

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under IFRS)



MEMBERSHIP  
May 12, 2022

Company name : SUBARU CORPORATION  
 Listing : Tokyo Stock Exchange  
 Securities code : 7270  
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Scheduled date of annual general meeting of shareholders : June 22, 2022  
 Scheduled date to commence dividend payments : June 23, 2022  
 Scheduled date to file annual securities report : June 23, 2022  
 Preparation of supplementary material on financial results : Yes  
 Holding of financial results briefing : Yes (for investment analysts and institutional investors)

(Yen amounts are rounded off to millions, unless otherwise noted.)

## 1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit for the period attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended												
March 31, 2022	2,744,520	(3.0)	90,452	(11.7)	106,972	(6.1)	70,596	(8.7)	70,007	(8.5)	157,476	44.3
March 31, 2021	2,830,210	(15.4)	102,468	(51.3)	113,954	(45.1)	77,320	(49.3)	76,510	(49.9)	109,096	(22.4)

	Profit for the period per share, basic	Profit for the period per share, diluted	Ratio of profit to equity attributable to owners of parent	Ratio of profit before income tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	91.28	—	3.8	3.1	3.3
March 31, 2021	99.77	—	4.4	3.4	3.6

Reference: Share of profit (loss) of investments accounted for using equity method

For the fiscal year ended March 31, 2022: (1,310) million yen

For the fiscal year ended March 31, 2021: (120) million yen

### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2022	3,543,753	1,901,019	1,890,789	53.4	2,465.41
March 31, 2021	3,411,712	1,786,383	1,777,735	52.1	2,318.17

### (3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	195,651	(179,723)	(98,502)	883,074
March 31, 2021	289,376	(272,174)	13,966	907,326

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2021	—	28.00	—	28.00	56.00	42,967	56.1	2.5
March 31, 2022	—	28.00	—	28.00	56.00	42,970	61.3	2.3
Fiscal year ending March 31, 2023 (Forecast)	—	28.00	—	28.00	56.00		—	

## 3. Forecast of consolidated results for the fiscal year ending March 31, 2023(from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the period attributable to owners of parent		Profit for the period per share, basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2023 (Forecast)	3,500,000	27.5	200,000	121.1	200,000	87.0	140,000	100.0	182.55

### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS : None

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31,2022	769,175,873 shares
As of March 31,2021	769,175,873 shares

(ii) Number of treasury shares at the end of the period

As of March 31,2022	2,248,102 shares
As of March 31,2021	2,305,130 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31,2022	766,911,435 shares
Fiscal year ended March 31,2021	766,855,891 shares

## [Reference] Overview of non-consolidated financial results

### 1. Non-consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

#### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	1,499,898	(5.1)	(48,255)	—	76,156	—	69,833	—
March 31, 2021	1,580,950	(21.4)	(52,381)	—	(49,835)	—	(38,658)	—

Fiscal year ended	Net income per share, basic	Net income per share, diluted
	Yen	Yen
March 31, 2022	91.01	—
March 31, 2021	(50.38)	—

#### (2) Non-consolidated financial position

As of	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2022	2,210,195	1,000,724	45.3	1,304.17
March 31, 2021	2,230,260	957,236	42.9	1,247.59

Reference: Shareholders' equity

As of March 31, 2022: 1,000,724 million yen

As of March 31, 2021: 957,236 million yen

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

The performance projections were based on the information available as of the date when this document was released. Therefore, actual results may differ considerably due to various factors that might occur in the future.

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## 1. Overview of operating results

### (1) Overview of operating results for the fiscal year ended March 2022

In fiscal 2021, the global economy showed a recovery trend thanks to the progress in vaccination against COVID-19. Meanwhile, the outlook continues to be unclear given the resurgence in COVID-19 infections with new variants, congestion in logistics as economic activities resumed, and worsening of the Russia-Ukraine situation.

Under such circumstances, we, at the Subaru Group, drove forward business activities while continuing with prevention of the infection and its spread. We promoted “corporate culture reform,” “quality enhancement,” and “evolution of the Subaru difference”—the priority initiatives under the medium-term management vision “STEP”—and announced the progress in the implementation of these initiatives in May 2021 while continuing to steadily push forward reforms.

In the current consolidated fiscal year, supply constraints of parts we procure from business partners continued due to the spread of the coronavirus in Southeast Asia during the second quarter period, in addition to the global shortage of semiconductors supply throughout the year, and we were affected by production adjustments and temporary suspensions at our Japanese and U.S. manufacturing plants. These led to a year-on-year decrease in revenue by 85.7 billion yen (3.0%) to 2,744.5 billion yen.

Despite curbs on sales incentives, decrease in warranty expenses, and profit contribution from foreign exchange fluctuation, operating profit decreased by 12.0 billion yen (11.7%) to 90.5 billion yen, profit before tax fell by 7.0 billion yen (6.1%) to 107.0 billion yen, and profit for the period attributable to owners of parent declined by 6.5 billion yen (8.5%) to 70.0 billion yen on a year-on-year basis due to the surging raw material costs and the decline in unit sales.

(In Japanese yen in million except for profit margin and percentage change from the previous period)

	Revenue	Operating Profit (Margin)	Profit before tax (Margin)	Profit for the period attributable to owners of parent (Margin)	Foreign Exchange Rate
FYE2022	2,744,520	90,452 (3.3)	106,972 (3.9)	70,007 (2.6)	¥112/US\$ ¥130/EUR
FYE2021	2,830,210	102,468 (3.6)	113,954 (4.0)	76,510 (2.7)	¥106/US\$ ¥123/EUR
Change	(85,690)	(12,016)	(6,982)	(6,503)	
Percentage Change	(3.0)	(11.7)	(6.1)	(8.5)	

Performance by segment

(In Japanese yen in million except for percentage change from the previous period)

	Revenue				Segment Profit			
	FYE2021	FYE2022	Change	Percentage Change	FYE2021	FYE2022	Change	Percentage Change
Automobile	2,737,503	2,677,465	(60,038)	(2.2)	109,067	92,541	(16,526)	(15.2)
Aerospace	87,693	62,291	(25,402)	(29.0)	(9,811)	(7,005)	2,806	28.6
Other	5,014	4,764	(250)	(5.0)	3,070	4,782	1,712	55.8
Adjustments	-	-	-	-	142	134	(8)	(5.6)
Total	2,830,210	2,744,520	(85,690)	(3.0)	102,468	90,452	(12,016)	(11.7)

Notes: 1. Revenue is the revenue from external customers.

2. Adjustment to segment profit refers to the elimination of intersegment transactions.

#### (Automobile Division)

In fiscal 2021, demand in the automobile industry was on a recovery track along with the economy. However, automobile production stagnated in various countries due to global shortage of semiconductor supply, which also affected sales. Overall automobile demand in the United States, our mainstay market, decreased from the previous

fiscal year by about 4% to approximately 14.5 million units. Total automobile demand in Japan decreased by 9% to approximately 4.2 million units.

Under such business environment, supply constraints of parts procured from business partners continued and we also had to adjust production and temporarily suspend operations at our plants in the U.S. and Japan. Consequently, overseas and domestic unit sales decreased year on year by 114,000 units (15.0%) to 645,000 units and by 12,000 units (12.1%) to 89,000 units, respectively.

This resulted in a decrease in combined overseas and domestic unit sales by 126,000 units (14.7%) to 734,000 units. Revenue decreased by 60.0 billion yen (2.2%) to 2,677.5 billion yen. Segment profit decreased by 16.5 billion yen (15.2%) to 92.5 billion yen.

Consolidated Unit Sales in the Fiscal Year Ended March 2021

(Units in thousands and percentage change from the previous period)

	FYE2021	FYE2022	Change	Percentage Change
<b>Total in Japan</b>	102	89	(12)	(12.1)
Passenger cars	82	73	(9)	(11.3)
Minicars	20	17	(3)	(15.5)
<b>Total Overseas</b>	758	645	(114)	(15.0)
North America	661	555	(106)	(16.0)
Europe/Russia	18	19	1	4.8
Australia	31	33	2	5.8
China	24	14	(11)	(43.4)
Other regions	23	23	0	0.6
<b>Total</b>	860	734	(126)	(14.7)

(Aerospace Division)

Revenue fell by 25.4 billion yen (29.0%) to 62.3 billion yen due to fewer deliveries of Boeing 787 components in the midst of the growing COVID-19 pandemic. Segment loss improved year-on-year by 2.8 billion yen (28.6%) to a loss of 7.0 billion yen.

(Other Businesses)

Revenue decreased by 0.3 billion yen (5.0%) to 4.8 billion yen. Segment profit increased by 1.7 billion yen (55.8%) to 4.8 billion yen.

**(2) Overview of financial position at the end of March 2022**

Total assets increased by 132.0 billion yen to 3,543.8 billion yen at the end of March 2022. The key factors include: 1) an increase of 64.1 billion yen in inventories as the stock of parts and raw materials increased; 2) an increase of 34.2 billion yen in intangible assets and goodwill reflecting the growth in capitalized development costs; and 3) an increase of 33.3 billion yen in other non-current assets reflecting higher prepaid expense on extended warranty in the Automobile Division.

Total liabilities increased by 17.4 billion yen to 1,642.7 billion yen. The key factors include: 1) an expansion of 57.0 billion yen in other non-current liabilities due to an increase in unearned revenue on extended warranty in the Automobile Division; and 2) a decrease of 45.8 billion yen in provision for product warranty and other provisions.

Total equity increased by 114.6 billion yen to 1,901.0 billion yen. The key factors include: 1) an increase of 81.8 billion yen in other components of equity affected by exchange rates and valuation difference on available-for-sale securities; and 2) an increase of 31.0 billion yen resulting from posting of profit for the period and payment of dividends.

### (3) Overview of cash flow in the fiscal year ended March 2022

Cash and cash equivalents at the end of March 2022 totaled 883.1 billion yen.

Net cash provided by operating activities increased by 195.7 billion yen (previous fiscal year: an increase of 289.4 billion yen).

Key factors include: 1) depreciation and amortization of 224.1 billion yen; 2) 107.0 billion yen in profit before tax; 3) a decrease of 46.9 billion yen in provisions and employee benefits liabilities; 4) an increase of 42.3 billion yen in inventories; and 5) 25.9 billion yen in income taxes paid.

Net cash provided by (used in) investment activities decreased by 179.7 billion yen (previous fiscal year: a decrease of 272.2 billion yen).

Key factors include: 1) expenditures totaling 99.4 billion yen as a result of purchase of property, plant and equipment; and 2) 85.0 billion yen in purchase of intangible assets and expenditure on internally generated intangible assets.

Net cash provided by (used in) financing activities declined by 98.5 billion yen (previous fiscal year: an increase of 14.0 billion yen).

Key factors include: 1) 55.6 billion yen in repayments of lease liabilities; and 2) dividends of 42.9 billion yen paid to owners of the parent.

### (4) Forecast for the fiscal year ending March 2023

While there are risks associated with semiconductor supply, we, in anticipation of an increase in unit sales and profit contribution from foreign exchange fluctuation, project our consolidated financial performance as follows: 1) revenue of 3,500.0 billion yen; 2) operating profit of 200.0 billion yen; 3) profit before tax of 200.0 billion yen, and 4) profit for the period attributable to owners of parent of 140.0 billion yen.

Exchange rates assumed for forecast of the full-year consolidated earnings are 120 yen per US dollar (previous fiscal year: 112 yen) and 130 yen per euro (previous fiscal year: 130 yen).

(In Japanese yen in million except for profit margin and percentage change from the previous period)

	Revenue	Operating Profit (Margin)	Profit before tax (Margin)	Profit for the period attributable to owners of parent (Margin)	Foreign Exchange Rate
FYE 2023 (Estimates)	3,500,000	200,000 (5.7)	200,000 (5.7)	140,000 (4.0)	¥120/US\$ ¥130/EUR
FYE2022	2,744,520	90,452 (3.3)	106,972 (3.9)	70,007 (2.6)	¥112/US\$ ¥130/EUR
Change	755,480	109,548	93,028	69,993	
Percentage Change	27.5	121.1	87.0	100.0	

## **2. Basic policy about the adoption of accounting standards**

The Group has adopted International Financial Reporting Standards (IFRS) to the Group's consolidated financial statements from the first quarter of the fiscal year ended March 31, 2020, instead of the Japanese Generally Accepted Accounting Principles.

### 3. Consolidated financial statements and notes

#### (1) Consolidated statements of financial position

(Unit: Millions of yen)

	FYE 2021 (as of March 31, 2021)	FYE 2022 (as of March 31, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	907,326	883,074
Trade and other receivables	341,907	337,387
Inventories	419,053	483,113
Income taxes receivable	19,820	18,331
Other financial assets	228,279	243,204
Other current assets	66,378	77,134
Subtotal	1,982,763	2,042,243
Assets held for sale	69	—
<b>Total current assets</b>	1,982,832	2,042,243
<b>Non-current assets</b>		
Property, plant and equipment	839,648	841,553
Intangible assets and goodwill	216,652	250,897
Investment property	24,282	21,942
Investments accounted for using equity method	10,177	10,828
Other financial assets	101,389	124,574
Other non-current assets	127,826	161,167
Deferred tax assets	108,906	90,549
<b>Total non-current assets</b>	1,428,880	1,501,510
<b>Total assets</b>	3,411,712	3,543,753

(Unit: Millions of yen)

	FYE 2021 (as of March 31, 2021)	FYE 2022 (as of March 31, 2022)
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	267,824	273,546
Financing liabilities	26,334	51,645
Other financial liabilities	61,282	69,624
Income taxes payable	2,908	4,685
Provisions	194,497	143,217
Other current liabilities	322,295	309,538
<b>Total current liabilities</b>	<b>875,140</b>	<b>852,255</b>
<b>Non-current liabilities</b>		
Financing liabilities	307,549	282,400
Other financial liabilities	78,528	81,848
Employee benefits liabilities	55,817	58,196
Provisions	89,954	95,448
Other non-current liabilities	210,491	267,530
Deferred tax liabilities	7,850	5,057
<b>Total non-current liabilities</b>	<b>750,189</b>	<b>790,479</b>
<b>Total Liabilities</b>	<b>1,625,329</b>	<b>1,642,734</b>
<b>Equity</b>		
<b>Equity attributable to owners of parent</b>		
Capital stock	153,795	153,795
Capital surplus	160,178	160,178
Treasury shares	(6,524)	(6,324)
Retained earnings	1,435,291	1,466,322
Other components of equity	34,995	116,818
<b>Total equity attributable to owners of parent</b>	<b>1,777,735</b>	<b>1,890,789</b>
<b>Non-controlling interests</b>	<b>8,648</b>	<b>10,230</b>
<b>Total equity</b>	<b>1,786,383</b>	<b>1,901,019</b>
<b>Total liabilities and equity</b>	<b>3,411,712</b>	<b>3,543,753</b>

**(2) Consolidated statements of income and consolidated statements of comprehensive income****Consolidated statements of income**

(Unit: Millions of yen)

	FYE 2021 (April 1, 2020 to March 31, 2021)	FYE 2022 (April 1, 2021 to March 31, 2022)
Revenue	2,830,210	2,744,520
Cost of sales	(2,337,614)	(2,240,595)
Gross profit	492,596	503,925
Selling, general and administrative expenses	(279,867)	(303,136)
Research and development expenses	(104,157)	(103,587)
Other income	5,073	8,447
Other expenses	(11,057)	(13,887)
Share of profit (loss) of investments accounted for using equity method	(120)	(1,310)
Operating profit	102,468	90,452
Finance income	21,003	19,720
Finance costs	(9,517)	(3,200)
Profit before tax	113,954	106,972
Income tax expense	(36,634)	(36,376)
Profit for the period	77,320	70,596
Profit for the period attributable to		
Owners of parent	76,510	70,007
Non-controlling interests	810	589
Profit for the period	77,320	70,596
Profit for the period per share attributable to owners of parent		
Basic (yen)	99.77	91.28

## Consolidated statements of comprehensive income

(Unit: Millions of yen)

	FYE 2021 (April 1, 2020 to March 31, 2021)	FYE 2022 (April 1, 2021 to March 31, 2022)
Profit for the period	77,320	70,596
Other comprehensive income (after deduction of tax)		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	4,467	3,886
Net changes in revaluation of capital financial assets measured at fair value through other comprehensive income	6,527	17,309
Share of other comprehensive income of investments accounted for using equity method	—	1,019
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	20,031	70,275
Share of other comprehensive income of investments accounted for using equity method	6	66
Net changes in revaluation of liability financial assets measured at fair value through other comprehensive income	745	(5,675)
Other comprehensive income (after deduction of tax) total	31,776	86,880
Comprehensive income	109,096	157,476
Comprehensive income attributable to		
Owners of parent	107,690	155,894
Non-controlling interests	1,406	1,582
Comprehensive income	109,096	157,476

**(3) Consolidated statement of changes in equity**  
**FYE 2021 (April 1, 2020 to March 31, 2021)**

(Unit: Millions of yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total capital
	Capital stock	Capital surplus	Treasury shares	Retained earnings	Other components of equity			
Balance at the beginning of the year	153,795	160,178	(6,722)	1,397,239	8,391	1,712,881	7,242	1,720,123
Comprehensive income								
Profit for the period	—	—	—	76,510	—	76,510	810	77,320
Other comprehensive income (after deduction of tax)	—	—	—	—	31,180	31,180	596	31,776
Comprehensive income total	—	—	—	76,510	31,180	107,690	1,406	109,096
Transfer to retained earnings	—	—	—	4,576	(4,576)	—	—	—
Transactions with owners								
Dividends paid	—	—	—	(42,966)	—	(42,966)	—	(42,966)
Purchase of treasury shares	—	—	(14)	—	—	(14)	—	(14)
Disposal of treasury shares	—	(68)	212	—	—	144	—	144
Transfer from retained earnings to capital surplus	—	68	—	(68)	—	—	—	—
Total transactions with owners	—	—	198	(43,034)	—	(42,836)	—	(42,836)
Balance at the end of the year	153,795	160,178	(6,524)	1,435,291	34,995	1,777,735	8,648	1,786,383

**FYE 2022 (April 1, 2021 to March 31, 2022)**

(Unit: Millions of yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total capital
	Capital stock	Capital surplus	Treasury shares	Retained earnings	Other components of equity			
Balance at the beginning of the year	153,795	160,178	(6,524)	1,435,291	34,995	1,777,735	8,648	1,786,383
Comprehensive income								
Profit for the period	—	—	—	70,007	—	70,007	589	70,596
Other comprehensive income (after deduction of tax)	—	—	—	—	85,887	85,887	993	86,880
Comprehensive income total	—	—	—	70,007	85,887	155,894	1,582	157,476
Transfer to retained earnings	—	—	—	4,064	(4,064)	—	—	—
Transactions with owners								
Dividends paid	—	—	—	(42,969)	—	(42,969)	—	(42,969)
Purchase of treasury shares	—	—	(8)	—	—	(8)	—	(8)
Disposal of treasury shares	—	(71)	208	—	—	137	—	137
Transfer from retained earnings to capital surplus	—	71	—	(71)	—	—	—	—
Total transactions with owners	—	—	200	(43,040)	—	(42,840)	—	(42,840)
Balance at the end of the year	153,795	160,178	(6,324)	1,466,322	116,818	1,890,789	10,230	1,901,019

#### (4) Consolidated statements of cash flows

(Unit: Millions of yen)

	FYE 2021 (April 1, 2020 to March 31, 2021)	FYE 2022 (April 1, 2021 to March 31, 2022)
Net cash provided by (used in) operating activities		
Profit before tax	113,954	106,972
Depreciation and amortization	206,317	224,055
Share of loss (profit) of investments accounted for using equity method	120	1,310
Finance income	(21,003)	(19,720)
Finance costs	9,517	3,200
Decrease (increase) in trade and other receivables	24,459	7,690
Decrease (increase) in inventories	39,564	(42,349)
Increase (decrease) in trade and other payables	(62,046)	(4,800)
Increase (decrease) in provisions and employee benefits liabilities	(22,404)	(46,929)
Others	35,553	(12,971)
Subtotal	324,031	216,458
Interest received	4,229	3,866
Dividends received	896	3,196
Interest paid	(2,013)	(1,962)
Income taxes paid	(37,767)	(25,907)
<b>Net cash provided by (used in) operating activities</b>	<b>289,376</b>	<b>195,651</b>
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	3,039	(5,435)
Purchase of property, plant and equipment	(124,725)	(101,251)
Proceeds from sale of property, plant and equipment	568	1,855
Purchase of intangible assets and expenditure on internally generated intangible assets	(67,798)	(84,991)
Purchase of other financial assets	(328,675)	(217,967)
Proceeds from sale and collection of other financial assets	247,496	229,609
Others	(2,079)	(1,543)
<b>Net cash provided by (used in) investing activities</b>	<b>(272,174)</b>	<b>(179,723)</b>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(540)	(900)
Repayments of long-term borrowings	(7,421)	(24,991)
Proceeds from long-term borrowings	65,500	16,000
Proceeds from issuance of bonds	40,000	10,000
Repayments of lease liabilities	(40,425)	(55,625)
Dividends paid to owners of parent	(42,947)	(42,933)
Others	(201)	(53)
<b>Net cash provided by (used in) financing activities</b>	<b>13,966</b>	<b>(98,502)</b>
Effect of exchange rate changes on cash and cash equivalents	17,192	58,322
Net increase (decrease) in cash and cash equivalents	48,360	(24,252)
Cash and cash equivalents at beginning of period	858,966	907,326
<b>Cash and cash equivalents at end of period</b>	<b>907,326</b>	<b>883,074</b>

## (5) Notes to consolidated financial statements

### (Notes on premise of going concern)

FYE 2022 (April 1, 2021 to March 31, 2022)

Not applicable

### (Segment information)

Information on revenue, profit or loss, and other significant items by segment

Segment information by business type of the Company and its consolidated subsidiaries during FYE 2021 and FYE 2022 is as follows.

#### FYE 2021 (April 1, 2020 to March 31, 2021)

(Unit: Millions of yen)

	Automobile	Aerospace	Subtotal	Others	Adjustment	Consolidated
Revenue						
(1) Outside customers	2,737,503	87,693	2,825,196	5,014	—	2,830,210
(2) Inter-segment	2,277	3	2,280	29,497	(31,777)	—
Total revenue	2,739,780	87,696	2,827,476	34,511	(31,777)	2,830,210
Share of profit (loss) of investments accounted for using equity method	329	—	329	(449)	—	(120)
Operating profit (loss)	109,067	(9,811)	99,256	3,070	142	102,468
Finance income						21,003
Finance costs						(9,517)
Profit before tax						113,954

#### FYE 2022 (April 1, 2021 to March 31, 2022)

(Unit: Millions of yen)

	Automobile	Aerospace	Subtotal	Others	Adjustment	Consolidated
Revenue						
(1) Outside customers	2,677,465	62,291	2,739,756	4,764	—	2,744,520
(2) Inter-segment	2,483	2	2,485	32,063	(34,548)	—
Total revenue	2,679,948	62,293	2,742,241	36,827	(34,548)	2,744,520
Share of profit (loss) of investments accounted for using equity method	(1,049)	—	(1,049)	(261)	—	(1,310)
Operating profit (loss)	92,541	(7,005)	85,536	4,782	134	90,452
Finance income						19,720
Finance costs						(3,200)
Profit before tax						106,972

Note: The method of calculating operating profit (loss) for each segment is consistent with the method of calculating operating profit (loss) in the consolidated statements of income, and does not include financial income, financial costs, and income tax expense. In addition, operating expenses that cannot be charged directly to each segment are allocated to each segment based on the most reasonable allocation criteria.

**(Per share information)**

Earnings per share attributable to owners of the parent for the years ended March 31, 2021 and 2022 are calculated based on the following information. There were no potentially dilutive common shares outstanding for the years ended March 31, 2021 and 2022.

	FYE2021 (April 1, 2020 to March 31, 2021)	FYE2022 (April 1, 2021 to March 31, 2022)
Profit for the year attributable to owners of the parent (millions of yen)	76,510	70,007
Weighted average number of common shares outstanding, basic (thousands of shares)	766,856	766,911
Profit for the period per share attributable to owners of parent, basic (yen)	99.77	91.28

**(Significant subsequent event)**

Not applicable.

## 4. Non-consolidated financial statements

### (1) Non-consolidated balance sheets

(Unit: Millions of yen)

	FYE2021 (as of March 31, 2021)	FYE2022 (as of March 31, 2022)
<b>ASSETS</b>		
<b>I Current assets</b>		
Cash and deposits	802,432	783,265
Accounts receivable-trade	202,168	181,865
Merchandise and finished goods	52,158	49,636
Work in process	52,853	65,145
Raw materials and supplies	39,426	47,946
Advance payments-trade	35,086	32,851
Prepaid expenses	4,758	4,707
Short-term loans receivable to subsidiaries and affiliates	63,880	36,102
Current portion of long-term loans receivable from subsidiaries and affiliates	19,000	12,500
Deposits paid	27,114	24,480
Accounts receivable-other	47,122	54,092
Other	24,397	22,682
Allowance for doubtful accounts	(3)	—
<b>Total current assets</b>	<b>1,370,391</b>	<b>1,315,271</b>
<b>II Noncurrent assets</b>		
<b>1. Property, plant and equipment</b>		
Buildings, net	96,798	99,626
Structures, net	17,574	17,952
Machinery and equipment, net	117,466	109,166
Vehicles, net	3,064	2,910
Tools, furniture and fixtures, net	10,582	10,581
Land	81,078	80,909
Construction in progress	23,631	33,547
Other, net	2,803	2,705
<b>Total property, plant and equipment</b>	<b>352,996</b>	<b>357,396</b>
<b>2. Intangible assets</b>		
Software	27,840	29,870
Other	40,365	56,165
<b>Total intangible assets</b>	<b>68,205</b>	<b>86,035</b>
<b>3. Investments and other assets</b>		
Investment securities	2,296	2,133
Stocks of subsidiaries and affiliates	228,020	250,523
Investments in capital of subsidiaries and affiliates	4,424	6,210
Long-term loans receivable	303	3
Long-term loans receivable from subsidiaries and affiliates	73,893	75,526
Claims provable in bankruptcy, claims provable in rehabilitation and other	0	0
Prepaid pension cost	9,091	7,334
Deferred tax assets	116,017	104,065
Other	4,893	7,338
Allowance for investment loss	—	(1,387)
Allowance for doubtful accounts	(269)	(252)
<b>Total investments and other assets</b>	<b>438,668</b>	<b>451,493</b>
<b>Total noncurrent assets</b>	<b>859,869</b>	<b>894,924</b>
<b>Total assets</b>	<b>2,230,260</b>	<b>2,210,195</b>

(Unit: Millions of yen)

	FYE2021 (as of March 31, 2021)	FYE2022 (as of March 31, 2022)
<b>LIABILITIES</b>		
<b>I Current liabilities</b>		
Notes payable-trade	311	240
Accounts payable-trade	170,288	160,796
Electronically recorded obligations-operating	20,643	15,910
Current portion of long-term loans payable	24,150	50,650
Lease obligations	1,408	1,519
Accounts payable-other	18,302	23,338
Accrued expenses	44,628	43,849
Income taxes payable	—	793
Advances received	30,635	43,177
Deposits received	393,242	377,435
Provision for bonuses	14,508	14,822
Provision for product warranties	147,845	90,704
Provision for vehicle environmental control	1,224	3,039
Provision for loss on construction contracts	7,033	5,535
Other	8,494	8,189
<b>Total current liabilities</b>	<b>882,711</b>	<b>839,996</b>
<b>II Noncurrent liabilities</b>		
Bonds payable	80,000	90,000
Long-term loans payable	226,550	191,900
Lease obligations	1,767	1,509
Provision for product warranties	77,616	77,902
Provision for vehicle environmental control	2,602	5,484
Provision for retirement benefits	346	55
Asset retirement obligations	16	16
Other	1,416	2,609
<b>Total noncurrent liabilities</b>	<b>390,313</b>	<b>369,475</b>
<b>Total liabilities</b>	<b>1,273,024</b>	<b>1,209,471</b>
<b>NET ASSETS</b>		
<b>I Shareholders' equity</b>		
Capital stock	153,795	153,795
Capital surplus		
Legal capital surplus	160,071	160,071
Total capital surplus	160,071	160,071
Retained earnings		
Legal retained earnings	7,901	7,901
Other retained earnings		
Reserve for reduction entry of land	1,341	1,341
General reserve	35,335	35,335
Retained earnings brought forward	599,108	625,901
Total retained earnings	643,685	670,478
Treasury stock	(6,524)	(6,324)
<b>Total shareholders' equity</b>	<b>951,027</b>	<b>978,020</b>
<b>II Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	6,209	22,704
<b>Total valuation and translation adjustments</b>	<b>6,209</b>	<b>22,704</b>
<b>Total net assets</b>	<b>957,236</b>	<b>1,000,724</b>
<b>Total liabilities and net assets</b>	<b>2,230,260</b>	<b>2,210,195</b>

**(2) Non-consolidated statements of income**

(Unit: Millions of yen)

	FYE2021 (April 1, 2020 to March 31, 2021)	FYE2022 (April 1, 2021 to March 31, 2022)
I Net sales	1,580,950	1,499,898
II Cost of sales	1,432,225	1,322,969
Gross profit	148,725	176,929
III Selling, general and administrative expenses	201,106	225,184
<b>Operating loss</b>	<b>(52,381)</b>	<b>(48,255)</b>
IV Non-operating income		
Interest income	1,286	1,067
Dividends income	3,114	106,052
Foreign exchange income	5,987	14,889
Real estate rent	2,982	2,940
Gain on valuation of derivatives	—	1,391
Other	2,649	7,088
Total non-operating income	<b>16,018</b>	<b>133,427</b>
V Non-operating expenses		
Interest expenses	739	732
Depreciation	1,381	2,015
Loss on valuation of derivatives	6,748	—
Compensation expenses	—	2,349
Other	4,604	3,920
Total non-operating expenses	13,472	9,016
<b>Ordinary income (loss)</b>	<b>(49,835)</b>	<b>76,156</b>
VI Extraordinary income		
Gain on sales of noncurrent assets	190	240
Gain on sales of investment securities	133	—
Reversal of allowance for doubtful accounts	189	16
National subsidies	21	36
Other	56	12
Total extraordinary income	589	304
VII Extraordinary loss		
Loss on sales and retirement of noncurrent assets	3,572	4,639
Provision of allowance for investment loss	—	1,387
Other	19	73
Total extraordinary losses	3,591	6,099
Income (loss) before income taxes	(52,837)	70,361
Total income taxes	(14,179)	528
Income tax-current	(3,301)	(4,185)
Income taxes-deferred	(10,878)	4,713
<b>Net income (loss)</b>	<b>(38,658)</b>	<b>69,833</b>

**(3) Non-consolidated statements of changes in net assets**  
**FYE 2021 (April 1, 2020 to March 31, 2021)**

(Unit: Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Provision of reserve for tax purpose reduction entry of land	General reserve	Retained earnings brought forward		
Balance at the beginning of current period	153,795	160,071	—	160,071	7,901	1,341	35,335	680,800	725,377
Changes of items during the period									
Dividends from surplus	—	—	—	—	—	—	—	(42,966)	(42,966)
Net loss	—	—	—	—	—	—	—	(38,658)	(38,658)
Purchase of treasury stock	—	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	(68)	(68)	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	68	68	—	—	—	(68)	(68)
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	—	—	—	(81,692)	(81,692)
Balance at the end of current period	153,795	160,071	—	160,071	7,901	1,341	35,335	599,108	643,685

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(6,722)	1,032,521	(14)	(14)	1,032,507
Changes of items during the period					
Dividends from surplus	—	(42,966)	—	—	(42,966)
Net loss	—	(38,658)	—	—	(38,658)
Purchase of treasury stock	(14)	(14)	—	—	(14)
Disposal of treasury stock	212	144	—	—	144
Transfer from retained earnings to capital surplus	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	6,223	6,223	6,223
Total changes of items during the period	198	(81,494)	6,223	6,223	(75,271)
Balance at the end of current period	(6,524)	951,027	6,209	6,209	957,236

**FYE 2022 (April 1, 2021 to March 31, 2022)**

(Unit: Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Provision of reserve for tax purpose reduction entry of land	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	153,795	160,071	—	160,071	7,901	1,341	35,335	599,108	643,685
Changes of items during the period									
Dividends from surplus	—	—	—	—	—	—	—	(42,969)	(42,969)
Net income	—	—	—	—	—	—	—	69,833	69,833
Purchase of treasury stock	—	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	(71)	(71)	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	71	71	—	—	—	(71)	(71)
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	—	—	—	26,793	26,793
Balance at the end of current period	153,795	160,071	—	160,071	7,901	1,341	35,335	625,901	670,478

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(6,524)	951,027	6,209	6,209	957,236
Changes of items during the period					
Dividends from surplus	—	(42,969)	—	—	(42,969)
Net income	—	69,833	—	—	69,833
Purchase of treasury stock	(8)	(8)	—	—	(8)
Disposal of treasury stock	208	137	—	—	137
Transfer to capital surplus from retained earnings	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	16,495	16,495	16,495
Total changes of items during the period	200	26,993	16,495	16,495	43,488
Balance at the end of current period	(6,324)	978,020	22,704	22,704	1,000,724

## Subaru Corporation Announces Consolidated Financial Results for FYE 2022

Tokyo, May 12, 2022 – Subaru Corporation today announced its consolidated financial results for the fiscal year ended March 31, 2022.

### Results for FYE 2022: Consolidated Revenue

As parts supply constraints continued due to the global shortage of semiconductors throughout the year and the spread of the coronavirus in Southeast Asia during the second quarter period, operations at the Company's Japanese and U.S. manufacturing plants were affected by production adjustments and temporary suspensions. As a result, global production decreased 10.3% to 727,000 units. Production in Japan declined 13.3% to 455,000 units, while production in the U.S. fell 4.8% to 272,000 units.

Global vehicle sales decreased 14.7% to 734,000 units. Overseas vehicle sales fell 15.0% to 645,000 units, while vehicle sales in Japan dropped 12.1% to 89,000 units.

Consolidated revenue decreased 3.0% to 2,744.5 billion yen.

### Results for FYE 2022: Consolidated Profit and Loss

As the higher costs of raw materials and the decline in unit sales more than offset the positive impact of the reduction in sales incentives, the decrease in warranty expenses, and the effects of foreign exchange rates, operating profit decreased 12 billion yen to 90.5 billion yen, profit before tax fell 7 billion yen to 107 billion yen, and profit for the period attributable to owners of parent declined 6.5 billion yen to 70 billion yen.

### Forecasts for FYE 2023

In prospect of a recovery especially in its key North American market, Subaru projects consolidated global vehicle sales of 940,000 units (up 28.1% from previous year).

While uncertainties surrounding the semiconductor shortage remain, the Company, incorporating the expected positive impact of the increase in vehicle sales and effects of foreign exchange rates, projects consolidated revenue of 3,500 billion yen (up 27.5% from previous year), operating profit of 200 billion yen (up 121.1% from previous year), profit before tax of 200 billion yen (up 87.0% from previous year), and profit for the period attributable to owners of parent of 140 billion yen (up 100.0% from previous year).

The projections are based on exchange rate assumptions of 120 yen to the U.S. dollar and 130 yen to the euro.

Notes on results:

Vehicle volume figures are rounded off to the nearest thousand. Yen figures are rounded off to the nearest hundred million.

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

## Reference for FYE 2022 Consolidated Financial Results

(Yen in 100 millions, Units in thousands)

	FYE 2021 [ 2020.4 – 2021.3 ] RESULTS	FYE 2022 [ 2021.4 – 2022.3 ] RESULTS		FYE 2023 [ 2022.4 – 2023.3 ] FORECASTS			
			Change	%	Change	%	
<b>Revenue</b>	28,302	27,445	(857)	(3.0)	35,000	7,555	27.5
Japan	4,983	4,880	(103)	(2.1)	—	—	—
Overseas	23,319	22,565	(754)	(3.2)	—	—	—
<b>Operating profit</b>	1,025	905	(120)	(11.7)	2,000	1,095	121.1
Profit margin (%)	3.6	3.3			5.7		
<b>Profit before tax</b>	1,140	1,070	(70)	(6.1)	2,000	930	87.0
Profit margin (%)	4.0	3.9			5.7		
<b>Profit for the period attributable to owners of parent</b>	765	700	(65)	(8.5)	1,400	700	100.0
Profit margin (%)	2.7	2.6			4.0		
<b>Factors contributing to change in operating profit</b>							
			Effects of foreign exchange rates	421	Sales volume, mix, etc.	2,365	
			Decrease in SG&A exp., etc.	115	Effects of foreign exchange rates	859	
			Sales volume, mix, etc.	73	Increase in SG&A exp., etc.	(1,006)	
			Decrease in R&D exp.	4	Cost reduction efforts, etc.	(987)	
			Cost reduction efforts, etc.	(725)	Increase in R&D exp.	(156)	
			Other	(8)	Other	20	
<b>Exchange rates</b>	JPY/US\$ 106/US\$ JPY/EUR 123/EUR	112/US\$ 130/EUR			120/US\$ 130/EUR		
<b>Capital expenditures</b>	862	861			1,400		
<b>Depreciation</b>	950	946			1,000		
<b>R&amp;D expenditures *</b>	1,016	1,138			1,200		
<b>Interest bearing debts</b>	3,339	3,340			—		
<b>Performance description</b>			- Decrease in revenue for two consecutive years		- First increase in revenue in three years		
			- Decrease in profit at each stage for two consecutive years		- First increase in profit at each stage in three years		
			- Decrease in consolidated unit sales for two consecutive years		- First increase in consolidated unit sales in three years		
<b>Consolidated unit sales</b>	102	89	(12)	(12.1)	115	25	28.2
Japan							
Passenger Cars	82	73	(9)	(11.3)	91	18	25.4
Minicars	20	17	(3)	(15.5)	24	7	40.1
<b>Consolidated unit sales</b>	758	645	(114)	(15.0)	826	181	28.1
Overseas							
North America	661	555	(106)	(16.0)	688	133	24.0
Europe	18	19	1	4.8	—	—	—
China	24	14	(11)	(43.4)	19	5	37.0
Other	54	56	2	3.6	—	—	—
<b>Consolidated unit sales total</b>	860	734	(126)	(14.7)	940	206	28.1
<b>Production units total</b>	810	727	(83)	(10.3)	1,000	273	37.6
Japan	525	455	(70)	(13.3)			
U.S.	285	272	(14)	(4.8)			
<b>Revenue by business segment</b>							
Automobile	27,375	26,775	(600)	(2.2)			
Aerospace	877	623	(254)	(29.0)			
Other	50	48	(3)	(5.0)			
<b>Operating profit by business segment</b>							
Automobile	1,091	925	(165)	(15.2)			
Aerospace	(98)	(70)	28	28.6			
Other	31	48	17	55.8			
Elimination & Corporate	1	1	(0)	(5.6)			

\* "R&D expenditures" indicate R&D activity related costs incurred during the reporting period. Under IFRS, a part of these costs that meets capitalization criteria is recognized as an intangible asset and amortized over its estimated useful life; thus, the amount of "R&D expenditures" stated here does not match that of "R&D expenses" stated on the Consolidated Statement of Income.

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