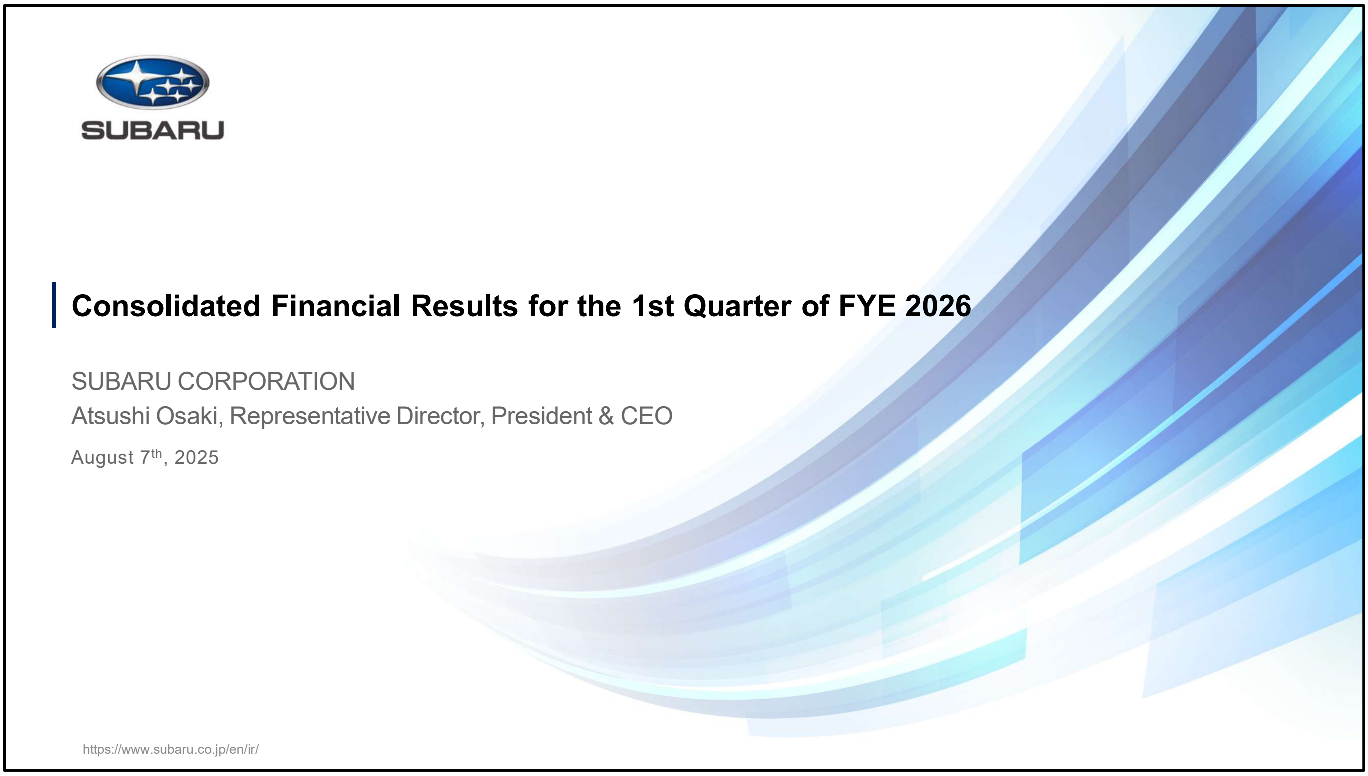


Hello everyone, I am Atsushi Osaki, President and CEO of Subaru Corporation.

Thank you very much for taking time out of your busy schedules to attend Subaru Corporation's earnings briefing for the first quarter of the fiscal year ending March 2026.

I would also like to take this opportunity to express my sincere gratitude for your continued support of our business activities.

Turning Changes into Opportunities for Further Growth

- **Tariff** uncertainties reduced to some extent, but **significant impacts** remain
- Forecast for FYE March 2026: **Operating profit of 200 billion yen**
  Shareholder return: **Share repurchases up to 50 billion yen**
- Maximizing this fiscal year's profits by **capturing opportunities as one team**
- **Commitment to the U.S. market** will remain unchanged
- Working to develop a **future vision** that responds to the rapidly changing business environment

I'd like to discuss how we perceive changes in the business environment and how we aim to turn them into growth.

With regard to the recently announced trade deal between Japan and the U.S., I'd like to express our sincere appreciation to the government representatives for their considerable efforts throughout this process.

While this agreement has alleviated some of the uncertainties surrounding the additional tariffs, significant impacts remain for our company, as over 70% of our vehicle sales come from the U.S. market.
In our previous announcement, we stated that while the forecast for this fiscal year was undecided, we aimed to achieve an operating profit at the 100 billion yen level even if the impact of tariffs continued throughout the year. Additionally, we deferred the decision on whether to proceed with share repurchases.
In this announcement, based on the progress made in the tariff negotiations, we are forecasting operating profit of 200 billion yen for the fiscal year ending March 2026, and will also carry out share repurchases of up to 50 billion yen.
To achieve this full-year profit target, we will strive not only to capture existing opportunities effectively but also to create new ones. We will work to build up production and sales volumes, improve our sales mix, and achieve cost and expense reductions through improved efficiency and productivity.
Regarding share repurchases, we have decided to proceed now that a certain level of clarity has been reached in the tariff negotiations. We sincerely thank our shareholders for their patience and understanding during the deferral period.

Our commitment to the U.S., a key market where we have built the strong Subaru brand, remains unchanged. Leveraging our company's scale, we will continue making responsive and flexible management decisions as we explore investment strategies in Japan and the U.S. that will lead to Subaru's sound and sustainable growth.
We will turn current business challenges into opportunities and drive further transformation. Meanwhile, we are currently working on formulating a future vision aimed at building a resilient profit foundation that remains steadfast amid a rapidly changing business environment.

Responsive and Flexible Investment Planning

Enhancing Flexibility in Production Strategies to Adapt to Changes in Environmental Regulations and Market Demand

- **Increasing hybrid transaxle production capacity**
  (to level a little under 300,000 units annually in 2027)
- **Raising** the production **ratio of ICE/hybrid vehicles**
- **50% BEV sales ratio** expected **after 2030**
- **Re-examining** the timing and allocation of **the 1.5 trillion yen electrification investment**

Hybrid Transaxle

Forester Hybrid

Prior to announcing our future vision at a later date, today I'd like to share our approach in response to current market demand trends.

Building a resilient profit foundation requires a production strategy that ensures both flexibility and expandability.
As part of this strategy, we are advancing our efforts to develop a production framework that is responsive to changes in environmental regulations and the increasing global demand for hybrid vehicles.
Specifically, at the Kitamoto Plant, we are increasing the annual production capacity of transaxles for hybrid vehicles, aiming to achieve a level a little under 300,000 units in 2027.
Looking toward 2030, we are considering further increasing HEV production capacity, thereby raising the production ratio of ICE/hybrid vehicles.
Meanwhile, the 50% BEV sales ratio outlined in the New Management Policy is currently expected to be reached after 2030.
Additionally, we will continue to deepen our re-evaluation of electrification investment plans totaling 1.5 trillion yen, reassessing the timing and allocation of these investments.
We aim to capture changes in the business environment and make responsive and flexible investment decisions.
Regarding our future vision, we plan to share it in due course.
We appreciate your continued support.

That concludes my presentation.
Thank you for your attention.

Consolidated Financial Results for the 1st Quarter of FYE 2026

SUBARU CORPORATION
Shinsuke Toda, Director, Managing Executive Officer & CFO

August 7th, 2025

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

Hello everyone, I am Shinsuke Toda, CFO of Subaru Corporation.

Key Points

■ **Results for the 1st Quarter of FYE 2026**

- **Production: 247,000 units (up 3.3% y/y) / Consolidated unit sales: 244,000 units (up 15.1% y/y)**
  Strong sales of models such as the Forester and Crosstrek
- **Operating profit: 76.4 billion yen (down 16.2% y/y)**
  Simultaneous achievement of increased consolidated unit sales and controlled sales incentives
  Full-scale impact of additional U.S. tariffs starting in the middle of the first quarter

■ **Forecast for FYE 2026**

- **Production: 900,000 units / Consolidated unit sales: 920,000 units**
  Production constraints due to construction for in-house battery EV manufacturing, offset by efficient sales through agile shipment coordination across markets and models
- **Operating profit: 200 billion yen (down 50.7% y/y)**
  Full-year impact of additional tariffs: 210 billion yen; despite reduced production volume and yen appreciation, profitability maximized through improved productivity, enhanced sales mix, and reduced costs

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

I will begin by explaining the key points of the financial results for the first three months of the fiscal year ending March 31, 2026.

In the 1st quarter, production volume increased by 3.3% year on year to 247 thousand units, while consolidated unit sales rose by 15.1% to 244 thousand units.
Sales of models such as the Forester and Crosstrek remained strong, and our newly introduced hybrid models have been well received by customers.
Operating profit reached 76.4 billion yen, supported by both an increase in consolidated unit sales and effective control of sales incentives.
It is also worth noting that the impact of additional U.S. tariffs began to materialize in earnest from the middle of the 1st quarter.

Next, we have the outlook for the full year.
There has been no change in the previously planned figures for production.
Regarding consolidated unit sales, we are aiming for 920 thousand units by enhancing sales efficiency through agile shipment coordination across markets and models.

We have announced an operating profit forecast of 200 billion yen for the current fiscal year. Assuming that the U.S. tariffs on automobiles will be reduced to 15% starting September 1, we estimate the impact of additional tariff to reach 210 billion yen under that scenario.

Consolidated Financial Results for the 1st Quarter (3 months) of FYE 2026

1st Quarter (3 months) :

Complete Cars Production / Consolidated Unit Sales

(Thousand Units)

	FYE 2025 1Q Results	FYE 2026 1Q Results	Variance
Production in U.S.	96	**94**	-2
Production in Japan	143	**152**	+10
Production* Total	239	**247**	+8

	FYE 2025 1Q Results	FYE 2026 1Q Results	Variance
Consolidated Unit Sales Total	212	**244**	+32

* Production figures include Toyota GR86.

I will begin by explaining financial results for the 1st quarter of FYE 2026.

Production increased 8 thousand units year on year to 247 thousand units. Compared to the same period of the previous fiscal year, when we reduced the pace of production, production in Japan in the 1st quarter rose 10 thousand units, more or less in line with forecast. Production in the U.S. fell by 2 thousand units year on year, after we flexibly switched to domestic production for some vehicles bound for Canada.

Consolidated unit sales rose 32 thousand units year on year to 244 thousand units, due to solid progress in shipments and sales.

1st Quarter (3 months) :

Consolidated Unit Sales (by market)

(Thousand Units)

	FYE 2025 1Q Results	FYE 2026 1Q Results	Variance
Passenger cars	20	**20**	-0
Minicars	3	**4**	+1
Domestic total	23	**24**	+1
U.S.	147	**171**	+25
Canada	18	**19**	+0
Europe	6	**5**	-0
Australia	9	**15**	+5
China	0	**1**	+0
Others	8	**9**	+1
Overseas total	189	**220**	+31
Total	212	**244**	+32

Next, we have consolidated unit sales by market. Sales volume increased significantly in overseas markets by region. In particular sales in the U.S. grew 25 thousand units year on year to 171 thousand units, driven primarily by the Forester and Crosstrek.

With regard to retail sales in the U.S., although demand trends have been volatile since the additional tariffs were imposed in April, sales remained firm in July.

1st Quarter (3 months) :

Consolidated Profit Results

(100 Million Yen)

		FYE 2025 1Q Results	FYE 2026 1Q Results	Variance
Revenue		10,921	**12,141**	+1,220
Domestic		1,503	**1,551**	+48
Overseas		9,418	**10,590**	+1,172
Operating profit		911	**764**	-147
Profit before tax		1,080	**785**	-296
Profit for the period attributable to owners of parent		840	**548**	-292
SUBARU exchange rate	**US$**	¥153	**¥146**	-¥7
	EURO	¥164	**¥162**	-¥2
	CAN$	¥112	**¥104**	-¥9

Let’s move on to the consolidated results.

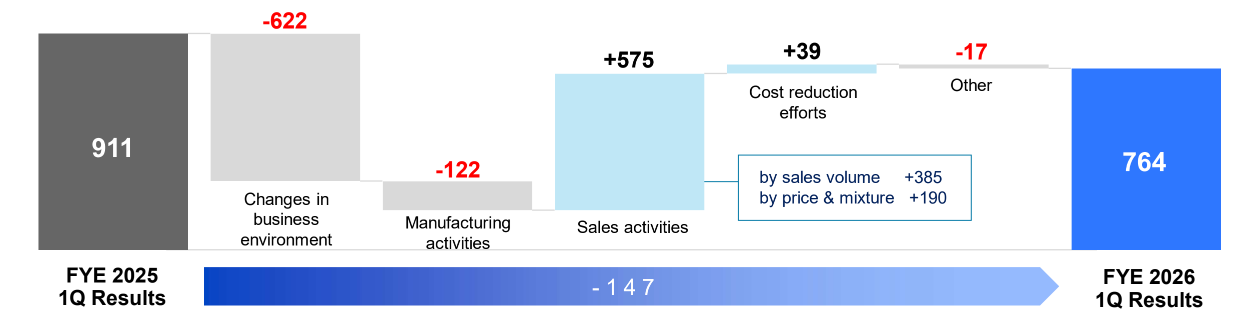
Despite the negative impact on revenue of the strengthening of the yen, revenue was up 122.0 billion yen year on year to 1,214.1 billion yen, helped by an increase in unit sales, revised selling prices, and controlled sales incentives, etc.

Operating profit was down 14.7 billion yen year on year to 76.4 billion yen, profit before tax was down 29.6 billion yen to 78.5 billion yen, and profit for the period attributable to owners of parent was down 29.2 billion yen to 54.8 billion yen.

1st Quarter (3 months) :

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



Changes in business environment	-622	Manufacturing activities	-122	Sales activiy	+575	Cost reduction efforts	+39	Other	-17
Curerncy exchange	+76	Fixed manufacturing cost	-9	Sales volume & mix , etc.	+575	Cost reduction	+39	Warranty claims	-172
▪ Sales and purchase exchange rate difference	-335	R&D expenses	-113	Sales incentives	+11			Other expense	-37
▪ End-of-period exchange rate difference	+182			Sales related cost	-10			All others	+192
▪ Unrealized gain	+229			Parts and Accessories	-31				
Material cost, etc.	-142			Other profit related to vehicle	+30				
Impact of U.S. Additional Tariffs	-556								

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

This declined by 62.2 billion yen as a result of changes in the Company’s business environment, such as fluctuations in exchange rate and material cost, etc., and the impact of U.S. additional tariffs.

There is a decline of 12.2 billion yen for manufacturing activities, which mainly represents an increase in R&D expenses for new products that will be released going forward.

Changes in sales activities resulted in an increase of 57.5 billion yen, driven by a combination of higher unit sales, restrained sales incentives, and price revisions.
U.S. sales incentives per unit were down 300 dollars to 1,750 dollars.

FYE 2026 :

Consolidated Statement of Cash Flows / Cash and cash equivalents

(100 Million Yen)

	FYE 2025 1Q Results	FYE 2026 1Q Results
Net cash provided by (used in) operating activities	400	**1,472**
Net cash provided by (used in) investing activities	-745	**-1,020**
Free cash flows	-346	**452**
Net cash provided by (used in) financing activities	-879	**-665**
Effect of exchange rate change on cash and cash equivalents	294	**-106**

	As of March 2025	As of June 2025	Variance
Cash and cash equivalents including time deposits(A)	15,897	**15,492**	-404
Cash and cash equivalents	9,415	**9,095**	-319
Time deposits	6,482	**6,397**	-85
Interest bearing debts Balance at end of period*(B)	3,995	**3,910**	-85
Net cash including time deposits(A-B)	11,902	**11,582**	-319

* Lease liabilities are not included in the results above.

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

Net cash provided by operating activities was 147.2 billion yen, net cash used in investing activities was 102.0 billion yen, as a result of which free cash flow came to 45.2 billion yen.

Cash and cash equivalents including time deposits decreased by 40.4 billion yen from the end of the previous year to 1,549.2 billion yen, and the balance of interest bearing debt was down 8.5 billion yen from the end of the previous fiscal year to 391.0 billion yen.

As a result, net cash including time deposits decreased by 31.9 billion yen from the end of the previous year to 1,158.2 billion yen.

Capex / Depreciation / R&D

(100 Million Yen)

	FYE 2025 1Q Results	FYE 2026 1Q Results	Variance
Capex *1	435	**351**	-84
Depreciation *1	249	**231**	-18
R&D expenditures *2	308	**346**	+38

*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 2026

FYE 2026 Plan :

Complete Cars Production / Consolidated Unit Sales

(Thousand Units)

	FYE 2025 Results(a)	FYE 2026 Previous Plan(b) *2	FYE 2026 Revised Plan(c)	Variance (c)-(a)	Variance (c)-(b)
Production in U.S.	345	-	**-**	-	-
Production in Japan	602	-	**-**	-	-
Production*1 Total	946	900	**900**	-46	±0

	FYE 2025 Results(a)	FYE 2026 Previous Plan(b)	FYE 2026 Revised Plan(c)	Variance (c)-(a)	Variance (c)-(b)
Consolidated Unit Sales Total	936	900	**920**	-16	+20

*1:Production figures include Toyota GR86.

*2:Announced on May 14th, 2025

Next, let's look at the full-year plans for FYE 2026.

There has been no change in the production volume from the previous plan. Although there are production constraints due to construction for BEV manufacturing, we aim to achieve a production volume of 900 thousand units by compensating through other production lines.

We have raised the consolidated unit sales plan by 20 thousand units compared to the previous plan, to 920 thousand units, driven by the introduction of new models including HEVs and agile shipment adjustments across markets and vehicle segments.

FYE 2026 Plan :

Consolidated Unit Sales (by market)

:

(Thousand Units)

	FYE 2025 Results (a)	FYE 2026 Previous Plan (b)	FYE 2026 Revised Plan (c)	Variance (c)-(a)	Variance (c)-(b)
Domestic total	104	-	**110**	+6	-
North America	732	-	**725**	-7	-
Others	101	-	**85**	-16	-
Overseas total	832	-	**810**	-22	-
Total	936	900	**920**	-16	+20

Next, we have consolidated unit sales plans by market.

In Japan, we are forecasting an increase of 6 thousand units year on year to 110 thousand units.

For North America we are forecasting a decrease of 7 thousand units year on year to 725 thousand units.

As for U.S. retail sales in CY 2025, we aim to hit the previously announced target of 675 thousand units, while also utilizing our vehicle inventory.

FYE 2026 Plan :

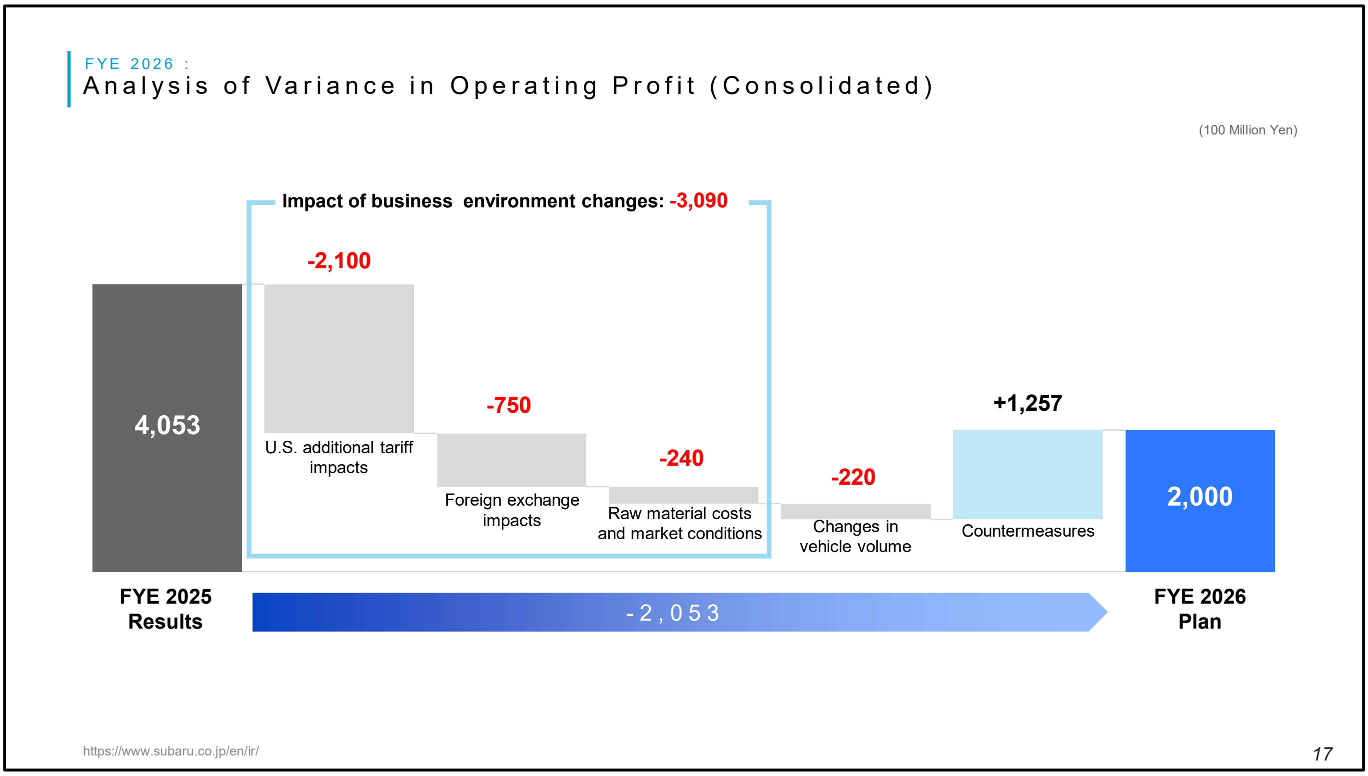
Consolidated Profit Plan

(Yen in 100 millions)

		FYE 2025 Results	FYE 2026 Plan	Variance
Revenue		46,858	**45,800**	-1,058
Domestic		6,514	**-**	-
Overseas		40,344	**-**	-
Operating profit		4,053	**2,000**	-2,053
Profit before tax		4,485	**2,300**	-2,185
Profit for the period attributable to owners of parent		3,381	**1,600**	-1,781
SUBARU exchange rate	**US$**	¥152	**¥145**	-¥7
	EURO	¥162	**¥155**	-¥7
	CAN$	¥110	**¥100**	-¥10

Let’s move on to the consolidated results.

Previously, forecasts for revenue and all stages of profit were described as “yet to be determined,” but we are now forecasting revenue of 4,580.0 billion yen, operating profit of 200.0 billion yen, profit before tax of 230.0 billion yen, and profit for the year attributable to owners of parent of 160.0 billion yen.



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

Changes in the business environment are expected to have a negative year-on-year impact on profit of 309.0 billion yen.
The impact of additional U.S. tariffs is estimated based on the assumption that the tariff rate on automobiles will be reduced to 15% starting September 1.
In addition, the decline in profit due to lower vehicle sales volume is expected to be 22.0 billion yen.

To offset these negative impacts, we plan to recover 125.7 billion yen and aim to achieve operating profit of 200.0 billion yen.

Capex / Depreciation / R&D

(100 Million Yen)

	FYE 2025 Results(a)	FYE 2026 Previous Plan(b)	FYE 2026 Revised Plan(c)	Variance (c)-(a)	Variance (c)-(b)
Capex *1	1,761	TBD	**2,500**	+739	-
Depreciation *1	968	1,000	**1,000**	+32	±0
R&D expenditures *2	1,600	1,400	**1,600**	+0	+200

*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)

Let’s move on to capex, depreciation, and R&D expenditures are as you see here.

We are planning 250.0 billion yen in capex.
This includes investments to shift production of the Forester to the U.S., and investments at Yajima Plant to prepare for in-house production of BEVs.
We plan to raise R&D expenditures by 20.0 billion yen from the previous forecast to 160.0 billion yen, with the objective of strengthening product lineup in the short to medium term

Shareholder Returns

(Yen)

	FYE2025 Results	FYE2026 Forecast
Interim Dividend	48	**57**
Year-end Dividend	67	**58**
Annual Dividend	115	**115**
Share Repurchases	up to 50 billion yen	**TBD**

* Due to the Share Repurchases, the total return ratio for FYE2025 is 40%.

➢ **Details of the Repurchase**

Total number of shares to be repurchased	**Up to 20.84 million**
Toal value of shares to be repurchased	**Up to 50 billion**
Repurchase period	**Aug 8 - Dec 23, 2025**

* All of shares repurchased will be cancelled.

Finally, we come to shareholder returns.

As to share repurchases that we have deferred a decision on whether or not to implement them at last fiscal year, now that a certain level of clarity has been reached in the tariff negotiations, we resolved to conduct share repurchases up to a limit of 50.0 billion yen, in accordance with the target(total return ratio of 40% or higher) in our shareholder returns policy. We sincerely thank our shareholders for their patience and understanding during the deferral period.

As to an annual dividend for this fiscal year, there is no change to our plan to pay 115 yen per share.

The remaining pages contain segment information, etc. for your reference.
This concludes the briefing on our financial results for 1st Quarter of FYE 2026.
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 2025 and FYE2026 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 2025 1Q Results	FYE 2026 1Q Results	Variance	FYE 2025 1Q Results	FYE 2026 1Q Results	Variance
Automobile	10,648	**11,839**	+1,191	919	**741**	-178
Aerospace	261	**288**	27	-26	**3**	+30
Other	12	**14**	1	16	**18**	+3
Elimination & Corporate	-	**-**	-	3	**1**	-2
Total	10,921	**12,141**	1,220	911	**764**	-147

1st Quarter (3 months) :

Operating Profit of Automotive business unit (Management Figures)

(100 Million Yen)

	FYE 2025 1Q Results	FYE 2026 1Q Results	Variance
New vehicle	502	**375**	-127
Parts and accessories	364	**311**	-53
Others*	52	**54**	+2
Total	919	**741**	-178

* "Others" includes profit from Sales Finance, Connected Services, Used Vehicle Sales, and Maintenance.

Revenue and Operating Profit by Geographic Area (Consolidated)

(100 Million Yen)

	Revenue			Operating profit		
	FYE 2025 1Q Results	FYE 2026 1Q Results	Variance	FYE 2025 1Q Results	FYE 2026 1Q Results	Variance
Japan	2,116	**2,586**	+470	749	**355**	-394
North America	8,533	**9,279**	+746	449	**187**	-261
Other	272	**276**	+4	4	**11**	+7
Elimination & Corporate	-	**-**	-	-291	**211**	+502
Total	10,921	**12,141**	+1,220	911	**764**	-147

1st Quarter (3 months):

Overseas Revenue (Consolidated)

(100 Million Yen)

	FYE 2025 1Q Results	FYE 2026 1Q Results	Variance
North America	8,663	9,610	+947
Europe	243	235	-8
Asia	100	82	-18
Other	412	663	+250
Total	9,418	10,590	+1,172

Consolidated Statement of Financial Position

(100 Million Yen)

	As of March 2025	As of June 2025	Variance
Total assets	50,882	**50,220**	-662
Current assets	31,912	**31,326**	-587
Non-current assets	18,970	**18,895**	-76
Total liabilities	23,725	**23,267**	-459
Interest bearing debts	3,995	**3,910**	-85
Total equity	27,157	**26,953**	-204
Retained earnings	21,065	**21,123**	+58
Equity attributable to owners of parent	27,145	**26,941**	-204
Ratio of equity attributable to owners of parent to total assets	53.3%	**53.6%**	+0.3%
D/E ratio	0.15	**0.15**	-0.00

1st Quarter (3 months) :

Non-consolidated Unit Sales

(Thousand Units)

	FYE 2025 1Q Results	FYE 2026 1Q Results	Variance
Domestic production*	143	**152**	+10
Domestic sales	25	**24**	-1
Passenger cars	22	**19**	-3
Minicars	3	**4**	+2
Export total	109	**128**	+19
Components for overseas production	77	**82**	+4
Total	211	**234**	+23

* Production figures include Toyota GR86.

1st Quarter (3 months) :

Operating Results of Subsidiaries in U.S.

(Million US$)

SOA *1	FYE 2025 1Q Results	FYE 2026 1Q Results	Variance
Net sales	4,984	**5,929**	+945
Operating income	97	**80**	-17
Net income	111	**100**	-11
Retail sales (Thousand units)	169	**154**	-15

SIA *2	FYE 2025 1Q Results	FYE 2026 1Q Results	Variance
Net sales	2,768	**2,733**	-35
Operating income	125	**50**	-75
Net income	107	**52**	-55
Production (Thousand units)	77	**94**	+18

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

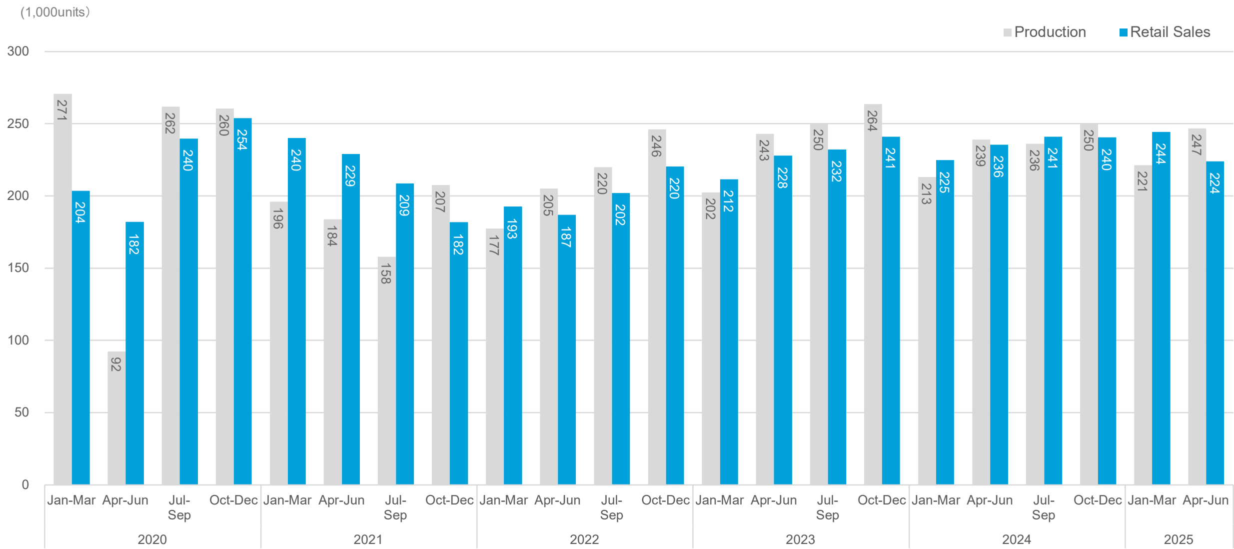
FYE 2025 and FYE 2026 Results(by Quarter)

(Yen in 100 millions, Units in thousands)

	FYE 2025 Results				FYE 2026 Results
	1Q	2Q	3Q	4Q	1Q
Consolidated Unit Sales	212	238	258	229	244
Production *	239	236	250	221	247
Revenue	10,921	11,740	12,702	11,494	12,141
Operating profit	911	1,309	1,472	362	764
Profit for the period attributable to owners of parent	840	790	1,544	207	785
SUBARU exchange rate US$	¥153	¥154	¥149	¥154	¥146

* Production figures include Toyota GR86.

Complete Cars Production / Retail Sales Units



* Production figures include Toyota GR86.

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

Forward-looking statements including projections and future strategies mentioned in this presentation are based on currently available information and assumptions and are subject to risks and uncertainties. Actual results may vary materially as a result of various factors including, without limitation, economic conditions, market demand and fluctuations in foreign exchange rates. Investors are asked not to rely solely on the information in this presentation when they make their final investment decisions.