



Consolidated Financial Results for the 3rd Quarter of FYE 2020

SUBARU CORPORATION

Toshiaki Okada
Corporate Executive Vice President & CFO
February 5th, 2020



Consolidated Financial Results for the 3rd Quarter (9 months) 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 .

3rd Quarter (9 months) :

Consolidated Unit Sales (by market)

(Thousand Units)

	Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance	Reference : JGAAP
				Results 3 rd Quarter FYE 2019
Passenger cars (*)	84.9	76.3	-8.6	79.9
Minicars (*)	19.4	18.4	-0.9	18.6
Domestic total(*)	104.2	94.7	-9.5	98.5
US	495.9	520.0	+24.1	495.9
Canada	47.3	45.1	-2.1	47.3
Russia	6.5	7.2	+0.7	6.5
Europe	25.9	25.1	-0.8	25.9
Australia	35.7	33.2	-2.5	35.7
China	16.6	17.6	+0.9	16.6
Others	35.7	28.1	-7.6	35.7
Overseas total	663.6	676.3	+12.7	663.6
Total	767.9	771.0	+3.1	762.1

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

3rd Quarter (9 months) :

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance
Consolidated Unit Sales Total	767.9	771.0	+3.1

(Thousand Units)

	Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance
Production in U.S.	271.2	267.6	-3.6
Production in Japan	491.1	492.8	+1.8
Total	762.3	760.4	-1.9

* Production figures include Toyota 86.

3rd Quarter (9 months) :

Consolidated Profit Results

(100 Million Yen)

Reference : JGAAP

		Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance	Results 3 rd Quarter FYE 2019
Revenue (*1)		23,913	24,846	+932	23,774
Domestic		4,509	4,242	-267	4,358
Overseas		19,405	20,604	+1,199	19,417
Operating profit (*2)		1,557	1,527	-30	1,537
Profit before tax (*3)		1,578	1,532	-45	1,580
Profit for the period attributable to owners of parent (*4)		1,181	1,117	-64	1,182
SUBARU exchange rate	US\$	¥111	¥109	-¥2	¥111
	EURO	¥130	¥121	-¥9	¥130
	CAN\$	¥85	¥82	-¥3	¥85

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

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

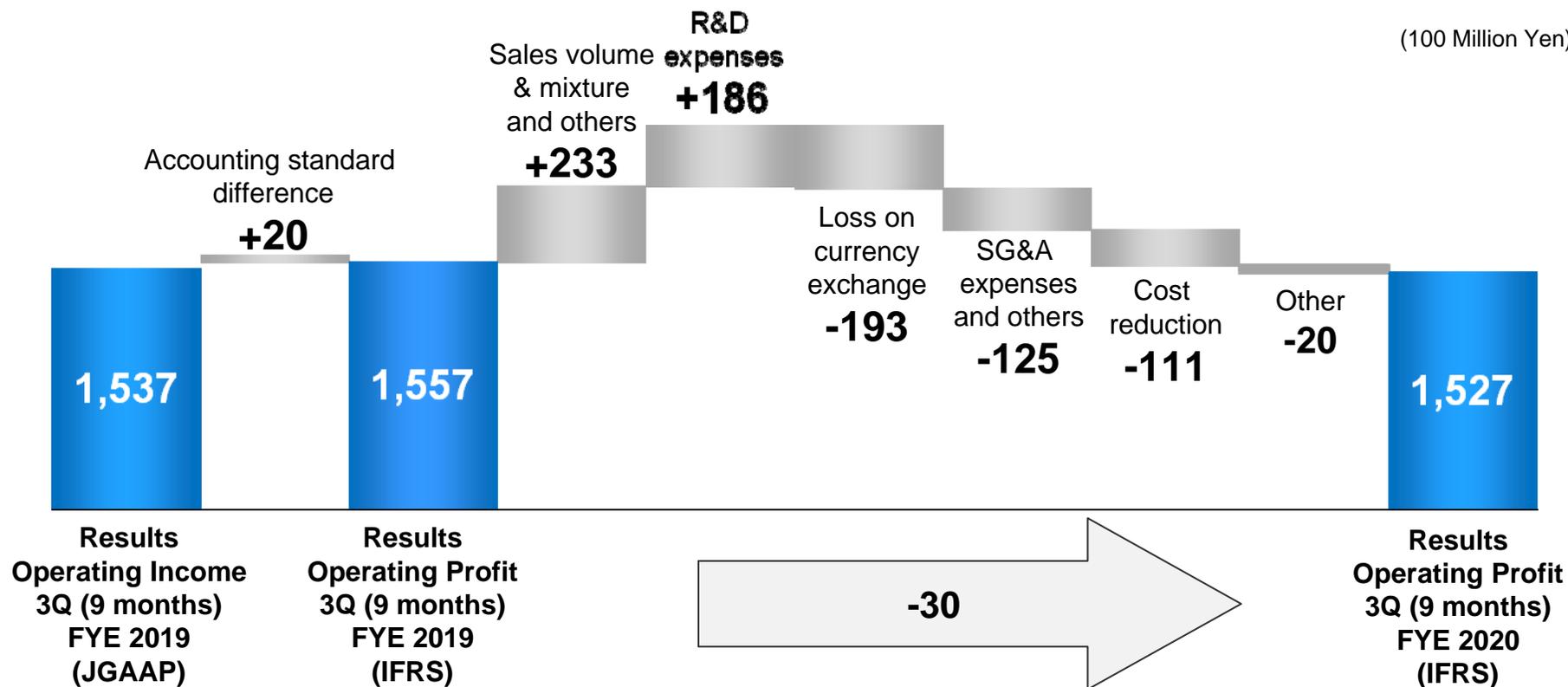
*3 : "Income before income tax" on JGAAP is shown as "Profit before tax".

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

3rd Quarter (9 months) :

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



Sales volume & mixture and others		Currency exchange		SG&A expenses and others				Cost reduction						
233		-193		-125		-111								
Domestic	-86	US\$	-169	Fixed manufacturing cost		-45	SG&A	-22	Warranty claims	-58	SUBARU	-20	SIA	-91
Overseas	49	EURO	-22	SUBARU	-44	SIA	-1	SUBARU	-43		Cost reduction	65	Cost reduction	22
Sales Incentive	337	CAN\$	-19	Suppliers' dies cost	-4	Suppliers' dies cost	-10	Domestic dealers	11		Material cost and others	-85	Material cost and others	-113
Others	-67	CNY	0	Fixed processing costs	-40	Fixed processing costs	9	SOA (*1)	-2					
		Currency exchange	-53					SCI (*2)	-5					
		Unrealized gain	70					Others	17					

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

Capex / Depreciation / Interest Bearing Debt / R&D

(100 Million Yen)

	Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance	Reference : JGAAP
				Results 3 rd Quarter FYE 2019
Capex (*1)	859	955	+96	852
Depreciation (*1)	675	707	+32	674
Interest bearing debt (*1)	554	1,752	+1,199	520
R&D expenditures (*2)	780	849	+69	

*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 Nov. 6 th) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)	Results FYE 2019
Passenger cars (*)	110.2	111.3	104.2	-6.0	-7.1	109.7
Minicars (*)	26.0	26.9	23.8	-2.3	-3.1	25.6
Domestic total(*)	136.2	138.2	128.0	-8.2	-10.2	135.3
US	659.7	701.8	700.0	+40.3	-1.8	659.7
Canada	56.8	61.4	62.0	+5.2	+0.6	56.8
Russia	8.1	9.7	8.5	+0.4	-1.2	8.1
Europe	32.1	37.4	37.6	+5.5	+0.2	32.1
Australia	41.7	42.5	42.9	+1.2	+0.3	41.7
China	22.8	24.6	24.5	+1.7	-0.2	22.8
Others	43.3	42.7	37.9	-5.3	-4.7	43.3
Overseas total	864.6	920.1	913.3	+48.8	-6.8	864.6
Total	1,000.8	1,058.3	1,041.3	+40.5	-16.9	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 Nov. 6 th) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)
Consolidated Unit Sales Total	1,000.8	1,058.3	1,041.3	+40.5	-16.9

(Thousand Units)

	Results FYE 2019 (a)	Previous Plan FYE 2020 (as of Nov. 6 th) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)
Production in U.S.	372.2	389.7	381.8	+9.6	-7.9
Production in Japan	617.0	667.5	667.0	+50.0	-0.6
Total	989.1	1,057.2	1,048.7	+59.6	-8.5

* 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 Nov. 6 th) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)	Results FYE 2019
Revenue (*1)		31,562	33,100	33,600	+2,039	+500	31,605
Domestic		5,941	5,975	5,605	-337	-370	5,966
Overseas		25,620	27,125	27,995	+2,375	+870	25,639
Operating profit (*2)		1,817	2,200	2,200	+383	±0	1,955
Profit before tax (*3)		1,860	2,200	2,200	+340	±0	1,958
Profit for the period attributable to owners of parent (*4)		1,414	1,630	1,630	+216	±0	1,478
SUBARU exchange rate	US\$	¥111	¥107	¥109	-¥2	+¥2	¥111
	EURO	¥129	¥119	¥122	-¥8	+¥3	¥129
	CAN\$	¥85	¥81	¥82	-¥2	+¥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".

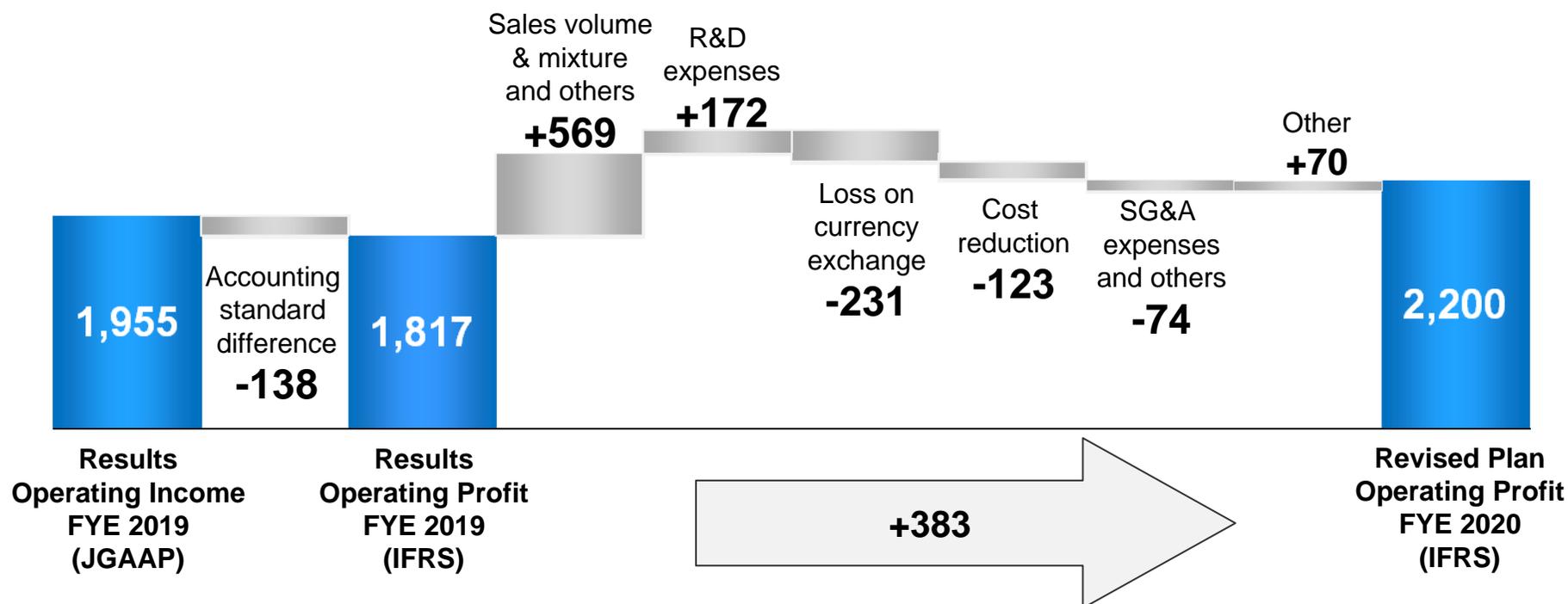
*4 : "Net income attributable to owners of parent" on JGAAP is shown as "Profit for the period attributable to owners of parent".

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

Revised Plan FYE 2020 :

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)

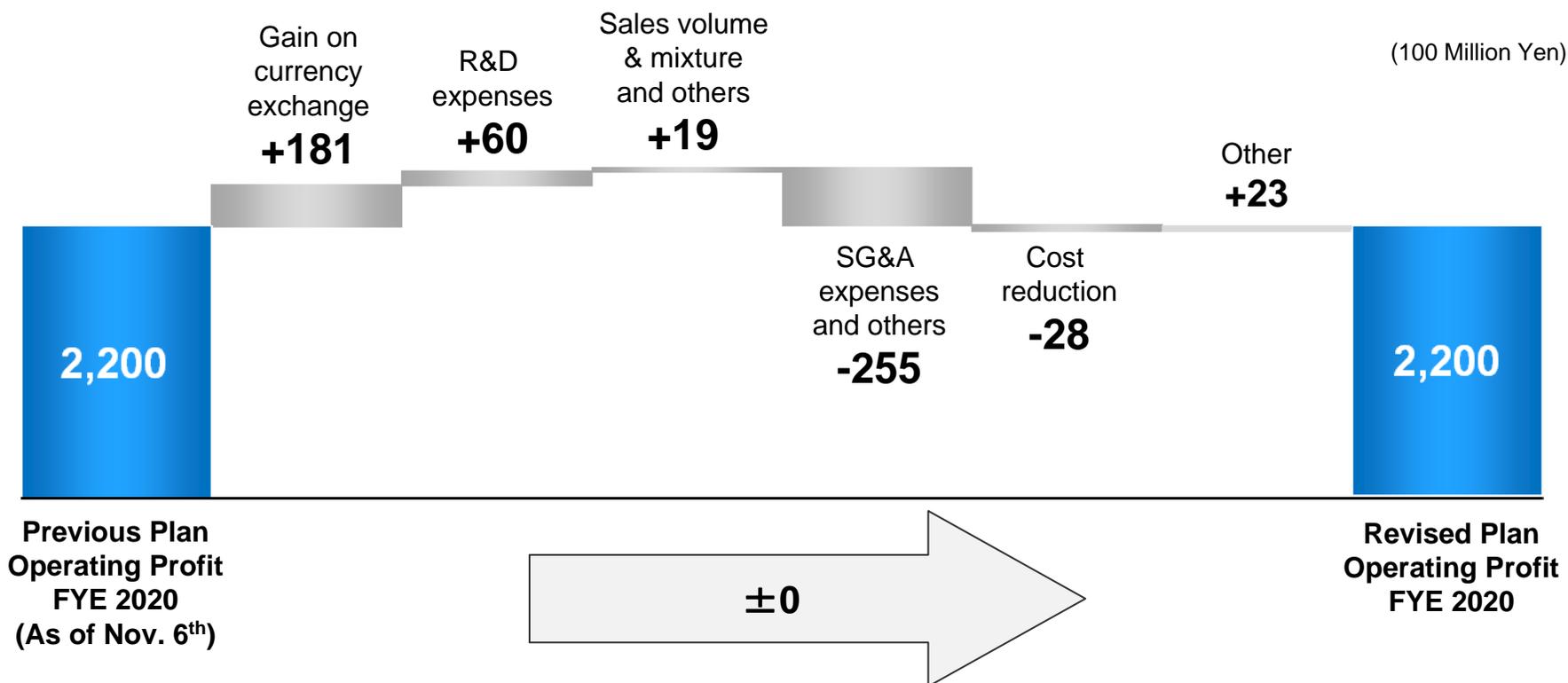


Sales volume & mixture and others		Currency exchange		Cost reduction		SG&A expenses and others							
569		-231		-123		-74							
Domestic	-88	US\$	-182	SUBARU	-11	SIA	-112	Fixed manufacturing cost	-54	SG&A	-162	Warranty claims	142
Overseas	357	EURO	-27	Cost reduction	93	Cost reduction	31	SUBARU	-29	SIA	-25	SUBARU	-62
Sales Incentive	416	CAN\$	-19	Material cost and others	-104	Material cost and others	-143	Suppliers' dies cost	1	Suppliers' dies cost	-23	Domestic dealers	5
Others	-116	CNY	0					Fixed processing costs	-30	Fixed processing costs	-2	SOA ^(*1)	-52
		Currency exchange adjustment	-59									SCI ^(*2)	-14
		Unrealized gain	56									Others	-39

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

Previous Plan FYE 2020 (as of November 6th) vs. Revised Plan :

Analysis of Variance in Operating Profit (Consolidated)



Currency exchange		Sales volume & mixture and others		SG&A expenses and others				Cost reduction						
181		19		-255				-28						
US\$	220	Domestic	-88	Fixed manufacturing cost		6	SG&A	44	Warranty claims	-305	SUBARU	-39	SIA	11
EURO	16	Overseas	-18	SUBARU	7	SIA	-1	SUBARU	10		Cost reduction	1	Cost reduction	1
CAN\$	11	Sales Incentive	115	Suppliers' dies cost	6	Suppliers' dies cost	1	Domestic dealers	0		Material cost and others	-40	Material cost and others	10
CNY	0	Others	10	Fixed processing costs	1	Fixed processing costs	-2	SOA (*1)	14					
Currency exchange adjustment	0							SCI (*2)	1					
Unrealized gain	-66							Others	19					

*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 Nov. 6 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	2,400	2,400	+1,363	±0	1,004
R&D expenditures (*2)	1,027	1,200	1,170	+143	-30	

*1 : Leases, capex & amortization for intangible assets and lease liabilities are not included in the results and forecast 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 (3rd Quarter)
- Overseas Revenue (3rd Quarter)
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flows (3rd Quarter)
- Non-consolidated Unit Sales (3rd Quarter)
- Operating Results of Subsidiaries in U.S. (3rd Quarter)
- Consolidated Financial Results for 3rd Quarter (3 months)
- Forecast for 4th Quarter (3 months)
- Complete Cars Production / Retail Sales Units

3rd Quarter (9 months) :

Revenue and Operating Profit by Business Segment (Consolidated)

(100 Million Yen)

	Revenue				Operating profit			
	Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance	Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance		
Automobile	(22,719)	22,840	23,738	+898	(1,454)	1,464	1,433	-31
Aerospace	(943)	962	1,042	+80	(49)	53	63	+10
Other	(111)	111	66	-45	(29)	37	29	-8
Elimination & Corporate					(5)	3	1	-2
Total	(23,774)	23,913	24,846	+932	(1,537)	1,557	1,527	-30

* Figure in () : JGAAP

3rd Quarter (9 months) :

Revenue and Operating Profit by Geographic Area (Consolidated)

(100 Million Yen)

	Revenue				Operating profit			
	Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance	Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance		
Japan	(6,764)	6,915	6,543	-372	(1,031)	1,064	597	-467
North America	(15,810)	15,798	17,091	+1,293	(504)	494	929	+436
Other	(1,200)	1,200	1,212	+11	(8)	6	9	+3
Elimination & Corporate					(-6)	-7	-8	-2
Total	(23,774)	23,913	24,846	+932	(1,537)	1,557	1,527	-30

* Figure in () : JGAAP

3rd Quarter (9 months) :

Overseas Revenue (Consolidated)

(100 Million Yen)

	Results 3 rd Quarter FYE 2019		Results 3 rd Quarter FYE 2020	Variance
North America	(16,512)	16,500	17,867	+1,367
Europe	(808)	808	818	+10
Asia	(877)	877	874	-3
Other	(1,219)	1,219	1,044	-175
Total	(19,417)	19,405	20,604	+1,199

* Figure in () : JGAAP

Consolidated Statement of Financial Position

(100 Million Yen)

	As of March 2019	As of December 2019	Variance
Total assets	31,806	31,668	-138
Current assets	19,137	18,556	-582
Non-current assets	12,669	13,112	+443
Total liabilities	14,907	14,777	-130
Interest bearing debts	1,037	1,752	+715
Total equity	16,899	16,891	-8
Retained earnings	13,506	13,520	+14
Equity attributable to owners of parent	16,822	16,820	-2
Ratio of equity attributable to owners of parent to total assets	52.9%	53.1%	-
D/E ratio	0.06	0.10	-

3rd Quarter (9 months) :

Consolidated Statement of Cash Flows

(100 Million Yen)

	Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance
Net cash provided by (used in) operating activities	1,717	1,292	-425
Net cash provided by (used in) investing activities	-1,392	18	+1,409
Free cash flows	325	1,310	+985
Net cash provided by (used in) financing activities	-1,785	-711	+1,074
Effect of exchange rate change on cash and cash equivalents	168	-64	-233
Net increase (decrease) in cash and cash equivalents	-1,292	535	+1,826
Cash and cash equivalents at end of period	6,364	7,558	+1,194

3rd Quarter (9 months) :

Non-consolidated Unit Sales

(Thousand Units)

	Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance
Domestic production	491.1	492.8	+1.8
Domestic sales	104.2	94.4	-9.8
Passenger cars	84.9	75.4	-9.5
Minicars	19.4	19.0	-0.3
Number of exported vehicles	396.2	410.4	+14.3
Components for overseas production	298.6	280.9	-17.8
Total	799.0	785.7	-13.3

* Domestic production figures include Toyota 86.

3rd Quarter (9 months) :

Operating Results of Subsidiaries in U.S.

(Million US\$)

SOA	Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance
Net sales	14,240	15,516	+1,275
Operating income	256	723	+467
Net income	216	571	+355
Retail sales (Thousand units)	528.6*	541.4	+12.8

SIA	Results 3 rd Quarter FYE 2019	Results 3 rd Quarter FYE 2020	Variance
Net sales	6,404	6,552	+147
Operating income	100	77	-23
Net income	81	72	-10
Production (Thousand units)	271.2	267.6	-3.6

* Correction

3rd Quarter (3 months) :

Consolidated Unit Sales (by market)

(Thousand Units)

Reference : JGAAP

	Results 3 rd Quarter (3 months) FYE 2019	Results 3 rd Quarter (3 months) FYE 2020	Variance	Results 3 rd Quarter (3 months) FYE 2019
Passenger cars (*)	30.8	21.1	-9.7	27.5
Minicars (*)	6.6	5.6	-1.0	6.0
Domestic total(*)	37.4	26.7	-10.6	33.5
US	193.7	183.7	-10.0	193.7
Canada	15.4	17.4	+2.0	15.4
Russia	1.4	2.6	+1.1	1.4
Europe	5.3	12.7	+7.5	5.3
Australia	12.2	8.6	-3.6	12.2
China	7.5	6.8	-0.7	7.5
Others	11.0	8.6	-2.4	11.0
Overseas total	246.5	240.4	-6.1	246.5
Total	283.9	267.2	-16.7	280.0

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

3rd Quarter (3 months) :

Consolidated Profit Results

(100 Million Yen)

Reference : JGAAP

		Results 3 rd Quarter (3 months) FYE 2019	Results 3 rd Quarter (3 months) FYE 2020	Variance	Results 3 rd Quarter (3 months) FYE 2019
Revenue (*1)		8,999	8,789	-210	8,906
Domestic		1,585	1,267	-318	1,483
Overseas		7,414	7,522	+108	7,423
Operating profit (*2)		992	578	-414	986
Profit before tax (*3)		973	601	-372	950
Profit for the period attributable to owners of parent (*4)		750	434	-316	739
SUBARU exchange rate	US\$	¥113	¥108	-¥4	¥113
	EURO	¥129	¥119	-¥10	¥129
	CAN\$	¥86	¥82	-¥4	¥86

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

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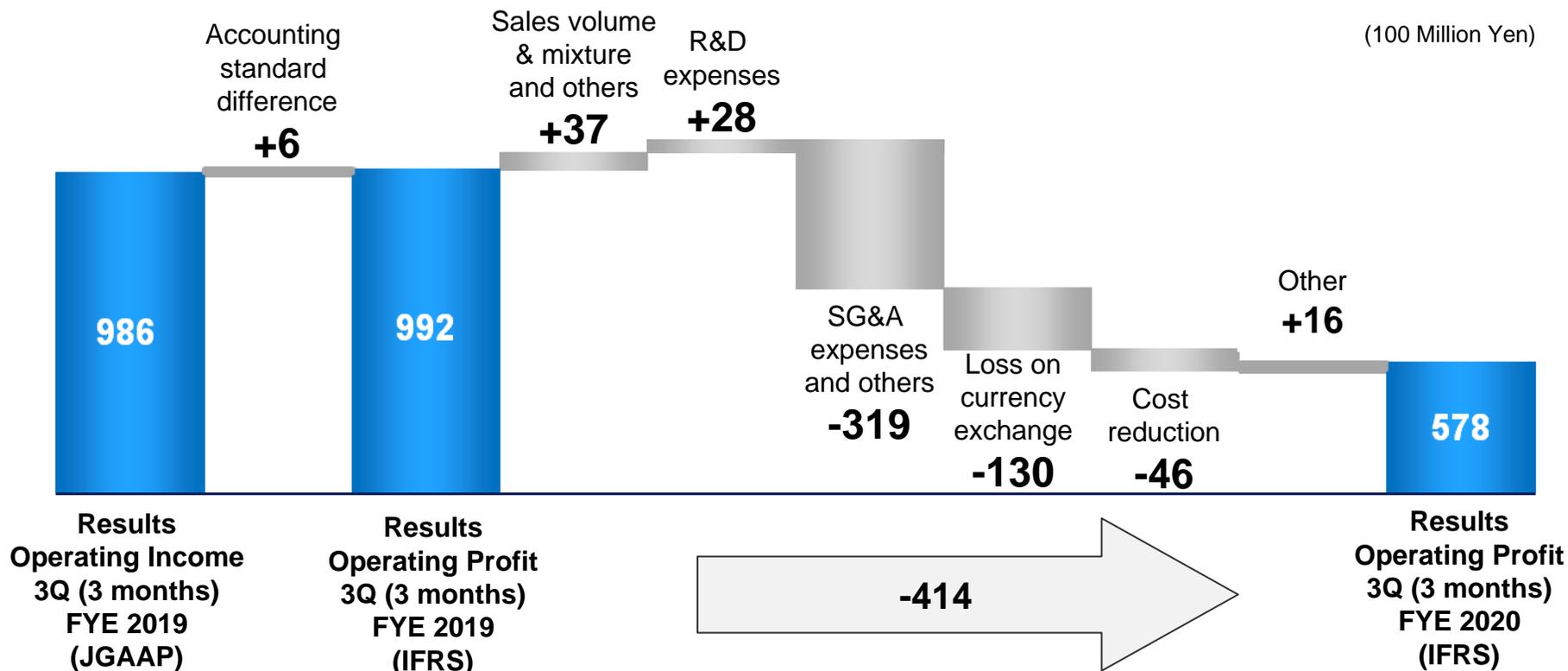
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*4 : "Net income attributable to owners of parent" on JGAAP is shown as "Profit for the period attributable to owners of parent".

3rd Quarter (3 months) :

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



Sales volume & mixture and others	37	SG&A expenses and others				-319	Currency exchange	-130	Cost reduction		-46			
Domestic	-73	Fixed manufacturing cost		-7	SG&A	-19	Warranty claims	-293	US\$	-147	SUBARU	-1	SIA	-45
Overseas	-1	SUBARU	-9	SIA	2	SUBARU	-53	EURO	-14	Cost reduction	29	Cost reduction	5	
Sales Incentive	164	Suppliers' dies cost	2	Suppliers' dies cost	-9	Domestic dealers	6	CAN\$	-9	Material cost and others	-30	Material cost and others	-50	
Others	-53	Fixed processing costs	-11	Fixed processing costs	11	SOA ⁽¹⁾	8	CNY	0					
						SCI ⁽²⁾	-3	Currency exchange adjustment	17					
						Others	23	Unrealized gain	23					

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

Plan for 4th Quarter (3 months) :

Consolidated Unit Sales (by market)

(Thousand Units)

	Results 4 th Quarter (3 months) FYE 2019	Plan 4 th Quarter (3 months) FYE 2020	Variance	Reference : JGAAP
				Results 4 th Quarter (3 months) FYE 2019
Passenger cars (*)	25.3	28.0	+2.6	29.8
Minicars (*)	6.7	5.3	-1.3	7.0
Domestic total(*)	32.0	33.3	+1.3	36.8
US	163.8	180.0	+16.2	163.8
Canada	9.6	16.9	+7.3	9.6
Russia	1.6	1.3	-0.3	1.6
Europe	6.2	12.6	+6.3	6.2
Australia	6.0	9.7	+3.6	6.0
China	6.1	6.9	+0.8	6.1
Others	7.6	9.9	+2.2	7.6
Overseas total	201.0	237.1	+36.1	201.0
Total	233.0	270.3	+37.4	237.8

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

Plan for 4th Quarter (3 months) :
Consolidated Profit

(100 Million Yen)

Reference : JGAAP

		Results 4 th Quarter (3 months) FYE 2019	Plan 4 th Quarter (3 months) FYE 2020	Variance	Results 4 th Quarter (3 months) FYE 2019
Revenue (*1)		7,648	8,754	+1,106	7,831
Domestic		1,432	1,363	-70	1,608
Overseas		6,216	7,392	+1,176	6,223
Operating profit (*2)		261	673	+413	419
Profit before tax (*3)		283	668	+385	378
Profit for the period attributable to owners of parent (*4)		233	513	+280	296
SUBARU exchange rate	US\$	¥110	¥110	-¥1	¥110
	EURO	¥126	¥122	-¥4	¥126
	CAN\$	¥83	¥84	+¥0	¥83

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

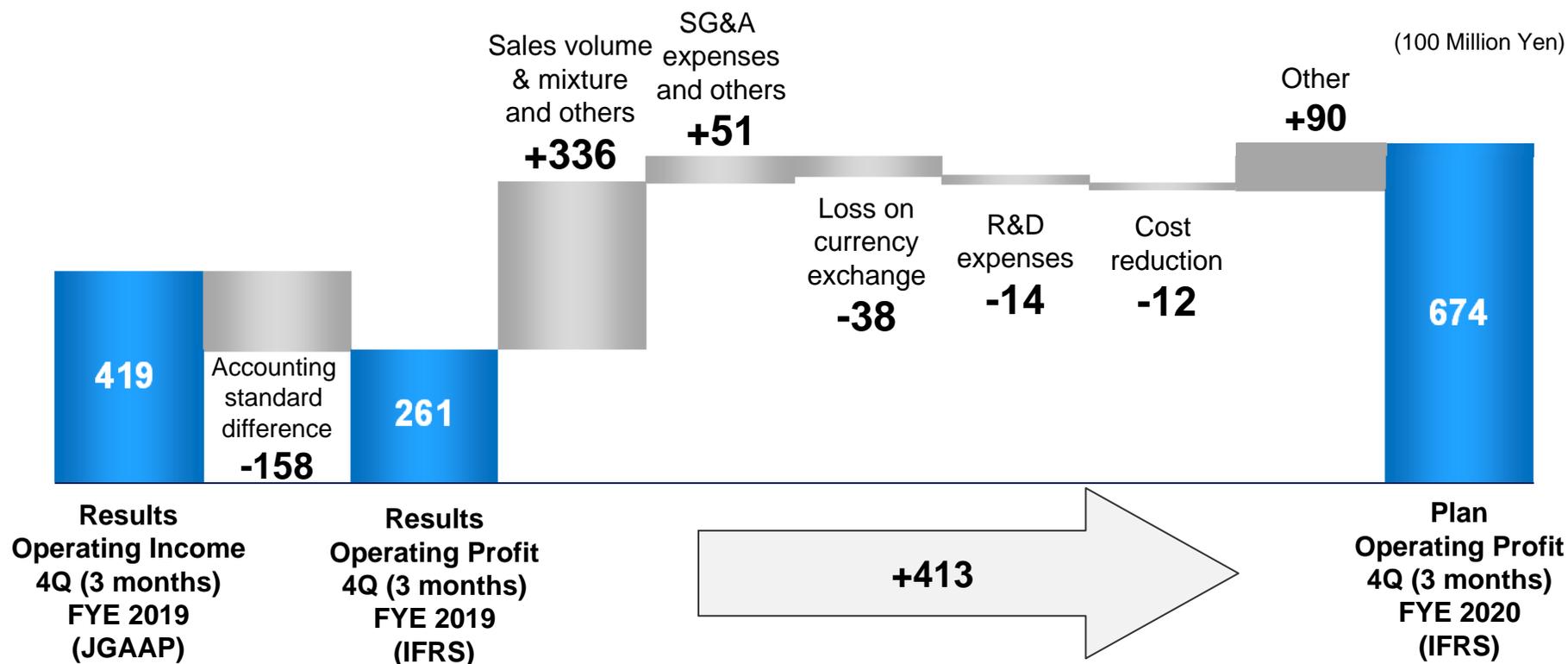
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Plan for 4th Quarter (3months) :

Analysis of Variance in Operating Profit (Consolidated)



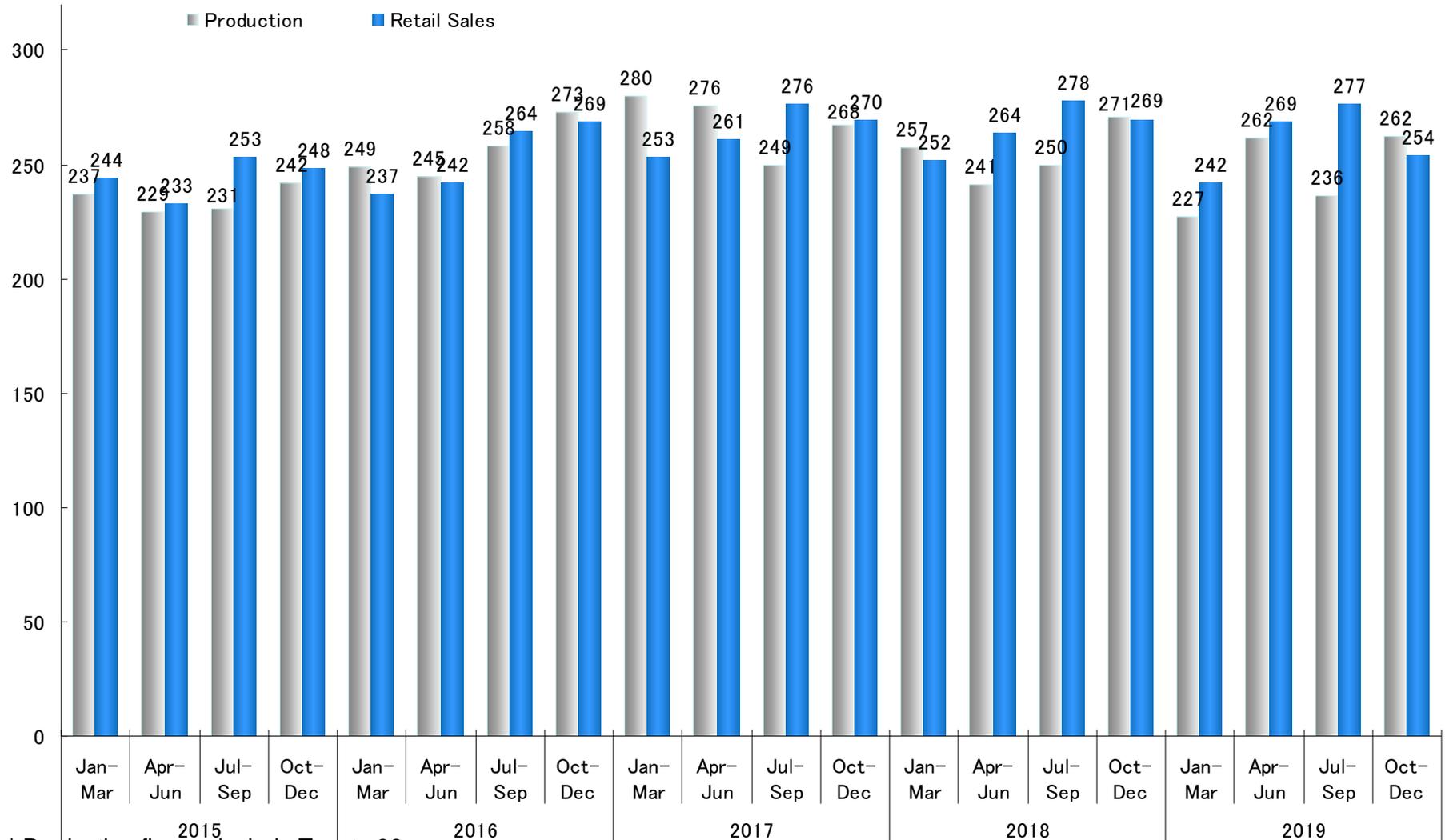
Sales volume & mixture and others		SG&A expenses and others				Currency exchange		Cost reduction						
336		51				-38		-12						
Domestic	-2	Fixed manufacturing cost		-9	SG&A	-140	Warranty claims	200	US\$	-13	SUBARU	9	SIA	-21
Overseas	308	SUBARU	15	SIA	-24	SUBARU	-19		EURO	-5	Cost reduction	28	Cost reduction	9
Sales Incentive	79	Suppliers' dies cost	5	Suppliers' dies cost	-13	Domestic dealers	-6		CAN\$	0	Material cost and others	-19	Material cost and others	-30
Others	-49	Fixed processing costs	10	Fixed processing costs	-11	SOA ⁽¹⁾	-50		CNY	0				
						SCI ⁽²⁾	-9		Currency exchange adjustment	-6				
						Others	-56		Unrealized gain	-14				

*1 SOA: Subaru of America Inc.

*2 SCI : Subaru Canada Inc.

Complete Cars Production / Retail Sales Units

(Thousand 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.