYE 2019	Results 1 st Half FYE 2020	Variance	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)

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7

The results for capital expenditures and so on are as shown in this slide.

| 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
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9

In regard to full-year consolidated unit sales, adjustments were made across markets and models, but the total number of units remains unchanged from the previous announcement (August 5).

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.

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At the Gunma Plant, production had continued under revised operation schedules since the fall of 2018 until middle of September to ensure quality-first production and inspection work.

Under the previous plan, the assumption was that the production speed would be returned to previous levels in the second half, but as a result of various efforts, stable quality was secured, so the production speed was returned to previous levels earlier than anticipated.

On the other hand, Typhoon No. 19, which hit on October 12, caused flood and other damage to some suppliers, resulting in an interruption in the supply of automobile parts, so operations at our Gunma Plant (main plant, Yajima Plant, and Oizumi Plant) were suspended for about four and a half days.

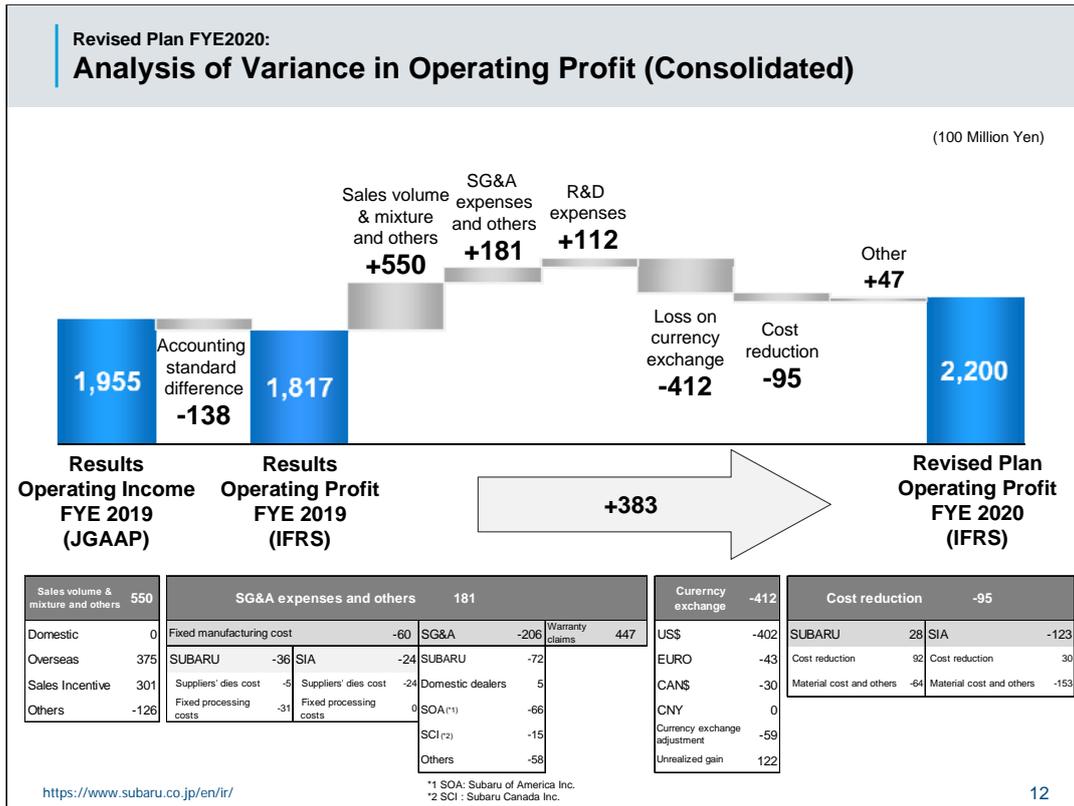
Out of consideration for these circumstances, the plan calls for an increase of 1 thousand units compared to the previous announcement for a total of 1,057.2 thousand units.

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

*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".
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11

There are no changes to revenue, but we expect operating profit to be down by 40.0 billion yen compared to the previous announcement to 220.0 billion yen, profit before tax by 50.0 billion yen to 220.0 billion yen, and profit for the period attributable to owners of parent by 47.0 billion yen to 163.0 billion yen.



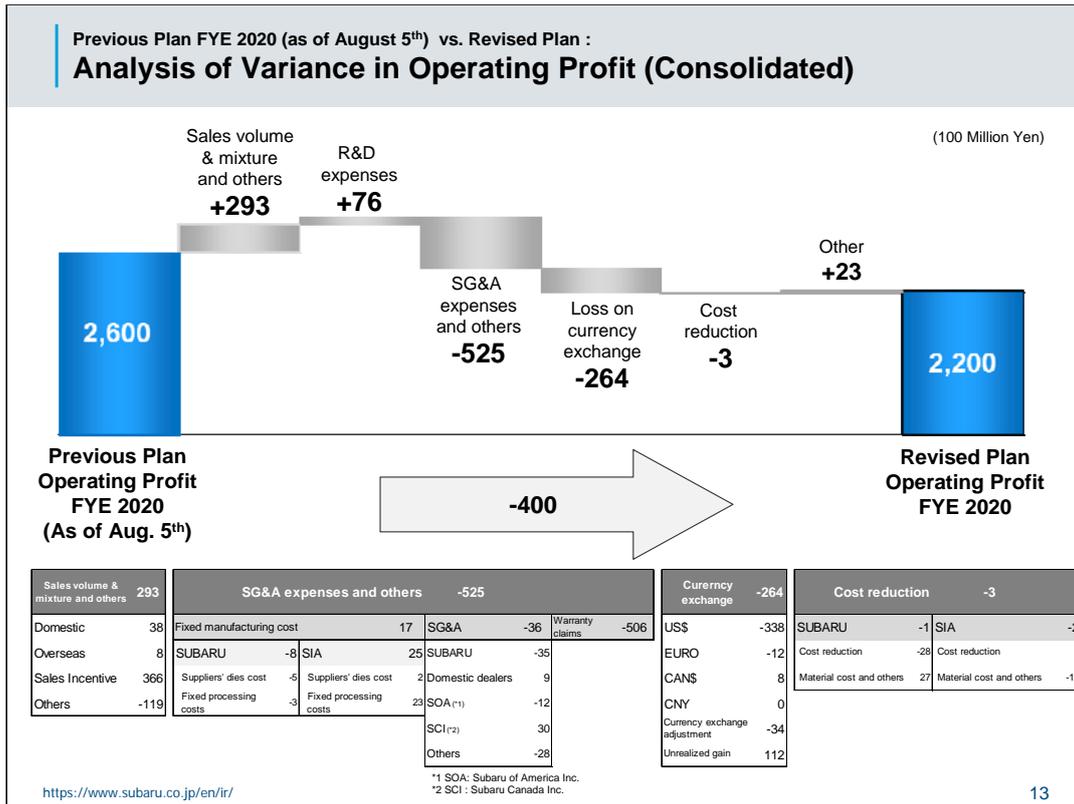
This is the analysis of variance in operating profit compared to the previous year's results.

The main factors working to increase operating profit are improvement in the sales volume & mixture and others and a decrease in SG&A expenses and others, R&D, and other expenses.

In regard to sales volume & mixture and others, we expect a substantial improvement as a result of increased unit sales and revision of sales incentives.

We expect SG&A expenses and others to improve, primarily owing to a decrease in expenses related to recalls, service campaigns and so on.

U.S. sales incentives per unit will decrease 350 dollars from 2,100 dollars in the same period of the previous year to 1,750 dollars, bringing the total amount of incentives down 17.5 billion yen.



This is an analysis of variance in operating profit compared to the previous announcement.

The main factors working to increase operating profit are improvement in the sales volume & mixture and others and a decrease in R&D expenses.

In regard to sales volume & mixture and others, we expect an improvement as a result of revision of the sales incentives plan.

We expect R&D expenses to work to increase operating profit due to an increase of capitalized cost from the initial plan.

The main factors working to decrease operating profit are increased SG&A expenses and others and the exchange rate.

In regard to SG&A expenses and others, the main factor is an increase in expenses related to warranty claims, reflecting the increase in expenses related to recalls, service campaigns and so on in the first half.

We assume that expenses related to recalls, service campaigns and so on in the second half will be at a level of around 1% of revenue according to plan.

U.S. sales incentives per unit will decrease 450 dollars from the previous plan of 2,200 dollars to 1,750 dollars, bringing the total amount of incentives down 28.0 billion yen.

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)

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Capex, depreciation, and R&D expenditures remain unchanged from the previous announcement.

Interest bearing debt is up 95.0 billion yen from the previous plan to 240.0 billion yen.

The main factors behind this are expenses related to new recalls, service campaigns and so on, and faster-than-anticipated progress on recalls for which provision was already made, leading to cash outflows.

The remaining pages contain segment information, etc. for your reference.

This concludes the briefing on our financial results for the first half of the fiscal year ending March 31, 2020.

Thank you.

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	15,303	+1,108	(500)	507	874	+367
Aerospace	(630)	645	710	+64	(30)	32	51	+19
Other	(74)	74	44	-30	(18)	24	24	+1
Elimination & Corporate					(3)	2	0	-2
Total	(14,868)	14,914	16,057	+1,142	(550)	564	948	+384

* Figure in () : JGAAP

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16

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

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17

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

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18

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	-

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19

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

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20

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.

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21

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

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22

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
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23

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".

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

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

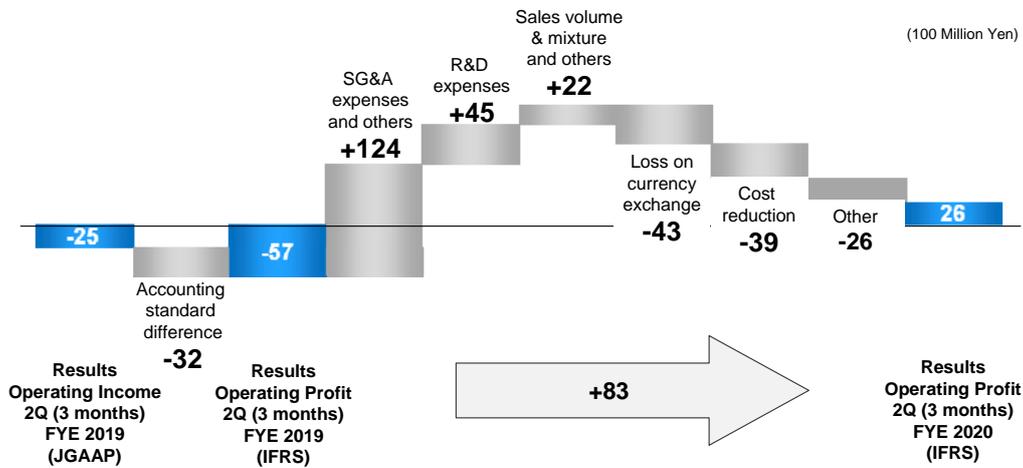
*4 : "Net income attributable to owners of parent" on JGAAP is shown as "Profit for the period attributable to owners of parent".

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24

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
SUBARU	10	SIA	-6	SUBARU	8	Overseas	-146	EURO	-5	Cost reduction	13	Cost reduction	7
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.

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25

Plan for 2nd Half:

Consolidated Unit Sales (by market)

	Results 2 nd Half FYE 2019	Plan 2 nd Half FYE 2020	Variance	(Thousand Units)
				Reference : JGAAP
				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
<https://www.subaru.co.jp/en/ir/>

26

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".

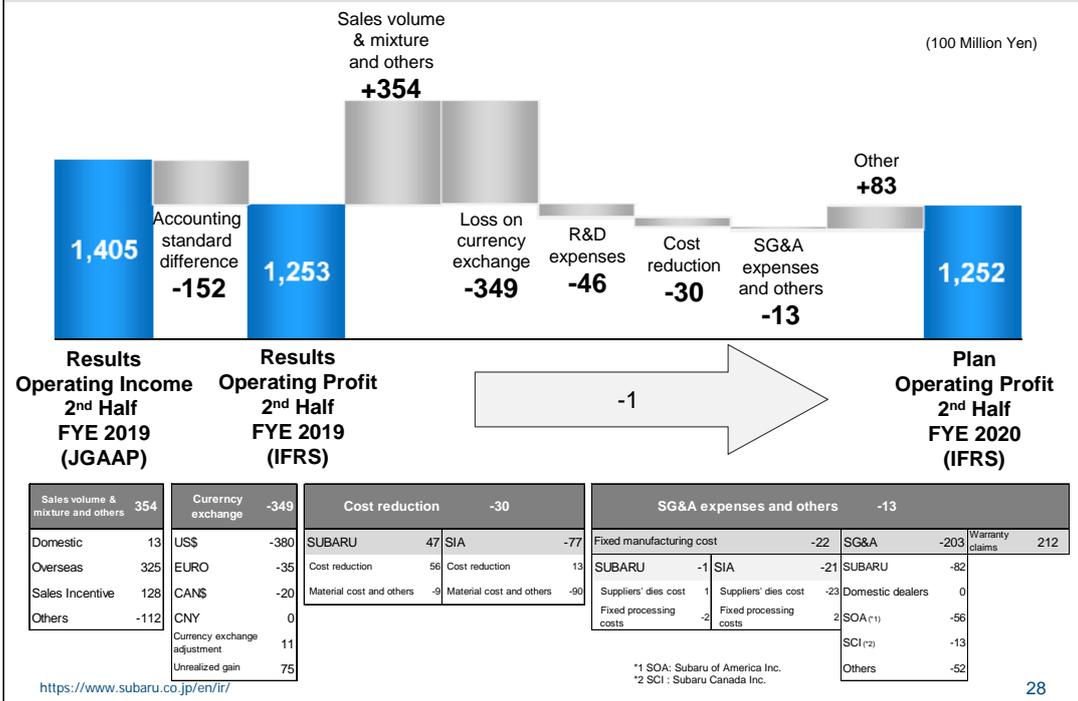
*4 : "Net income attributable to owners of parent" on JGAAP is shown as "Profit for the period attributable to owners of parent".

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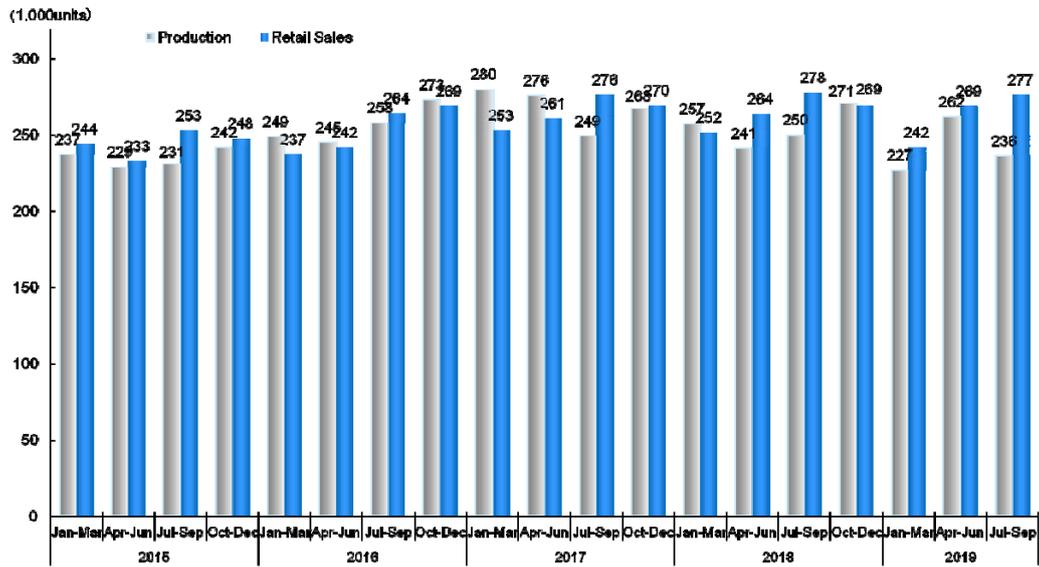
27

Plan for 2nd Half:

Analysis of Variance in Operating Profit (Consolidated)



Complete Cars Production / Retail Sales Units



* Production figures include Toyota 86.

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29

| 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.

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31

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".

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Consolidated Statements of Cash Flows

JGAAP	IFRS
Net cash provided by (used in) operating activities	Net cash provided by (used in) operating activities
Income (loss) before income taxes	Profit before tax
Depreciation and amortization	Depreciation and amortization
Increase (decrease) in allowance for doubtful accounts	Finance income
Increase (decrease) in provision for product warranties	Finance costs
Interest and dividends income	Share of loss (profit) of investments accounted for using equity method
Interest expenses	Decrease (increase) in trade and other receivables
Loss (gain) on sales and retirement of non-current assets	Decrease (increase) in inventories
Loss (gain) on sales and valuation of investment securities	Increase (decrease) in trade and other payables
Decrease (increase) in operating loans receivable	Increase (decrease) in provisions and employee benefits
Decrease (increase) in notes and accounts receivable-trade	Other
Decrease (increase) in inventories	Subtotal
Increase (decrease) in notes and accounts payable-trade	Interest received
Increase (decrease) in accrued expenses	Dividends received
Other, net	Interest paid
Subtotal	Income taxes paid
Interest and dividends income received	Net cash provided by (used in) operating activities
Interest expenses paid	Net cash provided by (used in) investing activities
Income taxes paid	Purchase of property, plant and equipment
Net cash provided by (used in) operating activities	Proceeds from sale of property, plant and equipment
Net cash provided by (used in) investing activities	Purchases of intangible assets and expenditure on internally generated intangible assets
Net decrease (increase) in time deposits	Purchase of other financial assets
Purchase of short-term investment securities	Proceeds from sale and collection of other financial assets
Proceeds from sales of short-term investment securities	Other
Purchase of non-current assets	Net cash provided by (used in) investing activities
Proceeds from sales of non-current assets	Net cash provided by (used in) financing activities
Purchase of investment securities	Net increase (decrease) in short-term borrowings
Proceeds from sales of investment securities	Proceeds from long-term borrowings
Payments of loans receivable	Repayments of long-term borrowings
Collection of loans receivable	Proceeds from sale of treasury shares
Other, net	Purchase of treasury shares
Net cash provided by (used in) investing activities	Dividends paid to owners of parent
Net cash provided by (used in) financing activities	Repayments of lease liabilities
Net increase (decrease) in short-term loans payable	Other
Proceeds from long-term loans payable	Net cash provided by (used in) financing activities
Repayments of long-term loans payable	Effect of exchange rate changes on cash and cash equivalents
Purchase of treasury shares	Net increase (decrease) in cash and cash equivalents
Cash dividends paid	Cash and cash equivalents at beginning of period
Other, net	Decrease in cash and cash equivalents resulting from change of scope of consolidation
Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
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	

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.

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