



## Consolidated Financial Results for the 1<sup>st</sup> Quarter of FYE 2021

### SUBARU CORPORATION

Tomomi Nakamura  
Representative Director, President and CEO  
August 4<sup>th</sup>, 2020

# Impact of Covid-19 Pandemic (April–June)

## Production

### Japan (Gunma Manufacturing Plant)

April 9 – May 1 : Operations suspended  
May 11 – June 19 : Operations limited to 1<sup>st</sup> shift only  
June 22 – : Operations mostly at pre-shutdown pace

### U.S. (Subaru of Indiana Automotive)

March 23 – May 8 : Operations suspended  
May 11 – : Operations resumed  
June – : Operations mostly at pre-shutdown pace



**Resulted in a decrease of approx. 170,000 units\* in total.**  
**Production operations mostly back to pre-shutdown pace at present.**

## Retail sales

### Japan

In response to the declaration of a state of emergency, dealerships took measures including shortening operating hours. Operations are mostly back to normal at present.

### U.S.

In response to stay-at-home orders, many retailers were fully/ partially closed. Operations are mostly back to normal at present.



**Resulted in a decrease of approx. 90,000 units\* globally.**  
**Sales activities are continuing with infection prevention measures in place.**

1<sup>st</sup> Quarter (3 months) :

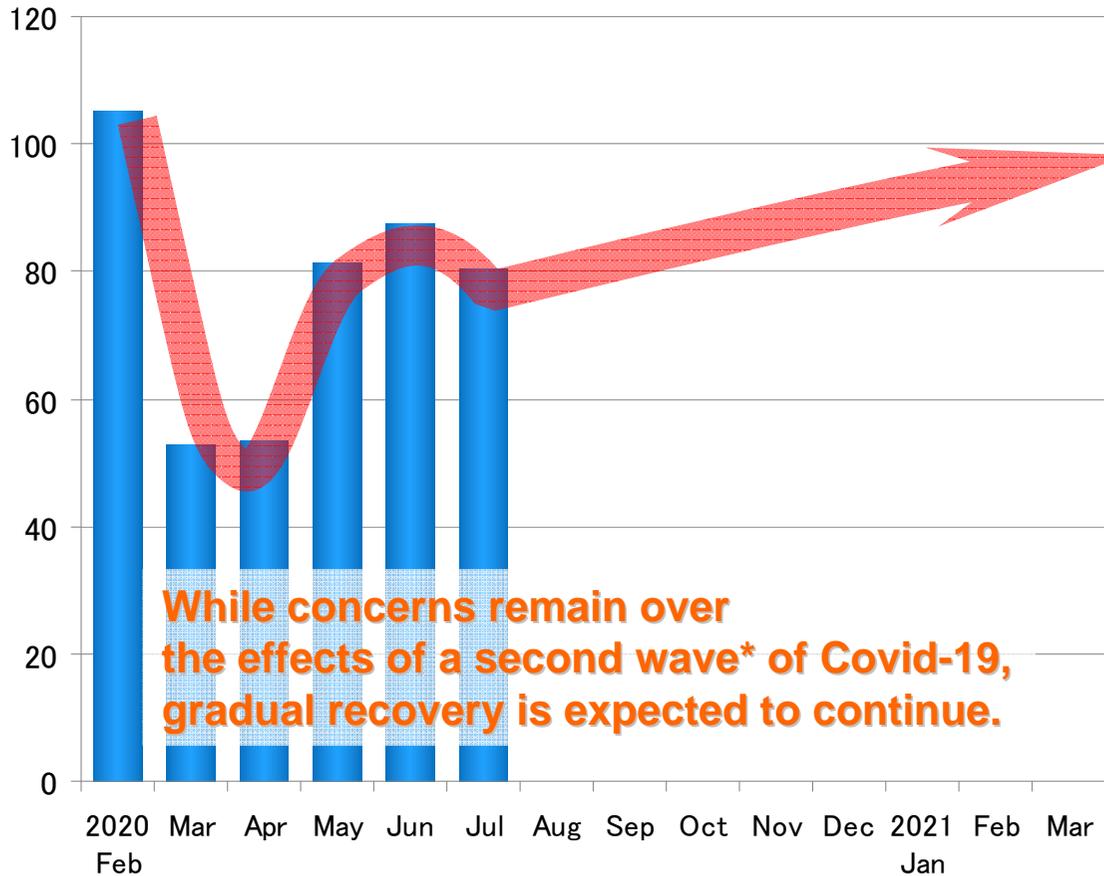
## Consolidated Profit Results

Yen in 100 millions, Units in thousands

		Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
<b>Consolidated unit sales</b>		<b>262.6</b>	<b>133.1</b>	<b>-129.5</b>
<b>Revenue</b>		<b>8,334</b>	<b>4,570</b>	<b>-3,764</b>
<b>Operating profit</b>		<b>922</b>	<b>-157</b>	<b>-1,079</b>
<b>Profit for the period attributable to owners of parent</b>		<b>665</b>	<b>-77</b>	<b>-742</b>
<b>SUBARU exchange rate</b>	US\$	¥111	¥107	-¥3
	EURO	¥125	¥118	-¥7
	CAN\$	¥83	¥77	-¥6

# Subaru U.S. Retail Sales Outlook

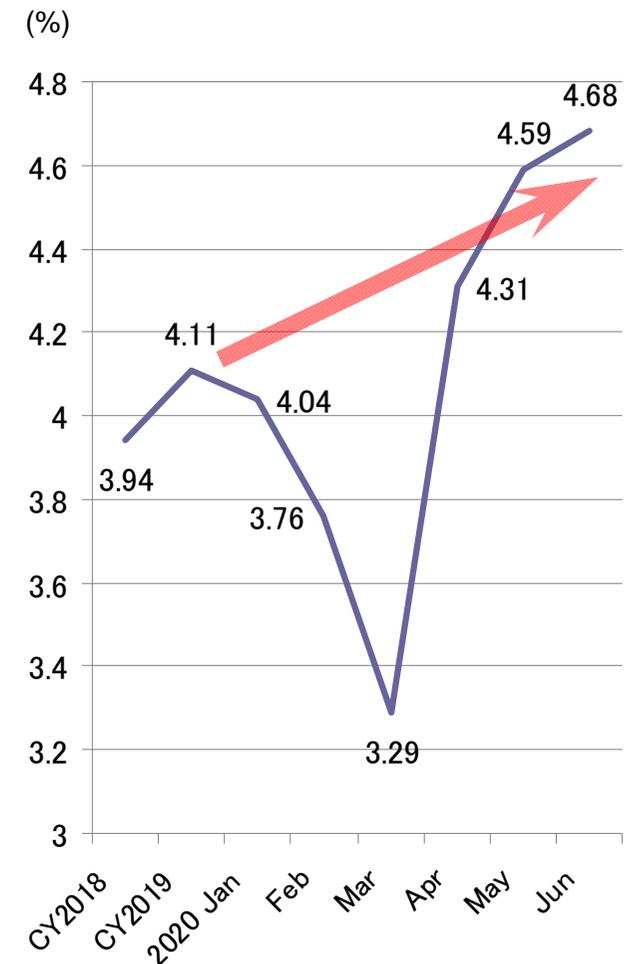
**Subaru US Retail Sales Volume Index**  
( Same Month of Previous Year = 100 )



**While concerns remain over the effects of a second wave\* of Covid-19, gradual recovery is expected to continue.**

\* Refers to the situation where economic and social activities are significantly impacted by full lockdowns or other measures around the world.

**Subaru US Market Share**



U.S. sales data source:  
Motor Intelligence "U.S. Market New Vehicle Deliveries" Report  
(2020 monthly figures are estimates)

Plan FYE 2021 :

## Consolidated Profit Plan

Yen in 100 millions, Units in thousands

		Results FYE 2020	Plan FYE 2021	Variance
<b>Consolidated unit sales</b>		<b>1,033.9</b>	<b>900.0</b>	<b>-133.9</b>
<b>Revenue</b>		<b>33,441</b>	<b>29,000</b>	<b>-4,441</b>
<b>Operating profit</b>		<b>2,103</b>	<b>800</b>	<b>-1,303</b>
<b>Profit for the period attributable to owners of parent</b>		<b>1,526</b>	<b>600</b>	<b>-926</b>
<b>SUBARU exchange rate</b>	US\$	¥109	¥105	-¥4
	EURO	¥121	¥120	-¥1
	CAN\$	¥82	¥80	-¥2

## Shareholder Returns

### Dividend per share

( Yen )

	FYE 2019	FYE 2020	Forecast FYE 2021
Interim dividend	72	72	28
Year-end dividend	72	28	28
Total	144	100	56
Payout ratio	78.1%	50.3%	71.6%



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.

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



## Consolidated Financial Results for the 1<sup>st</sup> Quarter of FYE 2021

### SUBARU CORPORATION

Toshiaki Okada  
Corporate Executive Vice President & CFO  
August 4<sup>th</sup>, 2020



## **Consolidated Financial Results for the 1<sup>st</sup> Quarter (3 months) of FYE 2021**

1<sup>st</sup> Quarter (3 months) :

## Consolidated Unit Sales (by market)

(Thousand Units)

	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
Passenger cars	27.5	14.3	-13.2
Minicars	5.8	4.3	-1.5
<b>Domestic total</b>	<b>33.3</b>	<b>18.6</b>	<b>-14.7</b>
U.S.	179.3	91.1	-88.3
Canada	15.6	6.3	-9.3
Russia	2.2	0.2	-2.0
Europe	5.9	3.2	-2.7
Australia	11.7	4.9	-6.8
China	5.7	6.0	+0.2
Others	8.8	2.9	-6.0
<b>Overseas total</b>	<b>229.3</b>	<b>114.5</b>	<b>-114.8</b>
<b>Total</b>	<b>262.6</b>	<b>133.1</b>	<b>-129.5</b>

1<sup>st</sup> Quarter (3 months) :

## Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
Consolidated Unit Sales Total	<b>262.6</b>	<b>133.1</b>	<b>-129.5</b>

(Thousand Units)

	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
Production in U.S.	101.9	36.3	-65.6
Production in Japan	160.0	55.9	-104.1
<b>Total</b>	<b>261.9</b>	<b>92.2</b>	<b>-169.6</b>

\* Production figures include Toyota 86.

1<sup>st</sup> Quarter (3 months) :

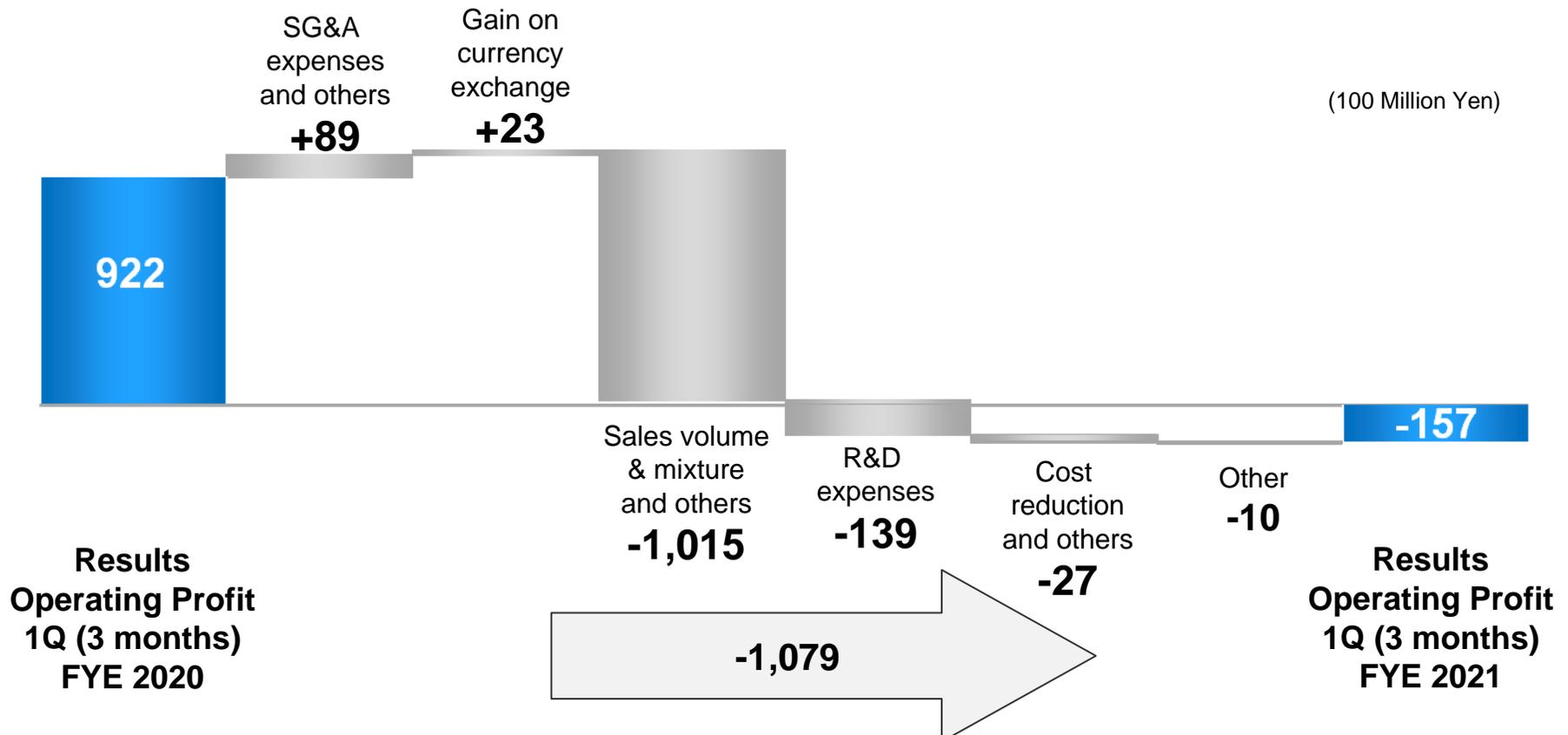
## Consolidated Profit Results

(100 Million Yen)

		Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
<b>Revenue</b>		<b>8,334</b>	<b>4,570</b>	<b>-3,764</b>
Domestic		1,423	947	-476
Overseas		6,912	3,623	-3,288
<b>Operating profit</b>		<b>922</b>	<b>-157</b>	<b>-1,079</b>
<b>Profit before tax</b>		<b>893</b>	<b>-107</b>	<b>-1,001</b>
<b>Profit for the period attributable to owners of parent</b>		<b>665</b>	<b>-77</b>	<b>-742</b>
SUBARU exchange rate	US\$	¥111	<b>¥107</b>	-¥3
	EURO	¥125	<b>¥118</b>	-¥7
	CAN\$	¥83	<b>¥77</b>	-¥6

1<sup>st</sup> Quarter (3 months) :

# Analysis of Variance in Operating Profit (Consolidated)



SG&A expenses and others 89				Currency exchange 23	Sales volume & mixture and others -1,015	Cost reduction and others -27			
Fixed manufacturing cost		20	SG&A	131	Warranty claims	-62	US\$ -26		
SUBARU	33	SIA	-13	SUBARU	43	EURO	-3	Domestic	-125
Suppliers' dies cost	1	Suppliers' dies cost	-15	Domestic dealers	23	CAN\$	-6	Overseas	-1,295
Fixed processing costs	32	Fixed processing costs	2	SOA <sup>(1)</sup>	40	CNY	-1	Sales Incentive	210
				SCI <sup>(2)</sup>	9	Currency exchange	27	Others	195
				Others	16	Unrealized gain	32		
								SUBARU	8
								SIA	-35
								Cost reduction	10
								Cost reduction	3
								Material cost and others	-2
								Material cost and others	-38

\*1 SOA: Subaru of America Inc.

\*2 SCI : Subaru Canada Inc.

## Capex / Depreciation / R&D

(100 Million Yen)

	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
<b>Capex (*1)</b>	357	154	-203
<b>Depreciation (*1)</b>	221	230	+9
<b>R&amp;D expenditures (*2)</b>	245	254	+9

\*1 : Leases, capex & amortization for intangible assets 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)

1<sup>st</sup> Quarter (3 months) :

## Consolidated Statement of Cash Flows

(100 Million Yen)

	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
<b>Net cash provided by (used in) operating activities</b>	<b>1,367</b>	<b>-796</b>	<b>-2,163</b>
<b>Net cash provided by (used in) investing activities</b>	<b>-279</b>	<b>-364</b>	<b>-85</b>
Free cash flows	1,088	-1,160	-2,247
<b>Net cash provided by (used in) financing activities</b>	<b>-617</b>	<b>1,817</b>	<b>+2,435</b>
Effect of exchange rate change on cash and cash equivalents	-155	-38	+117
Net increase (decrease) in cash and cash equivalents	315	620	+305
<b>Cash and cash equivalents at end of period</b>	<b>7,339</b>	<b>9,210</b>	<b>+1,871</b>
<b>Interest bearing debts Balance at end of period (*)</b>	<b>1,070</b>	<b>4,483</b>	<b>+3,413</b>
<b>Net cash</b>	<b>6,268</b>	<b>4,726</b>	<b>-1,542</b>

\* Lease liabilities are not included in the results above.

# | Forecasts for FYE 2021

Plan FYE 2021 :

## Consolidated Unit Sales / Complete Cars Production / Consolidated Profit Plan

(Thousand Units)

	Results FYE 2020	Plan FYE 2021	Variance
<b>Consolidated Unit Sales Total</b>	<b>1,033.9</b>	<b>900.0</b>	<b>-133.9</b>
<b>Complete Cars Production Total</b>	<b>1,030.9</b>	<b>880.0</b>	<b>-150.9</b>

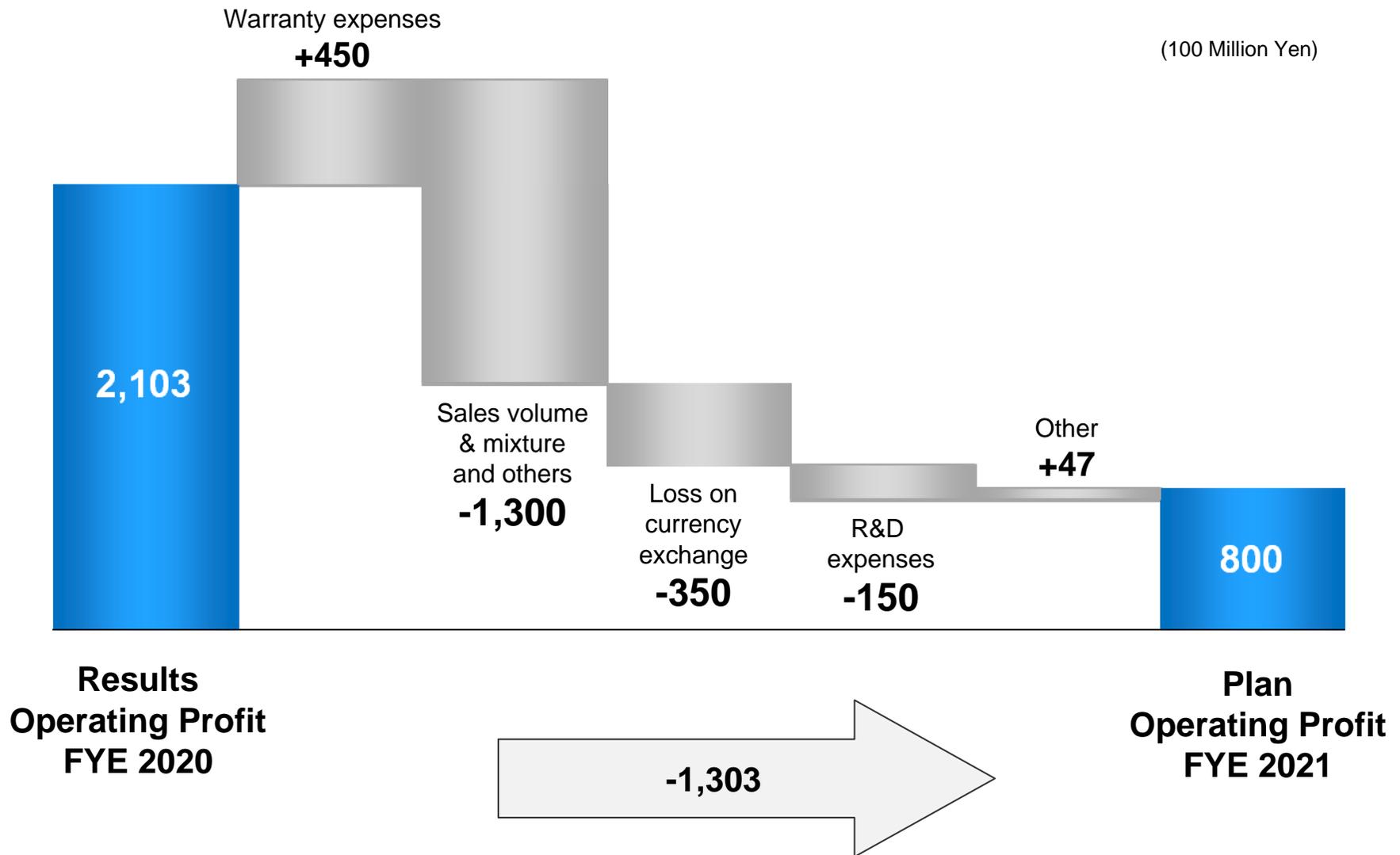
\* Production figures include Toyota 86.

(100 Million Yen)

	Results FYE 2020	Plan FYE 2021	Variance	
<b>Revenue</b>	<b>33,441</b>	<b>29,000</b>	<b>-4,441</b>	
<b>Operating profit</b>	<b>2,103</b>	<b>800</b>	<b>-1,303</b>	
<b>Profit before tax</b>	<b>2,077</b>	<b>870</b>	<b>-1,207</b>	
<b>Profit for the period attributable to owners of parent</b>	<b>1,526</b>	<b>600</b>	<b>-926</b>	
<b>SUBARU exchange rate</b>	US\$	¥109	¥105	-¥4
	EURO	¥121	¥120	-¥1
	CAN\$	¥82	¥80	-¥2

Plan FYE 2021 :

## Analysis of Variance in Operating Profit (Consolidated)



## Capex / Depreciation / R&D

(100 Million Yen)

	Results FYE 2020	Plan FYE 2021	Variance
<b>Capex (*1)</b>	1,260	1,000	-260
<b>Depreciation (*1)</b>	961	1,000	+39
<b>R&amp;D expenditures (*2)</b>	1,187	1,000	-187

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

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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 (1<sup>st</sup> Quarter)
- Overseas Revenue (1<sup>st</sup> Quarter)
- Consolidated Statement of Financial Position
- Non-consolidated Unit Sales (1<sup>st</sup> Quarter)
- Operating Results of Subsidiaries in U.S. (1<sup>st</sup> Quarter)
- Complete Cars Production / Retail Sales Units

1<sup>st</sup> Quarter (3 months) :

## Revenue and Operating profit by Business Segment (Consolidated)

(100 Million Yen)

	Revenue			Operating profit		
	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
Automobile	7,960	4,371	-3,589	878	-141	-1,019
Aerospace	355	187	-168	29	-28	-57
Other	20	12	-8	15	13	-2
Elimination & Corporate				0	-0	-1
Total	8,334	4,570	-3,764	922	-157	-1,079

1<sup>st</sup> Quarter (3 months) :

## Revenue and Operating Profit by Geographic Area (Consolidated)

(100 Million Yen)

	Revenue			Operating profit		
	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
Japan	2,193	1,220	-973	701	-436	-1,137
North America	5,789	3,066	-2,723	234	-102	-336
Other	353	284	-69	8	10	+2
Elimination & Corporate				-20	372	+393
Total	8,334	4,570	-3,764	922	-157	-1,079

1<sup>st</sup> Quarter (3 months) :  
**Overseas Revenue (Consolidated)**

(100 Million Yen)

	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
North America	6,060	3,166	-2,894
Europe	205	100	-105
Asia	291	216	-76
Other	356	141	-214
Total	6,912	3,623	-3,288

# Consolidated Statement of Financial Position

(100 Million Yen)

	As of March 2020	As of June 2020	Variance
<b>Total assets</b>	<b>32,939</b>	<b>32,516</b>	<b>-424</b>
Current assets	19,788	19,632	-156
Non-current assets	13,151	12,884	-268
<b>Total liabilities</b>	<b>15,738</b>	<b>15,634</b>	<b>-104</b>
Interest bearing debts	2,392	4,483	+2,091
<b>Total equity</b>	<b>17,201</b>	<b>16,882</b>	<b>-320</b>
Retained earnings	13,972	13,681	-292
Equity attributable to owners of parent	17,129	16,808	-321
Ratio of equity attributable to owners of parent to total assets	52.0%	51.7%	-
D/E ratio	0.14	0.27	-

1<sup>st</sup> Quarter (3 months) :

## Non-consolidated Unit Sales

(Thousand Units)

	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
<b>Domestic production</b>	<b>160.0</b>	<b>55.9</b>	<b>-104.1</b>
<b>Domestic sales</b>	<b>31.2</b>	<b>17.5</b>	<b>-13.7</b>
Passenger cars	25.3	13.1	-12.2
Minicars	5.9	4.3	-1.6
<b>Number of exported vehicles</b>	<b>132.3</b>	<b>45.1</b>	<b>-87.3</b>
<b>Components for overseas production</b>	<b>88.0</b>	<b>32.6</b>	<b>-55.4</b>
<b>Total</b>	<b>251.5</b>	<b>95.1</b>	<b>-156.4</b>

\* Production figures include Toyota 86.

1<sup>st</sup> Quarter (3 months) :

## Operating Results of Subsidiaries in U.S.

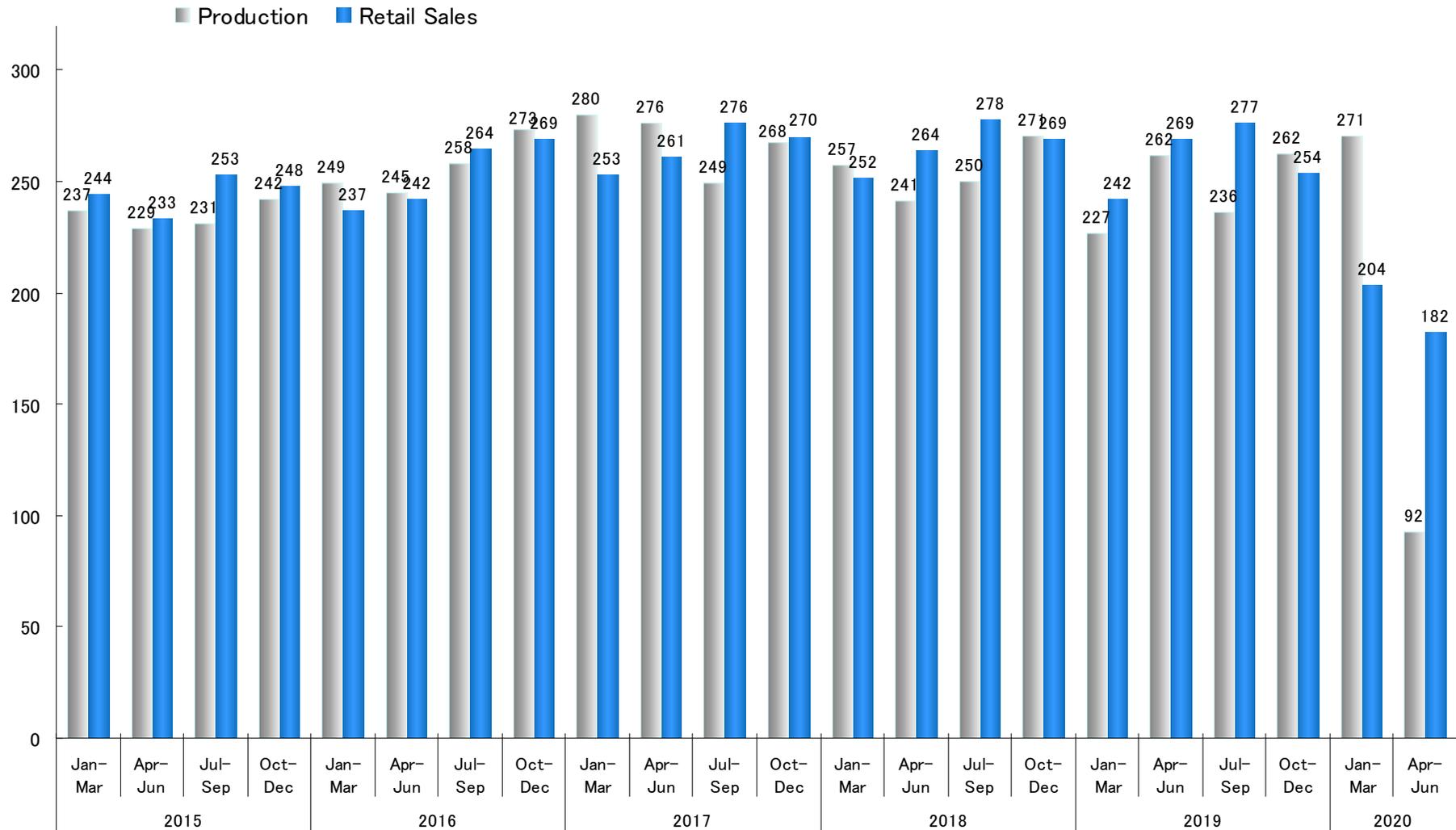
(Million US\$)

SOA	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
Net sales	4,947	2,713	-2,234
Operating income	160	70	-90
Net income	126	90	-35
Retail sales (Thousand units)	182.2	136.1	-46.1

SIA	Results 1 <sup>st</sup> Quarter (3 months) FYE 2020	Results 1 <sup>st</sup> Quarter (3 months) FYE 2021	Variance
Net sales	2,428	929	-1,499
Operating income	67	-151	-218
Net income	54	-115	-169
Production (Thousand units)	101.9	36.3	-65.6

# Complete Cars Production / Retail Sales Units

(1,000units)



\* Production figures include Toyota 86.



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