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Notice Regarding Year-on-Year Changes in Consolidated Financial Results for the First Half of FYE 2019

Subaru Corporation hereby notifies year-on-year changes between the consolidated financial results for the first half of FYE 2019 (April 1 – September 30, 2018) announced today and the corresponding half of the previous year. Details are set out below.

1. Year-on-Year Changes in Consolidated Financial Results for the First Half of FYE 2019

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
1st Half of FYE 2018 (A)	1,608,013	212,125	212,726	85,005	110.87
1st Half of FYE 2019 (B)	1,486,810	55,040	60,010	44,312	57.79
Increase and decrease (B-A)	(121,203)	(157,085)	(152,716)	(40,693)	
Change of percentage (%)	(7.5)	(74.1)	(71.8)	(47.9)	

Note: The Company has changed its accounting policies with effect from the first quarter of FYE 2019. Accordingly, the new policies have been retroactively applied to FYE 2018 results before carrying out year-on-year comparison and analysis of net sales figures.

2. Reasons for the Changes

In the automotive business, despite strong sales of the fully-redesigned Forester launched in July 2018, unit sales in Japan declined by 17,000 units (21.1%) year-on-year to 65,000 vehicles, as sales of Impreza and Subaru XV models declined compared to their prior year sales which were driven by the launch of their fully-redesigned versions. Despite strong demand for the all-new Ascent launched in North America, overseas unit sales fell by 32,000 units (7.1%) year-on-year to 417,000 vehicles, as deliveries of the Forester decreased before the launch of its fully-redesigned version and deliveries to the U.S. and other markets were adjusted to optimize local inventory levels.

As a result consolidated net sales for the First Half of FYE 2019 declined by ¥121.2 billion (7.5%) year-on-year to ¥1,486.8 billion.

Operating income decreased by ¥157.1 billion (74.1%) year-on-year to ¥55.0 billion due to factors including quality-related expenses and lower vehicle sales volumes, and ordinary income fell by ¥152.7 billion (71.8%) year-on-year to ¥60.0 billion. Quarterly net income attributable to owners of parent also declined by ¥40.7 billion (47.9%) to ¥44.3 billion.