

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2023
(Under IFRS)



MEMBERSHIP
May 11, 2023

Company name : SUBARU CORPORATION
Listing : Tokyo Stock Exchange
Securities code : 7270
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Scheduled date of annual general meeting of shareholders : June 21, 2023
Scheduled date to commence dividend payments : June 22, 2023
Scheduled date to file annual securities report : June 22, 2023
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, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Revenue		Operating profit		Profit before tax		Profit for the year		Profit for the year 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	%
March 31, 2023	3,774,468	37.5	267,483	195.7	278,366	160.2	199,084	182.0	200,431	186.3	259,586	64.8
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

Fiscal year ended	Profit for the year per share attributable to owners of parent, basic	Profit for the year per share attributable to owners of parent, 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
	Yen	Yen	%	%	%
March 31, 2023	261.33	261.32	10.0	7.4	7.1
March 31, 2022	91.28	—	3.8	3.1	3.3

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

For the fiscal year ended March 31, 2023: 141 million yen

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

(2) Consolidated financial position

As of	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
	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2023	3,944,150	2,109,947	2,100,973	53.3	2,739.27
March 31, 2022	3,543,753	1,901,019	1,890,789	53.4	2,465.41

(3) Consolidated cash flows

Fiscal year ended	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	503,759	(336,813)	(122,307)	979,529
March 31, 2022	195,651	(179,723)	(98,502)	883,074

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, 2022	—	28.00	—	28.00	56.00	42,970	61.3	2.3
March 31, 2023	—	38.00	—	38.00	76.00	58,321	29.1	2.9
Fiscal year ending March 31, 2024 (Forecast)	—	38.00	—	38.00	76.00		—	

3. Forecast of consolidated results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the year attributable to owners of parent		Profit for the year per share attributable to owners of parent, basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024 (Forecast)	4,200,000	11.3	300,000	12.2	300,000	7.8	210,000	4.8	273.81

* Notes

(1) Changes in significant subsidiaries during the year : Yes
(changes in specified subsidiaries resulting in the change in scope of consolidation)
Newly included: 1 company (Subaru USA Holdings Inc.)

(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 year (including treasury shares)

As of March 31, 2023	769,175,873 shares
As of March 31, 2022	769,175,873 shares

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

As of March 31, 2023	2,194,065 shares
As of March 31, 2022	2,248,102 shares

(iii) Average number of shares outstanding during the year

Fiscal year ended March 31, 2023	766,961,290 shares
Fiscal year ended March 31, 2022	766,911,435 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	2,174,178	45.0	180,345	—	288,679	279.1	232,903	233.5
March 31, 2022	1,499,898	(5.1)	(48,255)	—	76,156	—	69,833	—

Fiscal year ended	Net income per share, basic	Net income per share, diluted
	Yen	Yen
March 31, 2023	303.51	303.50
March 31, 2022	91.01	—

(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, 2023	2,461,716	1,171,951	47.6	1,527.21
March 31, 2022	2,210,195	1,000,724	45.3	1,304.17

Reference: Shareholders' equity

As of March 31, 2023: 1,171,951 million yen

As of March 31, 2022: 1,000,724 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.

Index of the attachments

1. Overview of operating results	2
(1) Overview of operating results for the fiscal year ended March 2023.....	2
(2) Overview of financial position at the end of March 2023.....	3
(3) Overview of cash flow in the fiscal year ended March 2023.....	4
(4) Forecast for the fiscal year ending March 2024.....	4
2. Basic policy about the adoption of accounting standards	5
3. Consolidated financial statements and notes.....	6
(1) Consolidated statement of financial position.....	6
(2) Consolidated statement of income and consolidated statement of comprehensive income.....	8
Consolidated statement of income	8
Consolidated statement of comprehensive income	9
(3) Consolidated statement of changes in equity.....	10
(4) Consolidated statement of cash flows	12
(5) Notes to consolidated financial statements	13
(Notes on premise of going concern)	13
(Segment information)	13
(Per share information)	14
(Significant subsequent event)	14
4. Non-consolidated financial statements	15
(1) Non-consolidated balance sheet	15
(2) Non-consolidated statement of income.....	17
(3) Non-consolidated statement of changes in net assets	18

1. Overview of operating results

(1) Overview of operating results for the fiscal year ended March 2023

In fiscal 2022, the global economy showed a recovery trend as the impact of the spread of the COVID-19 infection gradually decreased. Meanwhile, the situation continues to be unstable given the prolonged uncertainties over the Russia-Ukraine situation, acceleration of inflation reflecting rising energy costs and the like, sudden foreign exchange fluctuation caused by interest rate policies of various countries, and financial crises in the U.S. and Europe.

Under such circumstances, we, at the Subaru Group, steadily pushed forward reforms with focus on “corporate culture reform,” “quality enhancement,” and “evolution of the Subaru difference”—the priority initiatives under the medium-term management vision “STEP.” Further, we implemented initiatives for ensuring profits in company-wide efforts to produce and deliver as many vehicles as possible to our customers, while promoting various measures throughout the value chain such as improvement of pricing policies and sales mix as well as cost reduction.

In the current consolidated fiscal year, revenue increased by 1,029.9 billion yen (37.5%) to 3,774.5 billion yen owing to the increase in unit sales, improvement in pricing policies and sales mix, and revenue contribution from foreign exchange fluctuation.

Despite surging raw material costs and an increase in SG&A expenses, operating profit increased by 177.0 billion yen (195.7%) to 267.5 billion yen, profit before tax rose by 171.4 billion yen (160.2%) to 278.4 billion yen, and profit for the year attributable to owners of parent increased by 130.4 billion yen (186.3%) to 200.4 billion yen on a year-on-year basis owing to the revenue increase.

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

	Revenue	Operating profit (Margin)	Profit before tax (Margin)	Net income attributable to owners of the parent (Margin)	Foreign Exchange Rate
FYE2023	3,774,468	267,483 (7.1)	278,366 (7.4)	200,431 (5.3)	¥135/US\$ ¥141/EUR
FYE2022	2,744,520	90,452 (3.3)	106,972 (3.9)	70,007 (2.6)	¥112/US\$ ¥130/EUR
Change	1,029,948	177,031	171,394	130,424	
Percentage Change	37.5	195.7	160.2	186.3	

Performance by segment.

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

	Revenue				Segment Profit			
	FYE2022	FYE2023	Change	Percentage Change	FYE2022	FYE2023	Change	Percentage Change
Automobile	2,677,465	3,690,551	1,013,086	37.8	92,541	263,261	170,720	184.5
Aerospace	62,291	79,019	16,728	26.9	(7,005)	(2,082)	4,923	70.3
Other	4,764	4,898	134	2.8	4,782	6,261	1,479	30.9
Adjustments	-	-	-	-	134	43	(91)	(67.9)
Total	2,744,520	3,774,468	1,029,948	37.5	90,452	267,483	177,031	195.7

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

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

(Automobile Division)

Overall automobile demand in the United States, our mainstay market, was approximately 14.2 million units, roughly unchanged from the previous fiscal year. Total automobile demand in Japan increased by around 4% to approximately 4.35 million units.

Under such business environment, despite production constraints caused by shortage of semiconductor supply throughout

the year, production increased year on year by 147,000 units (20.3%) as we strived to minimize the impact by flexibly adjusting the production plan.

Demand for SUBARU vehicles was strong primarily in the U.S., which is our mainstay market, and overseas and domestic unit sales increased year on year by 108,000 units (16.8%) to 753,000 units and by 10,000 units (11.4%) to 100,000 units, respectively. This resulted in an increase in combined overseas and domestic unit sales by 118,000 units (16.1%) to 852,000 units.

Revenue increased by 1,013.1 billion yen (37.8%) to 3,690.6 billion yen due to profit contribution from foreign exchange fluctuation, an increase in unit sales, and improvement in pricing policies and sales mix, as mentioned earlier. Despite surging raw material costs and an increase in SG&A expenses, segment profit increased by 170.7 billion yen (184.5%) to 263.3 billion yen.

Consolidated Unit Sales in the fiscal year ended March 2023

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

	FYE2022	FYE2023	Change	Percentage Change
Total in Japan	89	100	1.0	11.4
Passenger cars	73	81	0.9	11.7
Minicars	17	19	0.2	10.3
Total Overseas	645	753	10.8	16.8
North America	555	635	8.0	14.3
Europe	15	23	0.8	54.8
Australia	33	44	1.1	32.2
China	14	10	(0.4)	(26.8)
Other regions	27	41	1.3	49.2
Total	734	852	11.8	16.1

(Aerospace Division)

Revenue increased by 16.7 billion yen (26.9%) to 79.0 billion yen due to deliveries of components for Boeing 777, P-1 maritime patrol aircraft and the like and an increase in production of components for transport aircraft C-2. Segment loss improved year-on-year by 4.9 billion yen (70.3%) to a loss of 2.1 billion yen.

(Other Businesses)

Revenue increased by 0.1 billion yen (2.8%) to 4.9 billion yen. Segment profit increased by 1.5 billion yen (30.9%) to 6.3 billion yen.

(2) Overview of financial position at the end of March 2023

(Assets)

Total assets increased by 400.4 billion yen from the end of the previous fiscal year to 3,944.2 billion yen at the end of March 2023. The key factors include: 1) an increase of 145.4 billion yen in other financial assets (current assets) due to an increase in time deposits and the like; 2) an increase of 109.9 billion yen in inventories as the stock of new vehicles increased at sales subsidiaries in the U.S.; and 3) an increase of 96.5 billion yen in cash and cash equivalents due to exchange rate effects and the like.

(Liabilities)

Total liabilities increased by 191.5 billion yen from the end of the previous fiscal year to 1,834.2 billion yen. The key factors include: 1) an increase of 103.7 billion yen in trade and other payables due to an increase in accounts payable-trade; 2) an increase of 45.8 billion yen in other non-current liabilities due to exchange rate effects and the like; and 3) an increase of 37.1 billion yen in other current liabilities due to exchange rate effects and an increase in advances received.

(Equity)

Total equity increased by 208.9 billion yen from the end of the previous fiscal year to 2,109.9 billion yen. The key factors include: 1) an increase of 157.4 billion yen in retained earnings resulting from posting of profit for the year and payment of dividends; and 2) an increase of 52.6 billion yen in other components of equity due to an increase in foreign currency translation adjustments.

(3) Overview of cash flow in the fiscal year ended March 2023

Cash and cash equivalents at the end of March 2023 totaled 979.5 billion yen.

(Net cash provided by operating activities)

Net cash provided by operating activities increased by 503.8 billion yen (previous fiscal year: an increase of 195.7 billion yen). Key factors include: 1) 278.4 billion yen in profit before tax; 2) depreciation and amortization of 239.8 billion yen; 3) an increase of 97.8 billion yen in trade and other payables; and 4) an increase of 92.0 billion yen in inventories.

(Net cash provided by (used in) investing activities)

Net cash provided by (used in) investment activities decreased by 336.8 billion yen (previous fiscal year: a decrease of 179.7 billion yen). Key factors include: 1) expenditures totaling 129.0 billion yen as a result of purchase of property, plant and equipment; 2) an increase of 110.3 billion yen in time deposits; and 3) 59.9 billion yen in purchase of intangible assets and expenditure on internally generated intangible assets.

(Net cash provided by (used in) financing activities)

Net cash provided by (used in) financing activities declined by 122.3 billion yen (previous fiscal year: a decrease of 98.5 billion yen). Key factors include: 1) dividends of 50.6 billion yen paid to owners of the parent; and 2) 50.3 billion yen in repayments of lease liabilities.

(4) Forecast for the fiscal year ending March 2024

While there are factors contributing to profit decline such as foreign exchange fluctuation and soaring prices of raw materials, we, in anticipation of an increase in unit sales primarily in the U.S., our mainstay market, project our consolidated financial performance as follows: 1) revenue of 4,200.0 billion yen; 2) operating profit of 300.0 billion yen; 3) profit before tax of 300.0 billion yen, and 4) profit for the year attributable to owners of parent of 210.0 billion yen

Exchange rates assumed for forecast of the full-year consolidated earnings are 128 yen per US dollar (previous fiscal year: 135 yen) and 138 yen per euro (previous fiscal year: 141 yen).

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

	Revenue	Operating Profit (Margin)	Profit before tax (Margin)	Profit for the year attributable to owners of parent (Margin)	Foreign Exchange Rate
FYE 2024 (Estimates)	4,200,000	300,000 (7.1)	300,000 (7.1)	210,000 (5.0)	¥128/US\$ ¥138/EUR
FYE 2023	3,774,468	267,483 (7.1)	278,366 (7.4)	200,431 (5.3)	¥135/US\$ ¥141/EUR
Change	425,532	32,517	21,634	9,569	
Percentage Change	11.3	12.2	7.8	4.8	

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 statement of financial position

(Unit: Millions of yen)

	FYE 2022 (as of March 31, 2022)	FYE 2023 (as of March 31, 2023)
Assets		
Current assets		
Cash and cash equivalents	883,074	979,529
Trade and other receivables	337,387	357,524
Inventories	483,113	592,999
Income taxes receivable	18,331	11,049
Other financial assets	243,204	388,634
Other current assets	77,134	99,378
Subtotal	2,042,243	2,429,113
Assets held for sale	—	652
Total current assets	2,042,243	2,429,765
Non-current assets		
Property, plant and equipment	841,553	861,846
Intangible assets and goodwill	250,897	243,926
Investment property	21,942	20,878
Investments accounted for using equity method	10,828	9,061
Other financial assets	124,574	116,507
Other non-current assets	161,167	189,108
Deferred tax assets	90,549	73,059
Total non-current assets	1,501,510	1,514,385
Total assets	3,543,753	3,944,150

(Unit: Millions of yen)

	FYE 2022 (as of March 31, 2022)	FYE 2023 (as of March 31, 2023)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	273,546	377,279
Financing liabilities	51,645	55,596
Other financial liabilities	69,624	65,595
Income taxes payable	4,685	27,198
Provisions	143,217	141,192
Other current liabilities	309,538	346,622
Total current liabilities	852,255	1,013,482
Non-current liabilities		
Financing liabilities	282,400	257,000
Other financial liabilities	81,848	90,632
Employee benefits	58,196	55,557
Provisions	95,448	103,872
Other non-current liabilities	267,530	313,374
Deferred tax liabilities	5,057	286
Total non-current liabilities	790,479	820,721
Total Liabilities	1,642,734	1,834,203
Equity		
Equity attributable to owners of parent		
Capital stock	153,795	153,795
Capital surplus	160,178	160,178
Treasury shares	(6,324)	(6,136)
Retained earnings	1,466,322	1,623,699
Other components of equity	116,818	169,437
Total equity attributable to owners of parent	1,890,789	2,100,973
Non-controlling interests	10,230	8,974
Total equity	1,901,019	2,109,947
Total liabilities and equity	3,543,753	3,944,150

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

(Unit: Millions of yen)

	FYE 2022 (April 1, 2021 to March 31, 2022)	FYE 2023 (April 1, 2022 to March 31, 2023)
Revenue	2,744,520	3,774,468
Cost of sales	(2,240,595)	(3,037,993)
Gross profit	503,925	736,475
Selling, general and administrative expenses	(303,136)	(342,015)
Research and development expenses	(103,587)	(114,400)
Other income	8,447	6,358
Other expenses	(13,887)	(19,076)
Share of profit (loss) of investments accounted for using equity method	(1,310)	141
Operating profit	90,452	267,483
Finance income	19,720	36,796
Finance costs	(3,200)	(25,913)
Profit before tax	106,972	278,366
Income tax expense	(36,376)	(79,282)
Profit for the year	70,596	199,084
Profit for the year attributable to		
Owners of parent	70,007	200,431
Non-controlling interests	589	(1,347)
Profit for the year	70,596	199,084
Profit for the year per share attributable to owners of parent		
Basic (yen)	91.28	261.33
Diluted (yen)	—	261.32

Consolidated statement of comprehensive income

(Unit: Millions of yen)

	FYE 2022 (April 1, 2021 to March 31, 2022)	FYE 2023 (April 1, 2022 to March 31, 2023)
Profit for the year	70,596	199,084
Other comprehensive income (after deduction of tax)		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	3,886	8,508
Net changes in revaluation of capital financial assets measured at fair value through other comprehensive income	17,309	(10,453)
Share of other comprehensive income of investments accounted for using equity method	1,019	(1,532)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	70,275	63,972
Net changes in revaluation of liability financial assets measured at fair value through other comprehensive income	(5,675)	(267)
Share of other comprehensive income of investments accounted for using equity method	66	274
Other comprehensive income (after deduction of tax) total	86,880	60,502
Comprehensive income	157,476	259,586
Comprehensive income attributable to		
Owners of parent	155,894	260,842
Non-controlling interests	1,582	(1,256)
Comprehensive income	157,476	259,586

(3) Consolidated statement of changes in equity
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 year	—	—	—	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)	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—
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

FYE 2023 (April 1, 2022 to March 31, 2023)

(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	(6,324)	1,466,322	116,818	1,890,789	10,230	1,901,019
Comprehensive income								
Profit (loss) for the year	—	—	—	200,431	—	200,431	(1,347)	199,084
Other comprehensive income (after deduction of tax)	—	—	—	—	60,411	60,411	91	60,502
Comprehensive income total	—	—	—	200,431	60,411	260,842	(1,256)	259,586
Transfer to retained earnings	—	—	—	7,792	(7,792)	—	—	—
Transactions with owners								
Dividends paid	—	—	—	(50,646)	—	(50,646)	—	(50,646)
Purchase of treasury shares	—	—	(4)	—	—	(4)	—	(4)
Disposal of treasury shares	—	(55)	192	—	—	137	—	137
Transfer from retained earnings to capital surplus	—	55	—	(55)	—	—	—	—
Change in scope of consolidation	—	—	—	(145)	—	(145)	—	(145)
Total transactions with owners	—	—	188	(50,846)	—	(50,658)	—	(50,658)
Balance at the end of the year	153,795	160,178	(6,136)	1,623,699	169,437	2,100,973	8,974	2,109,947

(4) Consolidated statement of cash flows

(Unit: Millions of yen)

	FYE 2022 (April 1, 2021 to March 31, 2022)	FYE 2023 (April 1, 2022 to March 31, 2023)
Net cash provided by (used in) operating activities		
Profit before tax	106,972	278,366
Depreciation and amortization	224,055	239,806
Share of loss (profit) of investments accounted for using equity method	1,310	(141)
Finance income	(19,720)	(36,796)
Finance costs	3,200	25,913
Decrease (increase) in trade and other receivables	7,690	(14,986)
Decrease (increase) in inventories	(42,349)	(92,046)
Increase (decrease) in trade and other payables	(4,800)	97,791
Increase (decrease) in provisions and employee benefits	(46,929)	3,006
Others	(12,971)	14,999
Subtotal	216,458	515,912
Interest received	3,866	19,810
Dividends received	3,196	4,418
Interest paid	(1,962)	(2,341)
Income taxes paid	(25,907)	(34,040)
Net cash provided by (used in) operating activities	195,651	503,759
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	(5,435)	(110,329)
Purchase of property, plant and equipment	(101,251)	(134,997)
Proceeds from sale of property, plant and equipment	1,855	5,975
Purchase of intangible assets and expenditure on internally generated intangible assets	(84,991)	(59,869)
Purchase of other financial assets	(217,967)	(320,687)
Proceeds from sale and collection of other financial assets	229,609	284,227
Others	(1,543)	(1,133)
Net cash provided by (used in) investing activities	(179,723)	(336,813)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(900)	(300)
Repayments of long-term borrowings	(24,991)	(51,152)
Proceeds from long-term borrowings	16,000	30,000
Proceeds from issuance of bonds	10,000	—
Repayments of lease liabilities	(55,625)	(50,253)
Dividends paid to owners of parent	(42,933)	(50,597)
Others	(53)	(5)
Net cash provided by (used in) financing activities	(98,502)	(122,307)
Effect of exchange rate changes on cash and cash equivalents	58,322	51,816
Net increase (decrease) in cash and cash equivalents	(24,252)	96,455
Cash and cash equivalents at beginning of the year	907,326	883,074
Cash and cash equivalents at end of the year	883,074	979,529

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

FYE 2023 (April 1, 2022 to March 31, 2023)

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 2022 and FYE 2023 is as follows.

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

FYE 2023 (April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

	Automobile	Aerospace	Subtotal	Others	Adjustment	Consolidated
Revenue						
(1) Outside customers	3,690,551	79,019	3,769,570	4,898	—	3,774,468
(2) Inter-segment	2,827	—	2,827	32,927	(35,754)	—
Total revenue	3,693,378	79,019	3,772,397	37,825	(35,754)	3,774,468
Share of profit (loss) of investments accounted for using equity method	374	—	374	(233)	—	141
Operating profit (loss)	263,261	(2,082)	261,179	6,261	43	267,483
Finance income						36,796
Finance costs						(25,913)
Profit before tax						278,366

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)**(1) Basic earnings per share**

Basic earnings per share attributable to owners of the parent for the years ended March 31, 2022 and 2023 are calculated based on the following information.

	FYE2022 (April 1, 2021 to March 31, 2022)	FYE2023 (April 1, 2022 to March 31, 2023)
Profit for the year attributable to owners of the parent (millions of yen)	70,007	200,431
Weighted average number of common shares outstanding, basic (thousands of shares)	766,911	766,961
Profit for the year per share attributable to owners of parent, basic (yen)	91.28	261.33

(2) Diluted earnings per share

Diluted earnings per share attributable to owners of the parent for the years ended March 31, 2022 and 2023 are calculated based on the following information.

	FYE2022 (April 1, 2021 to March 31, 2022)	FYE2023 (April 1, 2022 to March 31, 2023)
Profit for the year attributable to owners of the parent, diluted (millions of yen)	—	200,431
Weighted average number of common shares outstanding, basic (thousands of shares)	—	766,961
Increase in number of common stocks by issuing restricted stock (thousands of shares)	—	28
Weighted average number of common shares outstanding, diluted (thousands of shares)	—	766,989
Profit for the year per share attributable to owners of parent, diluted (yen)	—	261.32

*There were no potentially dilutive common shares outstanding for the previous years ended March 31, 2022.

(Significant subsequent event)

Not applicable.

4. Non-consolidated financial statements

(1) Non-consolidated balance sheet

(Unit: Millions of yen)

	FYE2022 (as of March 31, 2022)	FYE2023 (as of March 31, 2023)
ASSETS		
I Current assets		
Cash and deposits	783,265	985,713
Accounts receivable-trade	181,865	225,508
Merchandise and finished goods	49,636	65,359
Work in process	65,145	72,702
Raw materials and supplies	47,946	58,123
Advance payments-trade	32,851	36,369
Prepaid expenses	4,707	5,298
Short-term loans receivable to subsidiaries and affiliates	36,102	41,040
Current portion of long-term loans receivable from subsidiaries and affiliates	12,500	27,000
Deposits paid	24,480	23,575
Accounts receivable-other	54,092	50,332
Other	22,682	33,992
Total current assets	1,315,271	1,625,011
II Noncurrent assets		
1. Property, plant and equipment		
Buildings, net	99,626	114,159
Structures, net	17,952	18,207
Machinery and equipment, net	109,166	105,088
Vehicles, net	2,910	3,314
Tools, furniture and fixtures, net	10,581	10,115
Land	80,909	79,202
Construction in progress	33,547	32,179
Other, net	2,705	5,862
Total property, plant and equipment	357,396	368,126
2. Intangible assets		
Software	29,870	46,109
Other	56,165	40,446
Total intangible assets	86,035	86,555
3. Investments and other assets		
Investment securities	2,133	3,847
Stocks of subsidiaries and affiliates	250,523	235,172
Investments in capital of subsidiaries and affiliates	6,210	3,947
Long-term loans receivable	3	2
Long-term loans receivable from subsidiaries and affiliates	75,526	52,260
Claims provable in bankruptcy, claims provable in rehabilitation and other	0	0
Prepaid pension cost	7,334	5,584
Deferred tax assets	104,065	74,133
Other	7,338	8,819
Allowance for doubtful accounts	(252)	(46)
Allowance for investment loss	(1,387)	(1,694)
Total investments and other assets	451,493	382,024
Total noncurrent assets	894,924	836,705
Total assets	2,210,195	2,461,716

(Unit: Millions of yen)

	FYE2022 (as of March 31, 2022)	FYE2023 (as of March 31, 2023)
LIABILITIES		
I Current liabilities		
Notes payable-trade	240	236
Accounts payable-trade	160,796	217,548
Electronically recorded obligations-operating	15,910	18,007
Current portion of long-term loans payable	50,650	44,900
Current portion of bonds payable	—	10,000
Lease obligations	1,519	1,527
Accounts payable-other	23,338	20,312
Accrued expenses	43,849	47,035
Income taxes payable	793	24,893
Advances received	43,177	50,459
Deposits received	377,435	387,263
Provision for bonuses	14,822	16,681
Provision for product warranties	90,704	76,776
Provision for vehicle environmental control	3,039	4,930
Provision for loss on construction contracts	5,535	8,550
Provision for environmental measures	—	50
Other	8,189	3,766
Total current liabilities	839,996	932,933
II Noncurrent liabilities		
Bonds payable	90,000	80,000
Long-term loans payable	191,900	177,000
Lease obligations	1,509	4,536
Provision for product warranties	77,902	83,159
Provision for vehicle environmental control	5,484	10,264
Provision for retirement benefits	55	—
Asset retirement obligations	16	16
Other	2,609	1,857
Total noncurrent liabilities	369,475	356,832
Total liabilities	1,209,471	1,289,765
NET ASSETS		
I Shareholders' equity		
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	625,901	808,103
Total retained earnings	670,478	852,680
Treasury stock	(6,324)	(6,136)
Total shareholders' equity	978,020	1,160,410
II Valuation and translation adjustments		
Valuation difference on available-for-sale securities	22,704	11,541
Total valuation and translation adjustments	22,704	11,541
Total net assets	1,000,724	1,171,951
Total liabilities and net assets	2,210,195	2,461,716

(2) Non-consolidated statement of income

(Unit: Millions of yen)

	FYE2022 (April 1, 2021 to March 31, 2022)	FYE2023 (April 1, 2022 to March 31, 2023)
I Net sales	1,499,898	2,174,178
II Cost of sales	1,322,969	1,754,868
Gross profit	176,929	419,310
III Selling, general and administrative expenses	225,184	238,965
Operating income (loss)	(48,255)	180,345
IV Non-operating income		
Interest income	1,067	17,192
Dividends income	106,052	104,386
Foreign exchange income	14,889	—
Real estate rent	2,940	2,852
Gain on valuation of derivatives	1,391	5,186
Other	7,088	3,278
Total non-operating income	133,427	132,894
V Non-operating expenses		
Interest expenses	732	9,576
Depreciation	2,015	3,036
Foreign exchange losses	—	1,868
Compensation expenses	2,349	—
Other	3,920	10,080
Total non-operating expenses	9,016	24,560
Ordinary income	76,156	288,679
VI Extraordinary income		
Gain on sales of noncurrent assets	240	3,768
Reversal of allowance for doubtful accounts	16	199
National subsidies	36	—
Other	12	5
Total extraordinary income	304	3,972
VII Extraordinary loss		
Loss on sales and retirement of noncurrent assets	4,639	3,795
Impairment loss	—	2,369
Provision of allowance for investment loss	1,387	308
Other	73	19
Total extraordinary losses	6,099	6,491
Income before income taxes	70,361	286,160
Total income taxes	528	53,257
Income tax-current	(4,185)	18,427
Income taxes-deferred	4,713	34,830
Net income	69,833	232,903

(3) Non-consolidated statement of changes in net assets
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 the year	153,795	160,071	—	160,071	7,901	1,341	35,335	599,108	643,685
Changes of items during the year									
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 year	—	—	—	—	—	—	—	26,793	26,793
Balance at the end of the year	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 the year	(6,524)	951,027	6,209	6,209	957,236
Changes of items during the year					
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 from retained earnings to capital surplus	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	16,495	16,495	16,495
Total changes of items during the year	200	26,993	16,495	16,495	43,488
Balance at the end of the year	(6,324)	978,020	22,704	22,704	1,000,724

FYE 2023 (April 1, 2022 to March 31, 2023)

(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 the year	153,795	160,071	—	160,071	7,901	1,341	35,335	625,901	670,478
Changes of items during the year									
Dividends from surplus	—	—	—	—	—	—	—	(50,646)	(50,646)
Net income	—	—	—	—	—	—	—	232,903	232,903
Purchase of treasury stock	—	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	(55)	(55)	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	55	55	—	—	—	(55)	(55)
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—
Total changes of items during the year	—	—	—	—	—	—	—	182,202	182,202
Balance at the end of the year	153,795	160,071	—	160,071	7,901	1,341	35,335	808,103	852,680

	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 the year	(6,324)	978,020	22,704	22,704	1,000,724
Changes of items during the year					
Dividends from surplus	—	(50,646)	—	—	(50,646)
Net income	—	232,903	—	—	232,903
Purchase of treasury stock	(4)	(4)	—	—	(4)
Disposal of treasury stock	192	137	—	—	137
Transfer to capital surplus from retained earnings	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	(11,163)	(11,163)	(11,163)
Total changes of items during the year	188	182,390	(11,163)	(11,163)	171,227
Balance at the end of the year	(6,136)	1,160,410	11,541	11,541	1,171,951



Subaru Corporation Announces Consolidated Financial Results for FYE 2023

Tokyo, May 11, 2023 – Subaru Corporation today announced its consolidated financial results for the fiscal year ended March 31, 2023.

Results for FYE 2023: Consolidated Revenue

While production constraints continued throughout the fiscal year, mainly due to semiconductor shortages, global production increased 20.3% to 874,000 units as the company worked to minimize the impact through measures such as flexible rescheduling of production plans.

Production in Japan rose 26.3% to 575,000 units, while production in the U.S. grew 10.1% to 299,000 units.

As a result of the production increase, global unit sales rose 16.1% to 852,000 units, led by steady sales in Subaru's key U.S. market.

Due to the positive effects of foreign exchange rates, the unit sales growth, and other factors, consolidated revenue rose 37.5% to 3,774.5 billion yen.

Results for FYE 2023: Consolidated Profit and Loss

As positive factors such as the effects of foreign exchange rates and sales volume growth more than offset the negative effects of material cost increases and higher SG&A expenses, operating profit rose 177.0 billion yen to 267.5 billion yen, profit before tax grew 171.4 billion yen to 278.4 billion yen, and profit for the period attributable to owners of parent increased 130.4 billion yen to 200.4 billion yen.

Forecast for FYE 2024

Global unit sales are forecast at 1,010,000 units, with the key U.S. market expected to lead sales growth.

While the negative impact of the stronger yen is expected, taking into account sales volume growth, the Company forecasts revenue of 4,200 billion yen (up 11.3% y/y), operating profit of 300 billion yen (up 12.2% y/y), profit before tax of 300 billion yen (up 7.8% y/y), and profit for the period attributable to owners of parent of 210 billion yen (up 4.8% y/y).

The forecasts are based on exchange rate assumptions of 128 yen to the U.S. dollar and 138 yen to the euro.

Notes on figures in the results:

Vehicle volume figures are rounded to the nearest thousand. Yen figures are rounded 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 2023 Consolidated Financial Results

(Yen in 100 millions, Units in thousands)

	FYE 2022 2021. 4 – 2022. 3 RESULTS	FYE 2023 2022. 4 – 2023. 4 RESULTS		FYE 2024 2023. 4 – 2024. 4 FORECASTS				
			Change	%		Change	%	
Revenue	27,445	37,745	10,299	37.5	42,000	4,255	11.3	
Japan	4,880	5,810	929	19.0	–	–	–	
Overseas	22,565	31,935	9,370	41.5	–	–	–	
Operating profit	905	2,675	1,770	195.7	3,000	325	12.2	
Profit margin (%)	3.3	7.1			7.1			
Profit before tax	1,070	2,784	1,714	160.2	3,000	216	7.8	
Profit margin (%)	3.9	7.4			7.1			
Profit for the period attributable to owners of parent	700	2,004	1,304	186.3	2,100	96	4.8	
Profit margin (%)	2.6	5.3			5.0			
Factors contributing to change in operating profit		Effects of foreign exchange rates		2,226	Sales volume, mix, etc.		1,520	
		Sales volume, mix, etc.		1,687	Decrease in R&D exp.		60	
		Cost impacts		(1,200)	Effects of foreign exchange rates		(655)	
		Increase in SG&A exp., etc.		(776)	Increase in SG&A exp., etc.		(310)	
		Increase in R&D exp.		(108)	Cost impacts		(267)	
		Other		(59)	Other		(23)	
Exchange rates	JPY/US\$ 112/US\$ JPY/EUR 130/EUR	135/US\$ 141/EUR			128/US\$ 138/EUR			
Capital expenditures	861	1,228			1,800			
Depreciation	946	1,030			1,000			
R&D expenditures *	1,138	1,078			1,200			
Interest bearing debts	3,340	3,126			–			
Performance description		- First increase in revenue in three years			- Increase in revenue for two consecutive years			
		- First increase in profit at each stage in three years			- Increase in profit at each stage for two consecutive years			
		- First increase in consolidated unit sales in three years			- Increase in consolidated unit sales for two consecutive years			
Consolidated unit sales	89	100	10	11.4	126	27	26.8	
Japan								
Passenger Cars	73	81	9	11.7	107	26	32.2	
Minicars	17	19	2	10.3	19	1	3.2	
Consolidated unit sales	645	753	108	16.8	884	131	17.4	
Overseas								
North America	555	635	80	14.3	729	94	14.9	
Europe **	15	23	8	54.8	–	–	–	
China	14	10	(4)	(26.8)	14	4	34.6	
Other	60	84	24	39.8	–	–	–	
Consolidated unit sales total	734	852	118	16.1	1,010	158	18.5	
Production units total	727	874	147	20.3	1,010	136	15.6	
Japan	455	575	120	26.3	–	–	–	
U.S.	272	299	27	10.1	–	–	–	
Revenue by business segment	Automobile	26,775	36,906	10,131	37.8	40,907	4,001	11
	Aerospace	623	790	167	26.9	1,045	255	32
	Other	48	49	1	2.8	48	(1)	(2)
Operating profit by business segment	Automobile	925	2,633	1,707	184.5	2,962	329	13
	Aerospace	(70)	(21)	49	70.3	17	38	182
	Other	48	63	15	30.9	21	(42)	(67)
	Elimination & Corporate	1	0	(1)	(67.9)	0	(0)	(100)

* "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.

** Starting from the FYE 2023 1st Quarter reporting, the definition of the Europe region has been revised. (The previous-year results have been changed accordingly.)

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.