



| Consolidated Financial Results for the 1st Quarter of FYE 2025

SUBARU CORPORATION

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

Key Points

■ Results for the First Quarter of FYE 2025

- **Production: 239,000 units (down 1.7% Y/Y)**

Global production volume decreased year on year as a decline in domestic production more than offset an increase in overseas production.

- **Operating profit: 91.1 billion yen (up 7.9% Y/Y)**

Operating profit increased year on year, as a decrease in unit sales and an increase in sales incentives and other expenses were more than offset by the positive impact of foreign exchange rates and other factors.

■ Forecast for FYE 2025

- **Production: 960,000 units (down 1.0% Y/Y)**

The forecast for global production volume is unchanged from the original announcement, with both production and sales expected to achieve the full-year plan.

- **Operating profit: 400 billion yen (down 14.6% Y/Y)**

Due to large fluctuations in currency exchange rates and the challenge of predicting future market conditions, the forecast for operating profit, including currency assumptions, remains as originally announced.

*Notes on figures in the results: Vehicle volume figures are rounded to the nearest thousand. Yen figures are rounded to the nearest hundred million.

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I will begin by explaining the key points of the financial results for the first three months of the fiscal year ending March 31, 2025.

First, results for the first quarter.

In terms of production, although overseas production increased, there was a decrease in Japan, so global production declined year on year.

Despite the decrease in unit sales and increases in U.S. sales incentives and SG&A expenses, etc., operating profit increased year on year due partly to the positive impact of the weaker yen.

Next, we have the outlook for the full year.

Although production and unit sales were below previous-year levels for the first quarter, we expect to achieve our full-year plans for production, and there has been no change to the forecast of 960 thousand units announced at the beginning of the fiscal year.

With regard to operating profit, while the exchange rate has moved further in the direction of the weaker yen than initially expected, the currency has been highly volatile recently, and the outlook for the market environment is also difficult to ascertain.

So, we will need to watch closely that trends and respond as necessary going forward, we have left the figures announced at the beginning of the fiscal year unchanged.

Consolidated Financial Results for the 1st Quarter (3 months) of FYE 2025

1st Quarter (3 months) :

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance
Production in U.S.	84	96	+13
Production in Japan	159	143	-17
Production* Total	243	239	-4

	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance
Consolidated Unit Sales Total	236	212	-24

* Production figures include Toyota GR86.

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Now I will explain results for the first quarter of FYE 2025 in more detail.

We will start with production and unit sales.

Following a workplace accident that occurred in February, we reduced the pace of production in Japan through April, prioritizing the safety and peace of mind of our employees.

Consolidated unit sales fell 24 thousand units year on year to 212 thousand units due to the decreased production including the February and March production.

Production fell 4 thousand units year on year to 239 thousand units.

1st Quarter (3 months) :

Consolidated Unit Sales (by market)

(Thousand Units)

	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance
Passenger cars	17	20	+3
Minicars	4	3	-1
Domestic total	21	23	+2
U.S.	163	147	-16
Canada	16	18	+2
Europe	7	6	-1
Australia	15	9	-5
China	2	0	-2
Others	12	8	-4
Overseas total	215	189	-26
Total	236	212	-24

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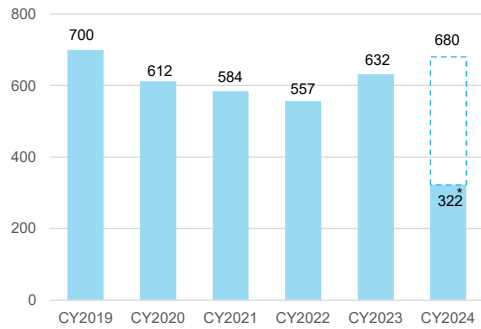
Consolidated unit sales by market are as you see on this slide.

In the main market of the U.S., wholesales to retailers, which are consolidated unit sales, decreased by 16 thousand units for the reasons just explained, but retail sales remained firm. I will explain retail sales trends on the next page.

Sales Trends in the U.S. Market

Retail Sales

(Thousand Units)



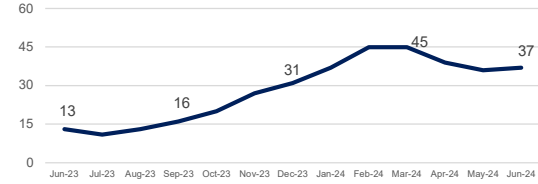
*from January 2024 to June 2024

- As of July 2024, Retail Sales have recorded 24 consecutive months of year-on-year increases.
- Plan for CY2024 is a near record high level of 680 thousand units.

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Retailer Inventory

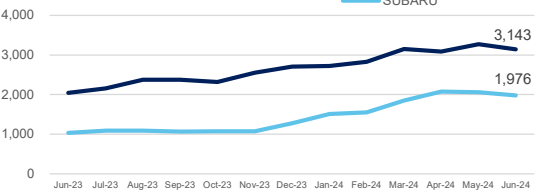
(days supply)



- Appropriate inventory levels: 45 days supply

Sales Incentive(Autodata)

(US\$/unit)



*Source:Autodata

Retail sales up to July had exceeded previous-year figures for 24 consecutive months, and continue to be strong, despite highly competitive environment.

We believe these are results that customers find our products and brand appealing. For 2024, we have set a challenging target at a record level of 680 thousand units, and we are striving to achieve it.

While wholesale sales decreased, retail sales increased, resulting in retailer inventory at the end of June being 37 days' supply, down from the end of March.

Sales incentives in the first quarter rose due to the highly competitive environment of the U.S. market, as well as the need to sell through the remaining units of the 24MY Forester, and higher interest rates, but remain at the low level in the industry.

1st Quarter (3 months) :
Consolidated Profit Results

(100 Million Yen)

	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance
Revenue	10,821	10,921	+100
Domestic	1,410	1,503	+94
Overseas	9,412	9,418	+6
Operating profit	845	911	+67
Profit before tax	1,154	1,080	-73
Profit for the period attributable to owners of parent	732	840	+108
SUBARU exchange rate			
US\$	¥135	¥153	+¥18
EURO	¥145	¥164	+¥18
CAN\$	¥100	¥112	+¥13

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Let's move on to the consolidated results.

Revenue was up 10.0 billion yen year on year to 1,092.1 billion yen, owing to a gain on currency exchange of 104.5 billion yen, and a negative impact in sales volume & mixture, etc. of 100.3 billion yen caused by reduced unit sales and increases in sales incentives, among other factors.

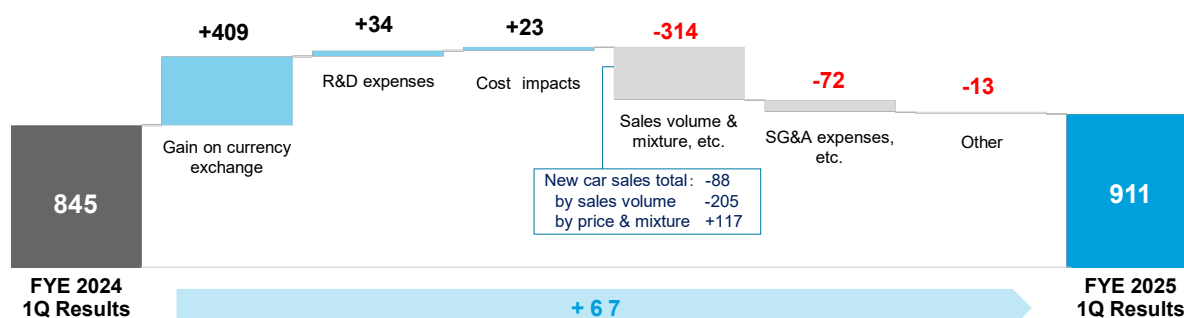
Operating profit was up 6.7 billion yen year on year to 91.1 billion yen.

Profit before tax was down 7.3 billion yen to 108.0 billion yen, and profit for the period attributable to owners of parent was up 10.8 billion yen to 84.0 billion yen.

1st Quarter (3 months) :

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



Currency exchange	+409	Cost impacts		+23	Sales volume & mix, etc.	-314	SG&A expenses, etc.				-72			
US \$	+424	SUBARU	-23	SIA*1	+46	Domestic	+50	Fixed manufacturing cost		+43	SG&A	-69	Warranty claims	-46
EURO	+11	Cost reduction	+18	Cost reduction	+7	Overseas	-138	SUBARU	+30	SIA*1	+13	SUBARU	-53	(including impact of foreign currency translation)
CAN \$	+48	Material cost, etc.	-41	Material cost, etc.	+39	Sales Incentive	-212	Suppliers' dies cost	+36	Suppliers' dies cost	+18	Domestic dealers	-2	
CNY	-					Others	-14					SOA *2	-31	
Currency exchange adjustment	-							Fixed processing cost	-6	Fixed processing cost	-5	SCI *3	-	
Unrealized gain	-74											Others	+17	

*1 SIA: Subaru of Indiana Automotive, Inc. *2 SOA: Subaru of America Inc. *3 SCI: Subaru Canada Inc.

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Next, I will look at the factors driving the increase of 6.7 billion yen in operating profit.

The main driver was a gain on currency exchange of 40.9 billion yen, caused by the approximately 18-yen depreciation of the yen against the U.S. dollar.

The main factor working to reduce profit was a deterioration in sales volume & mixture, etc. and in SG&A expenses, etc.

Sales volume & mixture, etc. had a negative impact of 31.4 billion yen due mainly to a decrease in unit sales and an increase in sales incentives.

U.S. sales incentives per unit were up 1,250 dollars from 800 dollars in the previous fiscal year to 2,050 dollars, and the total amount of U.S. sales incentives rose by 22.3 billion yen.

The impact of SG&A expenses, etc. was -7.2 billion yen, mainly due to an increase in SG&A.

1st Quarter (3 months) :

Consolidated Statement of Cash Flows / Cash and cash equivalents

(100 Million Yen)

	FYE 2024 1Q Results	FYE 2025 1Q Results	
Net cash provided by (used in) operating activities	1,296	400	
Net cash provided by (used in) investing activities	-1,406	-745	
Free cash flows	-109	-346	
Net cash provided by (used in) financing activities	-677	-879	
Effect of exchange rate change on cash and cash equivalents	497	294	
	As of March 2024	As of June 2024	Variance
Cash and cash equivalents at end of period	10,480	9,549	-931
Interest bearing debts Balance at end of period *	3,995	3,905	-90
Net cash	6,485	5,644	-841

* Lease liabilities are not included in the results above.

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This is the consolidated statement of cash flows and cash and cash equivalents.

Due mainly to the payment of 91.5 billion yen in tax on profit in the previous fiscal year, operating cash flow was limited to 40.0 billion yen, and free cash flow was -34.6 billion yen.

Cash and cash equivalents at the end of the period declined by 93.1 billion yen from the end of the previous year to 954.9 billion yen, and the balance of interest bearing debt was down 9.0 billion yen from the end of the previous year to 390.5 billion yen. As a result, net cash decreased by 84.1 billion yen from the end of the previous year to 564.4 billion yen.

Capex / Depreciation / R&D

(100 Million Yen)

	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance
Capex *1	321	435	+114
Depreciation *1	250	249	-1
R&D expenditures *2	280	308	+28

*1 : Leases, capex & amortization for intangible assets and lease liabilities are not included in the results and forecast above.

*2 : Research and development activity related costs incurred during the reporting period are written.

In accordance with IFRS, as a part of research and development expenditures is recorded as an intangible asset and amortized over its estimated useful life, this amount is different from "Research and development expenses" on Consolidated Statements of Income on IFRS.
(It matches with R&D expenses in consolidated statement of income on JGAAP)

Actual capex and related figures are as you see on this slide.

Forecast for FYE 2025

	FYE 2024 Results	FYE 2025 Plan	Variance
Production in U.S.	368	-	-
Production in Japan	602	-	-
Production*1 Total	970	960	-10

	FYE 2024 Results	FYE 2025 Plan	Variance
Consolidated Unit Sales Total	976	980	+4

*1: Production figures include Toyota GR86.

Next, we have the full-year plans for FYE 2025.

There has been no change in production or consolidated unit sales.

Consolidated Unit Sales (by market)

(Thousand Units)

	FYE 2024 Results	FYE 2025 Plan	Variance
Passenger cars	87	94	+8
Minicars	12	14	+2
Domestic total	99	108	+9
U.S.	695	700	+5
Canada	68	64	-3
Europe	27	15	-12
Australia	47	43	-4
China	6	5	-1
Others	34	44	+11
Overseas total	878	872	-6
Total	976	980	+4

Consolidated unit sales plans by market are unchanged from those announced at the beginning of the fiscal year.

Shipments to the U.S. market decreased year on year in the first quarter, but we plan to recover this going forward.

FYE 2025 Plan :
Consolidated Profit Plan

(Yen in 100 millions)

	FYE 2024 Results	FYE 2025 Plan	Variance
Revenue	47,029	47,200	+171
Domestic	6,275	6,580	+304
Overseas	40,754	40,620	-134
Operating profit	4,682	4,000	-682
Profit before tax	5,326	4,200	-1,126
Profit for the period attributable to owners of parent	3,851	3,000	-851
SUBARU exchange rate			
US\$	¥144	¥142	-¥2
EURO	¥154	¥153	-¥1
CAN\$	¥106	¥103	-¥4

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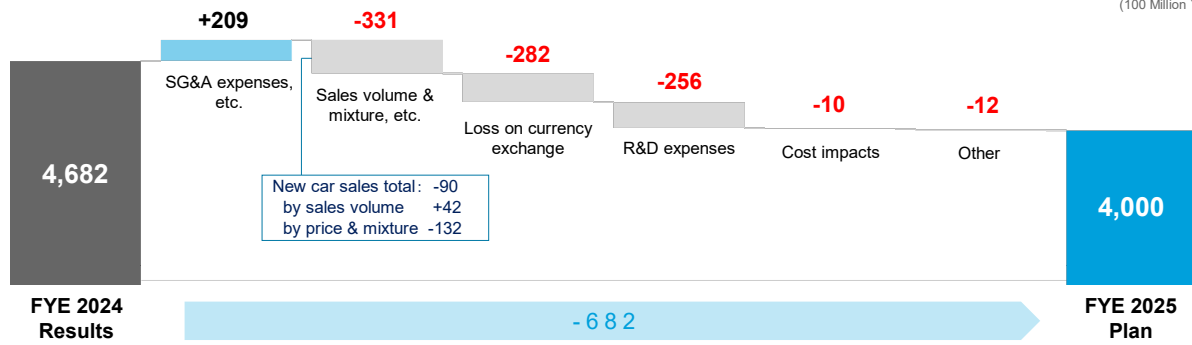
Let's move on to the consolidated results.

We believe that we will need to continue to carefully watch and evaluate the market environment, including sales incentives, because of the high volatility in currency exchange rates.

For this reason, we have not revised revenue or profit plans and have left the figures announced at the beginning of the fiscal year unchanged.

FYE 2025 :
Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



SG&A expenses, etc.					+209	Sales volume & mix., etc.	-331	Currency exchange	-282	Cost reduction, etc.				-10	
Fixed manufacturing cost		-180	SG&A	-275	Warranty claims	+664	Domestic	+202	US \$	-242	SUBARU	+39	SIA*1	-49	
SUBARU		-173	SIA*1	-7	SUBARU	-205	(including impact of foreign currency translation)	Overseas	-292	EURO	-1	Cost reduction	+170	Cost reduction	+63
Suppliers' dies cost		+7	Suppliers' dies cost	+59	Domestic dealers	-10	Sales Incentive	-352	CAN \$	-45	Material cost, etc.	-131	Material cost, etc.	-112	
Fixed processing cost		-180	Fixed processing cost	-66	SOA *2	-57	Others	+111	CNY	-					
					SCI*3	-17			Currency exchange adjustment	-277					
					Others	+14			Unrealized gain	+283					

*1 SIA: Subaru of Indiana Automotive, Inc. *2 SOA: Subaru of America Inc. *3 SCI: Subaru Canada Inc.

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

There has been no change here either.

	FYE 2024 Results	FYE 2025 Plan	Variance
Capex *1	1,675	1,800	+125
Depreciation *1	974	1,000	+27
R&D expenditures *2	1,306	1,550	+244

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

*2 : Research and development activity related costs incurred during the reporting period are written.

In accordance with IFRS, as a part of research and development expenditures is recorded as an intangible asset and amortized over its estimated useful life, this amount is different from "Research and development expenses" on Consolidated Statements of Income on IFRS.
(It matches with R&D expenses in consolidated statement of income on JGAAP)

Capex, depreciation, and R&D expenditures are as you see here.

They are unchanged from the figures in the previous announcement.

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

This concludes the briefing on our financial results for the first quarter of the fiscal year ending March 31, 2025. Thank you.

Appendix

- Segment information by Business & Geographic
- Overseas Revenue
- Consolidated Statement of Financial Position
- Non-consolidated Unit Sales
- Operating Results of Subsidiaries in U.S.
- FYE 2024 and FYE 2025 Results (by Quarter)
- Complete Cars Production / Retail Sales Units

1st Quarter (3 months) :

Revenue and Operating Profit by Business Segment (Consolidated)

(100 Million Yen)

	Revenue				Operating profit			
	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance	FYE 2025 Plan	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance	FYE 2025 Plan
Automobile	10,620	10,648	+29	45,662	841	919	+77	3,946
Aerospace	189	261	+71	1,487	-11	-26	-16	38
Other	12	12	-0	51	13	16	+3	16
Elimination & Corporate	-	-	-	-	1	3	+2	-
Total	10,821	10,921	+100	47,200	845	911	+67	4,000

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1st Quarter (3 months) :

Revenue and Operating Profit by Geographic Area (Consolidated)

(100 Million Yen)

	Revenue			Operating profit		
	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance
Japan	2,239	2,116	-123	419	749	+330
North America	8,236	8,533	+297	538	449	-89
Other	346	272	-74	-5	4	+10
Elimination & Corporate	-	-	-	-107	-291	-184
Total	10,821	10,921	+100	845	911	+67

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

1st Quarter (3 months) :

Overseas Revenue (Consolidated)

(100 Million Yen)

	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance
North America	8,344	8,663	+319
Europe	272	243	-29
Asia	197	100	-97
Other	598	412	-186
Total	9,412	9,418	+6

Consolidated Statement of Financial Position

(100 Million Yen)

	As of March 2024	As of June 2024	Variance
Total assets	48,141	49,363	+1,221
Current assets	30,192	30,727	+535
Non-current assets	17,950	18,636	+686
Total liabilities	22,488	23,022	+535
Interest bearing debts	3,995	3,905	-90
Total equity	25,654	26,341	+687
Retained earnings	19,069	19,473	+404
Equity attributable to owners of parent	25,632	26,319	+687
Ratio of equity attributable to owners of parent to total assets	53.2%	53.3%	+0.1%
D/E ratio	0.16	0.15	-0.01

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1st Quarter (3 months) :

Non-consolidated Unit Sales

(Thousand Units)

	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance
Domestic production*	159	143	-17
Domestic sales	20	25	+6
Passenger cars	16	22	+6
Minicars	3	3	-1
Export total	131	109	-22
Components for overseas production	77	77	-0
Total	227	211	-17

* Production figures include Toyota GR86.

1st Quarter (3 months) :

Operating Results of Subsidiaries in U.S.

(Million US\$)

SOA *1	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance
Net sales	5,531	4,984	-546
Operating income	286	97	-189
Net income	249	111	-138
Retail sales (Thousand units)	160	169	+9
SIA *2	FYE 2024 1Q Results	FYE 2025 1Q Results	Variance
Net sales	2,450	2,768	+318
Operating income	28	125	+97
Net income	30	107	+78
Production (Thousand units)	84	77	-7

*1 SOA: Subaru of America Inc. *2 SIA: Subaru of Indiana Automotive, Inc.

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FYE 2024 and FYE 2025 Results(by Quarter)

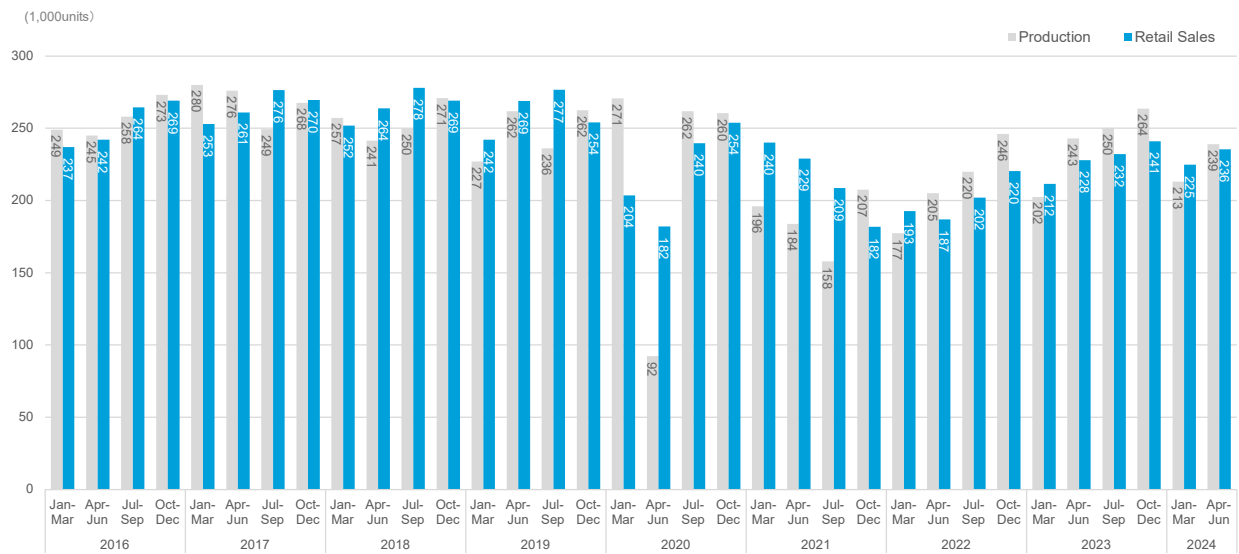
(Yen in 100 millions, Units in thousands)

	FYE 2024 Results				FYE 2025 Results
	1Q	2Q	3Q	4Q	1Q
Consolidated Unit Sales	236	234	266	241	212
Production *	243	250	264	213	239
Revenue	10,821	11,313	12,829	12,065	10,921
Operating profit	845	1,014	1,852	972	911
Profit for the period attributable to owners of parent	732	777	1,479	862	840
SUBARU exchange rate US\$	¥135	¥143	¥149	¥147	¥153

* Production figures include Toyota GR86.

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Complete Cars Production / Retail Sales Units



* Production figures include Toyota GR86.

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