



FYE 2019 Business Results

SUBARU CORPORATION

Tomomi Nakamura
Representative Director, President and CEO
May 10, 2019

FYE 2019 Consolidated Financial Results

Yen in 100 Millions, Units in Thousands

		Results FYE 2018 (a)	Previous forecasts FYE 2019 (Feb 7, 2019) (b)	Results FYE 2019 (c)	Change (c)-(a)	Change (c)-(b)
Consolidated unit sales		1,066.9	996.4	999.9	-67.0	+3.5
Net sales ^{*1}		^{*2} 32,327	31,200	31,605	-722	+405
Operating income		3,794	1,850	1,955	-1,839	+105
Net income attributable to owners of parent		2,204	1,400	1,478	-725	+78
SUBARU exchange rates	US\$	¥111	¥110	¥111	-¥1	+¥0
	EURO	¥130	¥129	¥129	-¥0	+¥0
	CAN\$	¥87	¥84	¥85	-¥2	+¥0

*1: The Company has changed its accounting policies with effect from FYE2019. (Sales incentives are deducted from net sales in the new method.) For comparison purposes, results for the previous year (FYE2018) are presented based on the new policies.

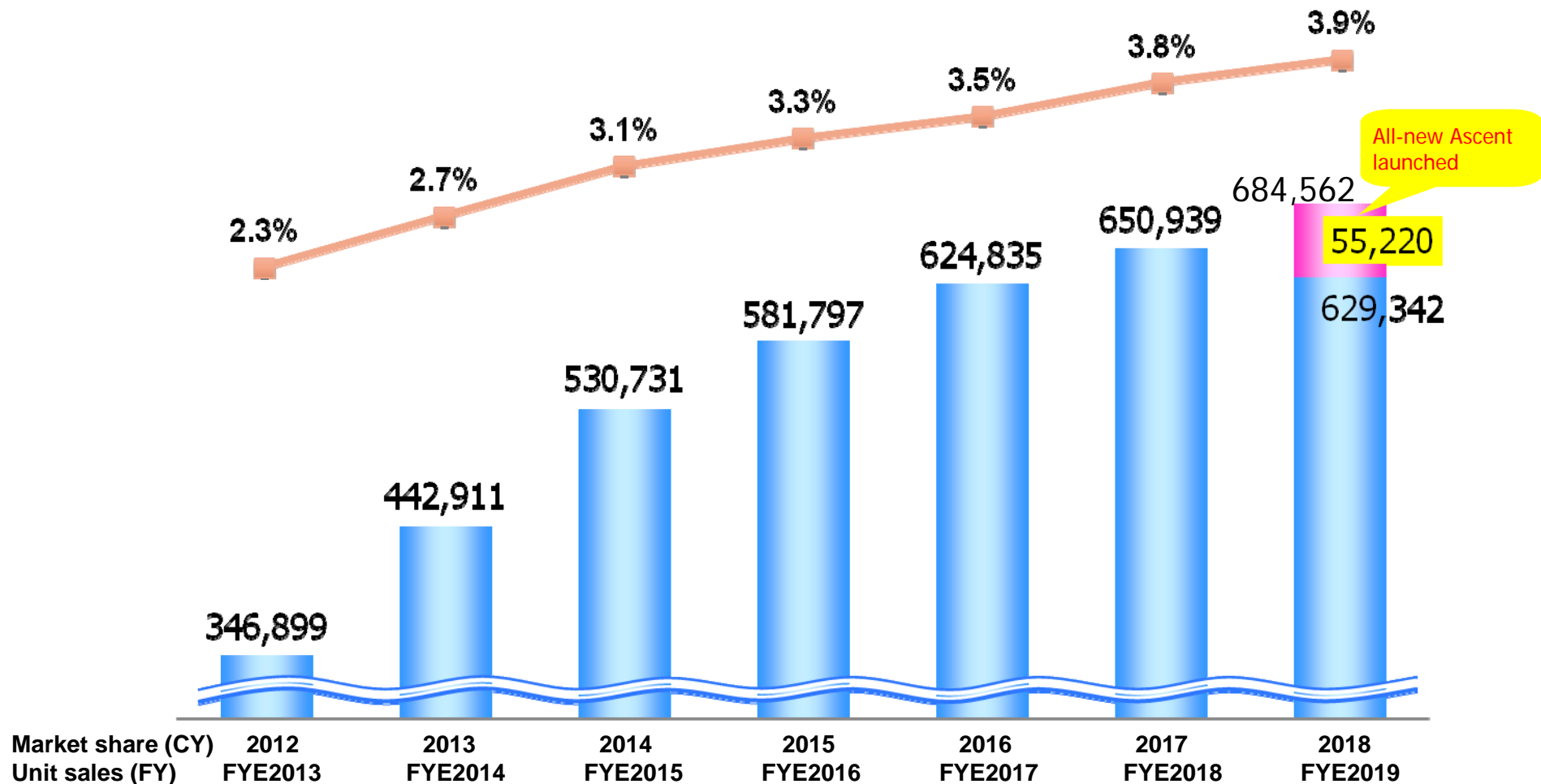
*2: Net sales for FYE2018 before deducting sales incentives are 34,052 (in 100 million yen).

FYE 2019 Review

Subaru's U.S. Retail Sales and Market Share Growth

- Sales: fiscal year basis / Market share: calendar year basis

- U.S. overall sales data source: Motor Intelligence report "U.S. Market New Vehicle Deliveries" (2012-2018)



FYE 2019 Review

Mid-Term Management Vision: **STEP** (Announced on July 10, 2018)

0	“Change the Culture” Corporate culture reforms	<ul style="list-style-type: none"> - Accelerate efforts to become “a company that does the right thing in the right way.” - Continuous efforts aimed at corporate culture reforms. 		
		“Mono-zukuri” (Car-making)	Sales and service	New mobility domain
1	Enhance corporate quality	Quality reforms	Enhance quality at customer contact points	Alliance enhancement
2	Build a strong brand	More enjoyment, more peace of mind	From “A car you can love” to “A car, a brand, and people you can love”	Generate new value through connected car technologies
3	Sustainable growth based on focus strategy	Launch “Make-a-Subaru” project	<ul style="list-style-type: none"> -Target 5% share in the U.S. -Steady growth in each region 	Initiatives to create new technologies and businesses

Corporate Culture Change

< Goal for the fiscal year ended March 2019 >

Culture changes happening throughout the organization, with a goal of developing a new corporate environment of more open and candid communication.

The senior management to take leadership in promoting change:

Concrete actions have been initiated by the senior management; starting from the top and moving progressively to lower levels, all employees throughout the organization will commit to changes.

- The senior management carrying out their action items on a daily basis.
- Senior management workshop held with participation of all executive officers. (March 2019)
 - Workplace reviews and issues shared.
 - Resolutions by each officer to take initiative to change.
- Labor and Management confirmed their respective commitment to further accelerating the efforts at the annual spring labor-management negotiations.



Corporate Culture Change – Efforts at Gunma Manufacturing Division



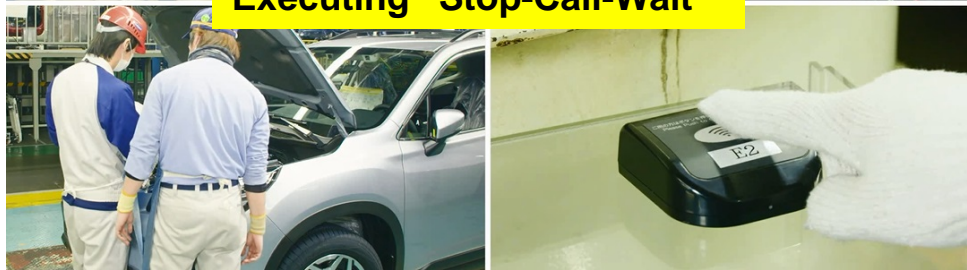
Senior management staying close to the “genba” (actual worksite)



- Optimizing the span of management (Increase the number of Group Chiefs, etc.)
- Securing communication time



Executing “Stop-Call-Wait”



Quality Enhancement

Efforts to prevent recurrence

- Re-education carried out for employees including inspectors. Inspectors conduct review of their work daily. (ongoing since October 2018)
- Reinforcement and improvement in inspection-related facilities and human resources.
- Organizational change (December 2018): Vehicle inspection function was moved from Manufacturing Division to Quality Assurance Division to ensure the independence of the operation of vehicle inspections.



| Quality Enhancement

Going forward, Subaru will advance tangible/intangible measures to produce results:

➤ **Subaru Quality Policy updated** (April 1, 2019)

➤ **Facilities/Equipment investment**

1. Production/Inspection lines
2. R&D facilities and equipment

➤ **Improve workplace environment** -- For increase in employee morale

➤ **Revise product development timelines** -- Based on quality-first principle

➤ **Increase personnel**

In areas including manufacturing, inspection, quality assurance, engineering, product development

Corporate Governance Reinforcement

Increase in Outside Corporate Auditors:

With the aim of enhancing the supervisory functions of the Board of Directors, an increase in Outside Corporate Directors from two to three will be proposed at the Company's 88th General Meeting of Shareholders scheduled for late June (GMS).

Establishment of the Chief Risk Management Officer (CRMO) position (Effective April 1, 2019):

To enhance the effectiveness of internal controls and risk management, the Company established the Chief Risk Management Officer position.

The departments related to internal controls and risk management functions form one unit reporting to the CRMO.

Diversity in corporate governance:

The Company will propose its first female Outside Corporate Auditor at the GMS.

FYE 2020 Prospects

The all-new Outback* debut at the New York Auto Show (April 17, 2019)

Scheduled to go on sale in fall of 2019 in the U.S. and Canada.
(Produced at Subaru of Indiana Automotive, Inc.)

* U.S. specification model

Together with the Ascent 3-row SUV, the all-new Outback – the fully-redesigned version of Subaru’s flagship crossover SUV – is expected to drive the brand’s strong sales in North America.



Subaru in U.S. market:

- Target 700,000 retail sales in CY2019
- April marked the 89th consecutive month of yearly, month-over-month sales growth.
- Led by SUV models, steady growth expected despite the overall industry slowdown.

Subaru in Japan market:

- Accelerate efforts to regain trust.
- April retail sales of passenger vehicles** increased for the first time in 18 months.

** Excl. mini vehicles

FYE 2020 Consolidated Financial Forecasts

Yen in 100 Millions, Units in Thousands

		Results		Forecasts		Reference	
		FYE 2019		FYE 2020		FYE 2020	
		(a)		(b)		Change	
		JGAPP	IFRS	JGAPP	(b)-(a)		
Consolidated unit sales		999.9	1058.3	1055.3	+55.4		
Revenue^{*1}		31,605	33,100	33,020	+1,415		
Operating profit^{*2}		1,955	2,600	2,500	+545		
Profit for the period attributable to owners of parent^{*3}		1,478	2,100	2,000	+522		
SUBARU exchange rates	US\$	¥111	¥110	¥110	-¥1		
	EURO	¥129	¥120	¥120	-¥9		
	CAN\$	¥85	¥80	¥80	-¥5		

*1: "Net sales" in JGAAP is stated as "revenue" in IFRS.

*2: "Operating income" in JGAAP is stated as "operating profit" in IFRS.

*3: "Net income attributable to owners of parent" in JGAAP is stated as "profit for the period attributable to owners of parent" in IFRS.

Shareholder Returns

< Dividend per share >

	FYE 2018 Result	FYE 2019 Plan	FYE 2020 Forecast
Interim dividend	72 yen	72 yen	72 yen
Year-end dividend	72 yen	72 yen	72 yen
Total	144 yen	144 yen	144 yen
Payout ratio	50.1%	74.7%	52.6%



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.



Consolidated Financial Results for FYE 2019

SUBARU CORPORATION

Toshiaki Okada
Corporate Executive Vice President & CFO
May 10th, 2019

Consolidated Financial Results for FYE 2019

FYE 2019 :

Consolidated Unit Sales (by market)

(Thousand Units)

	Results FYE 2018	Results FYE 2019	Variance
Passenger cars	132.6	109.7	-22.9
Minicars	30.9	25.6	-5.3
Domestic total	163.4	135.3	-28.1
US	670.9	659.7	-11.2
Canada	56.8	56.8	+0.0
Russia	7.7	8.1	+0.4
Europe	40.2	32.1	-8.1
Australia	55.7	41.7	-13.9
China	26.9	22.8	-4.1
Others	45.2	43.3	-1.9
Overseas total	903.5	864.6	-38.9
Total	1,066.9	999.9	-67.0

FYE 2019 :

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	Results FYE 2018	Results FYE 2019	Variance
Consolidated Unit Sales Total	1,066.9	999.9	-67.0

(Thousand Units)

	Results FYE 2018	Results FYE 2019	Variance
Production in U.S.	348.6	372.2	+23.6
Production in Japan	701.2	617.0	-84.2
Total	1,049.7	989.1	-60.6

* Production figures include Toyota 86.

FYE 2019 :

Consolidated Income Statements

(100 Million Yen)

		Results FYE 2018 (a)	Previous Plan FYE 2019 (as of Feb. 7 th) (b)	Results FYE 2019 (c)	Variance (c)-(a)	Variance (c)-(b)
Net sales		(34,052) 32,327	31,200	31,605	-722	+405
Domestic		(6,686) 6,680	5,698	5,966	-714	+268
Overseas		(27,367) 25,647	25,502	25,639	-8	+137
Operating income		3,794	1,850	1,955	-1,839	+105
Ordinary income		3,799	1,930	1,962	-1,837	+32
Income before income taxes		2,973	1,920	1,958	-1,015	+38
Net income attributable to owners of parent		2,204	1,400	1,478	-725	+78
SUBARU exchange rate	US\$	¥111	¥110	¥111	-¥1	+¥0
	EURO	¥130	¥129	¥129	-¥0	+¥0
	CAN\$	¥87	¥84	¥85	-¥2	+¥0

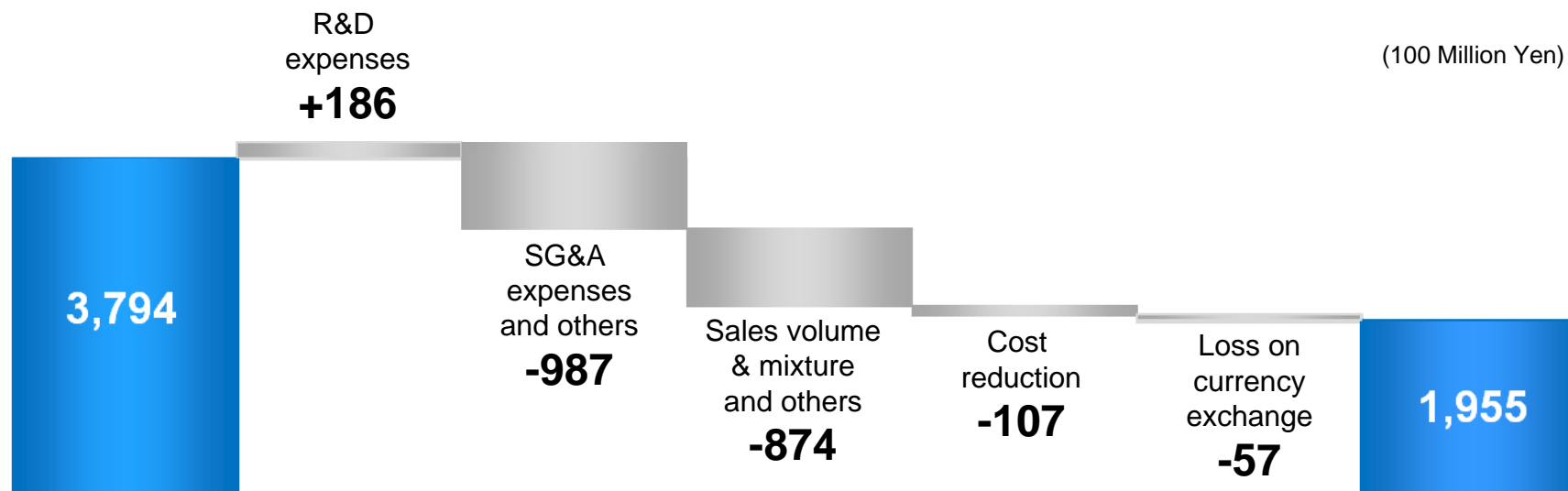
* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales). The comparative year has been also recalculated under the same conditions.

* Figure in () : Net sales before deducting sales incentives

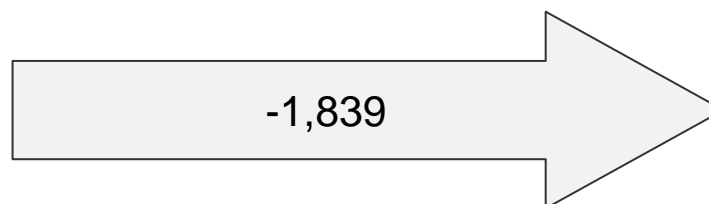
<https://www.subaru.co.jp/en/ir/>

FYE 2019 :

Analysis of Variance in Operating Income (Consolidated)



**Results
Operating Income
FYE 2018**



**Results
Operating Income
FYE 2019**

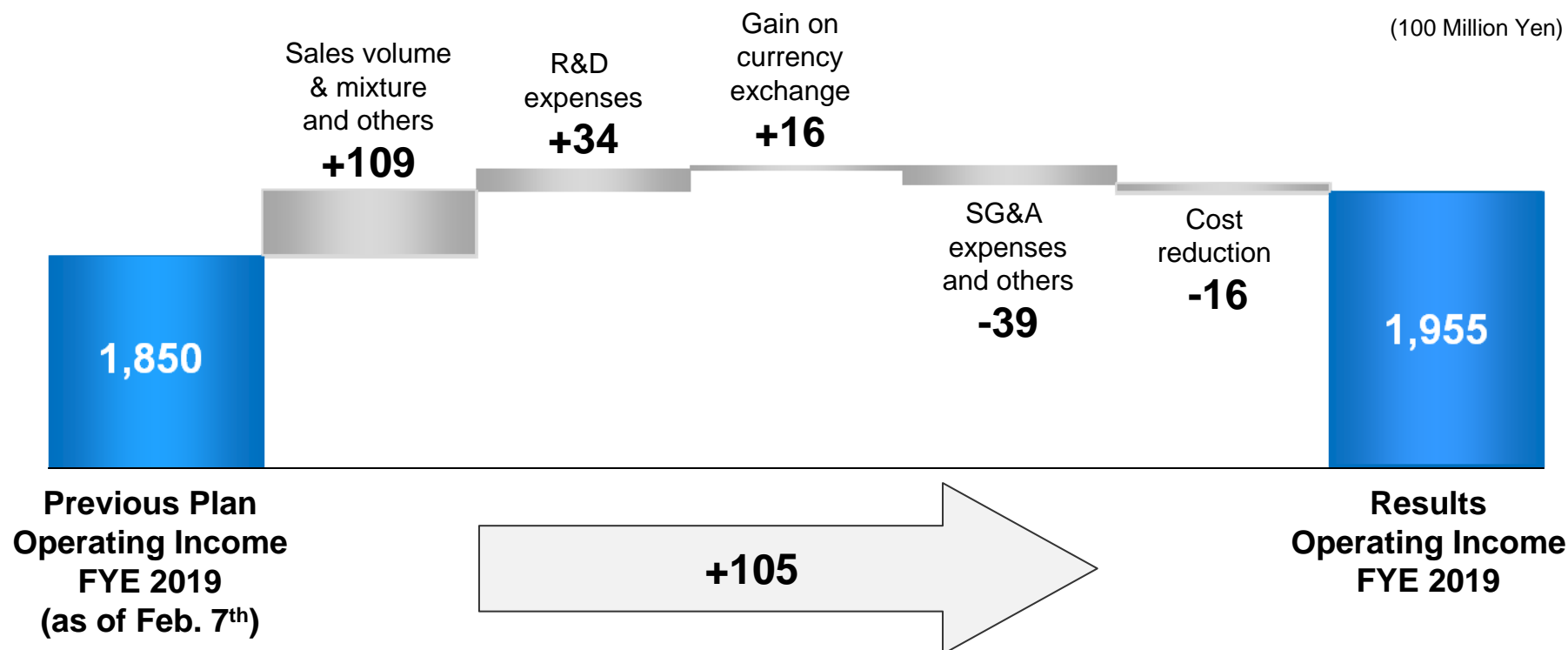
SG&A expenses and others -987				Sales volume & mixture and others -874		Cost reduction -107				Currency exchange -57	
Fixed manufacturing cost -144		SG&A -114	Warranty claims -729	Domestic -281	Overseas -527	SUBARU -14		SIA -93		US\$ -77	
SUBARU -89	SIA -55	SUBARU -42				Cost reduction 95	Cost reduction 36			EURO 0	
Suppliers' dies cost -85	Suppliers' dies cost -32	Domestic dealers 6		Sales Incentive -83		Material cost and others -109	Material cost and others -129			CAN\$ -13	
Fixed processing costs -4	Fixed processing costs -23	SOA (*1) -92		Others 17						CNY 0	
		SCI (*2) -4								Currency exchange adjustment 81	
		Others 18								Unrealized gain -48	

*1 SOA: Subaru of America Inc.

*2 SCI : Subaru Canada Inc.

Previous Plan FYE 2019 (as of February 7th) vs. Actual Results :

Analysis of Variance in Operating Income (Consolidated)



Sales volume & mixture and others		Currency exchange		SG&A expenses and others				Cost reduction					
109		16		43		109		-3		-16			
Domestic	25	US\$	34	Fixed manufacturing cost		SG&A	109	Warranty claims	-191	SUBARU	-3	SIA	-13
Overseas	-40	EURO	-3	SUBARU	20	SIA	23	SUBARU	31	Cost reduction	-8	Cost reduction	15
Sales Incentive	44	CAN\$	3	Suppliers' dies cost	-1	Suppliers' dies cost	2	Domestic dealers	8	Material cost and others	5	Material cost and others	-28
Others	80	CNY	0	Fixed processing costs	21	Fixed processing costs	21	SOA (*1)	-1				
		Currency exchange adjustment	-11					SCI (*2)	13				
		Unrealized gain	-7					Others	58				

*1 SOA: Subaru of America Inc.
*2 SCI : Subaru Canada Inc.

FYE 2019 :

Operating Results of Subsidiaries in U.S.

(Million US\$)

SOA	Results FYE 2018	Results FYE 2019	Variance
Net sales	18,402	19,114	+712
Operating income	356	349	-7
Net income	235	297	+62
Retail sales (Thousand units)	651.9	684.3	+32.4

SIA	Results FYE 2018	Results FYE 2019	Variance
Net sales	7,673	8,887	+1,214
Operating income	176	169	-7
Net income	134	134	0
Production (Thousand units)	348.6	372.2	+23.6

Capex / Depreciation / R&D / Interest Bearing Debt

(100 Million Yen)

	Results FYE 2018 (a)	Previous Plan FYE 2019 (as of Feb. 7 th) (b)	Results FYE 2019 (c)	Variance (c)-(a)	Variance (c)-(b)
Capex	1,414	1,300	1,135	-279	-165
Depreciation	898	930	888	-10	-42
R&D	1,211	1,060	1,027	-184	-33
Interest bearing debt	862	1,000	1,004	+142	+4

* Changed accounting policies from FYE 2019.

The Company and its major domestic consolidated subsidiaries changed depreciation method of certain tangible fixed assets from the declining-balance method to the straight-line method.

Forecasts for FYE 2020 (IFRS)

SUBARU Corporation will voluntarily adopt the International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 2020. Therefore, the consolidated forecast for the fiscal year ending March 2020 is prepared based on IFRS.

Please refer to Appendix (2) for changes in the consolidated financial statements as a result of voluntary adoption of IFRS .

Key differences of JGAAP and IFRS

Item	Japanese generally accepted accounting principles (JGAAP)	International Financial Reporting Standards (IFRS)
R&D expenses	Recorded as expenses when it incurred.	In case that it is satisfied with criterion of assets, it will be amortized.
	Included in Net cash provided by (used in) operating activities.	R&D expenses which is recoded as assets are included in Net cash provided by (used in) investing activities.
Revenue recognition timing (Only in Japan)	On vehicle registration basis.	On delivery-to-customer basis.
Lease	Financing lease is recorded as assets.	Operating lease is also recorded as assets.
	Operating lease is included in Net cash provided by (used in) operating activities.	Repayments of lease liabilities are included in Net cash provided by (used in) financing activities.

FYE2020 Plan:

Consolidated Unit Sales (by market)

(Thousand Units)

	Results		Reference	
	Results	Plan	Plan	Variance
	FYE 2019 (a)	FYE 2020	FYE 2020 (b)	
	JGAAP	IFRS	JGAAP	(b)-(a)
Passenger cars (*)	109.7	112.3	110.0	+0.3
Minicars (*)	25.6	28.2	27.6	+2.0
Domestic total(*)	135.3	140.5	137.5	+2.2
US	659.7	693.2	693.2	+33.5
Canada	56.8	60.0	60.0	+3.2
Russia	8.1	8.6	8.6	+0.4
Europe	32.1	37.7	37.7	+5.6
Australia	41.7	45.9	45.9	+4.2
China	22.8	25.2	25.2	+2.4
Others	43.3	47.2	47.2	+3.9
Overseas total	864.6	917.8	917.8	+53.2
Total	999.9	1,058.3	1,055.3	+55.4

* JGAAP : on vehicle registration basis, IFRS : on delivery-to-customer basis

FYE 2020 Plan :

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	Results FYE 2019 (JGAAP)	Plan FYE 2020 (IFRS)
Consolidated Unit Sales Total	999.9	1,058.3

(Thousand Units)

	Results FYE 2019	Plan FYE 2020	Variance
Production in U.S.	372.2	388.7	+16.6
Production in Japan	617.0	667.5	+50.5
Total	989.1	1,056.2	+67.1

* Production figures include Toyota 86.

FYE 2020 Plan :

Consolidated Profit Plan

		Results		Reference	
		FYE 2019 (a)		FYE 2020 (b)	
		JGAAP	IFRS	JGAAP	Variance (b)-(a)
Revenue (*1)		31,605	33,100	33,020	+1,415
Domestic		5,966	5,841	5,760	-206
Overseas		25,639	27,260	27,260	+1,620
Operating profit (*2)		1,955	2,600	2,500	+545
Profit before tax (*3)		1,958	2,700	2,520	+562
Profit for the period attributable to owners of parent (*4)		1,478	2,100	2,000	+522
SUBARU exchange rate	US\$	¥111	¥110	¥110	-¥1
	EURO	¥129	¥120	¥120	-¥9
	CAN\$	¥85	¥80	¥80	-¥5

*1 : "Net sales" on JGAAP is shown as "Revenue".

*2 : "Operating income" on JGAAP is shown as "Operating profit".

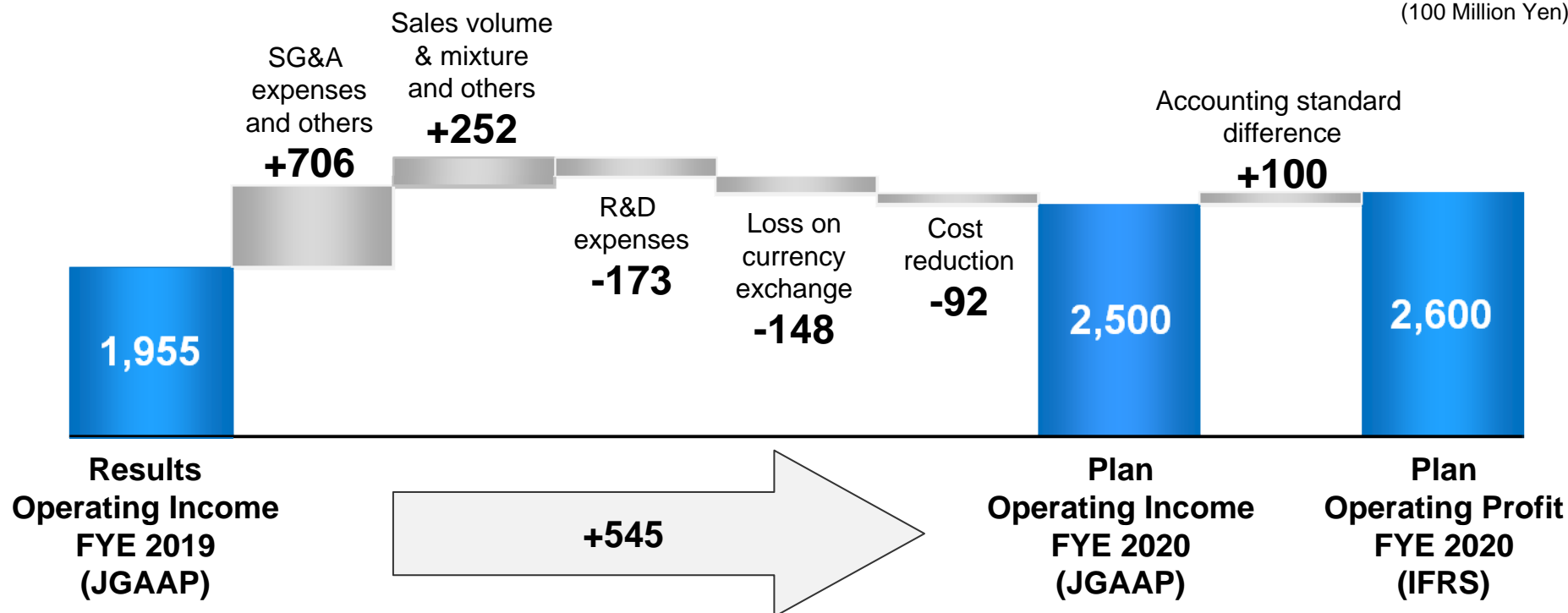
*3 : "Income before income tax" on JGAAP is shown as "Profit before tax".

*4 : "Net income attributable to owners of parent" on JGAAP is shown as "Profit for the period attributable to owners of parent".

Plan FYE 2020 :

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



SG&A expenses and others 706				Sales volume & mixture and others 252		Currency exchange -148		Cost reduction -92			
Fixed manufacturing cost -77		SG&A -170		Warranty claims 953				SUBARU 29		SIA -121	
SUBARU -28	SIA -49	SUBARU -37			Domestic -43	US\$ -64	Cost reduction 120		Cost reduction 22		
Suppliers' dies cost 0	Suppliers' dies cost -26	Domestic dealers -4			Overseas 367	EURO -31	Material cost and others -91		Material cost and others -143		
Fixed processing costs -28	Fixed processing costs -23	SOA (*1) -54			Sales Incentive -65	CAN\$ -38					
		SCI (*2) -45			Others -7	CNY 0					
		Others -30					Currency exchange adjustment -25				
						Unrealized gain 10					

*1 SOA: Subaru of America Inc.
*2 SCI : Subaru Canada Inc.

Capex / Depreciation / R&D / Interest Bearing Debt

(100 Million Yen)

	Results FYE 2019	Plan FYE 2020	Variance
Capex ^(*1)	1,135	1,400	+265
Depreciation ^(*1)	888	1,000	+112
R&D expenditures ^(*2)	1,027	1,200	+173
Interest bearing debt ^(*1)	1,004	1,450	+446

*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)

| Appendix (1)

- Consolidated Balance Sheets
- Consolidated Statements of Cash Flows
- Non-operating Income & Expenses and Extraordinary Income & Losses
- Segment information by Business & Geographic
- Overseas Net Sales
- Non-consolidated Unit Sales
- 4th Quarter (3 months) Consolidated Unit Sales and Income Statements
- Complete Cars Production / Retail Sales Units

Consolidated Balance Sheets

(100 Million Yen)

	As of March 2018	As of March 2019	Variance
Total assets	28,665	29,827	+1,163
Current assets	17,704	18,262	+558
Noncurrent assets	10,960	11,565	+605
Total liabilities	13,055	13,699	+644
Interest bearing debts	862	1,004	+142
Net assets	15,610	16,128	+518
Retained earnings	12,835	13,202	+366
Shareholders' equity	15,528	16,053	+524
Ratio of shareholders' equity to total assets	54.2%	53.8%	-
D/E ratio	0.06	0.06	-

* Due to partial amendments to Accounting Standard for Tax Effect Accounting, calculation method has been changed from FYE 2019.
The comparative year has been also recalculated under the same conditions.

FYE 2019 :

Consolidated Statements of Cash Flows

(100 Million Yen)

	Results FYE 2018	Results FYE 2019	Variance
Net cash provided by (used in) operating activities	3,663	1,740	-1,923
Net cash provided by (used in) investing activities	-1,507	-1,583	-76
Free cash flows	2,156	157	-1,999
Net cash provided by (used in) financing activities	-1,709	-966	+743
Effect of exchange rate change on cash and cash equivalents	-108	177	+285
Net increase (decrease) in cash and cash equivalents	338	-633	-971
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-5	-	+5
Increase (decrease) in cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	37	-	-37
Cash and cash equivalents at end of period	7,656	7,023	-633

FYE 2019 :

Non-operating Income & Expenses and Extraordinary Income & Losses (Consolidated)

(100 Million Yen)

	Results FYE 2018	Results FYE 2019	Variance
Financial revenue and expenditure	68	129	+61
FOREX effects	-51	-72	-21
Others	-12	-50	-38
Total non-operating income & expenses	5	7	+2
Gain on sales of noncurrent assets	6	13	+7
Gain on sales of investment securities	46	37	-10
Loss on sales and retirement of noncurrent assets	-54	-56	-2
Loss related to airbags	-813	-	+813
Others	-11	3	+14
Total extraordinary income & losses	-826	-4	+822

FYE 2019 :

Net Sales and Operating Income by Business Segment (Consolidated)

(100 Million Yen)

	Net Sales				Operating Income		
		Results FYE 2018	Results FYE 2019	Variance	Results FYE 2018	Results FYE 2019	Variance
Automobile	(32,349)	30,623	30,145	-479	3,615	1,849	-1,765
Aerospace	(1,422)	1,422	1,317	-105	123	60	-62
Others	(282)	282	144	-138	51	38	-12
Elimination & Corporate					7	7	+0
Total	(34,052)	32,327	31,605	-722	3,794	1,955	-1,839

* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales). The comparative year has been also recalculated under the same conditions.

* Figure in (): Net sales before deducting sales incentives

FYE 2019 :

Net Sales and Operating Income by Geographic Area (Consolidated)

(100 Million Yen)

	Net Sales				Operating Income		
		Results FYE 2018	Results FYE 2019	Variance	Results FYE 2018	Results FYE 2019	Variance
Japan	(10,118)	10,110	8,990	-1,121	2,950	1,147	-1,803
North America	(21,928)	20,276	21,037	+762	694	669	-25
Others	(2,006)	1,941	1,578	-363	72	34	-37
Elimination & Corporate					79	105	+26
Total	(34,052)	32,327	31,605	-722	3,794	1,955	-1,839

* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales). The comparative year has been also recalculated under the same conditions.

* Figure in () : Net sales before deducting sales incentives

FYE 2019 :

Overseas Net Sales (Consolidated)

(100 Million Yen)

	Results FYE 2018		Results FYE 2019	Variance
North America	(23,058)	21,406	22,017	+611
Europe	(1,191)	1,181	1,005	-176
Asia	(1,406)	1,351	1,164	-187
Others	(1,712)	1,709	1,453	-256
Total	(27,367)	25,647	25,639	-8

* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales). The comparative year has been also recalculated under the same conditions.

* Figure in (): Net sales before deducting sales incentives

FYE 2019 :

Non-consolidated Unit Sales

(Thousand Units)

	Results FYE 2018	Results FYE 2019	Variance
Domestic production	701.2	617.0	-84.2
Domestic sales	168.9	140.7	-28.2
Passenger cars	137.2	114.4	-22.8
Minicars	31.7	26.3	-5.4
Number of exported vehicles	556.5	491.5	-65.0
Components for overseas production	348.1	403.0	+54.8
Total	1,073.5	1,035.2	-38.3

* Production figures include Toyota 86.

4th Quarter (3 months) :

Consolidated Unit Sales

(Thousand Units)

	Results 4 th Quarter (3 months) FYE 2018	Results 4 th Quarter (3 months) FYE 2019	Variance
Passenger cars	34.9	29.8	-5.1
Minicars	9.7	7.0	-2.7
Domestic total	44.6	36.8	-7.8
US	161.9	163.8	+1.9
Canada	12.3	9.6	-2.8
Russia	2.1	1.6	-0.5
Europe	11.7	6.2	-5.5
Australia	13.6	6.0	-7.6
China	5.4	6.1	+0.8
Others	13.4	7.6	-5.8
Overseas total	220.4	201.0	-19.5
Total	265.0	237.8	-27.3

4th Quarter (3 months) :

Consolidated Income Statements

(100 Million Yen)

		Results 4 th Quarter (3 months) FYE 2018		Results 4 th Quarter (3 months) FYE 2019	Variance
Net sales		(8,406)	7,949	7,831	-118
Domestic		(1,840)	1,838	1,608	-230
Overseas		(6,565)	6,111	6,223	+111
Operating income			731	419	-313
Ordinary income			768	392	-376
Income before income taxes			797	378	-419
Net income attributable to owners of parent			675	296	-379
SUBARU exchange rate	US\$		¥110	¥110	+¥0
	EURO		¥134	¥126	-¥8
	CAN\$		¥88	¥83	-¥4

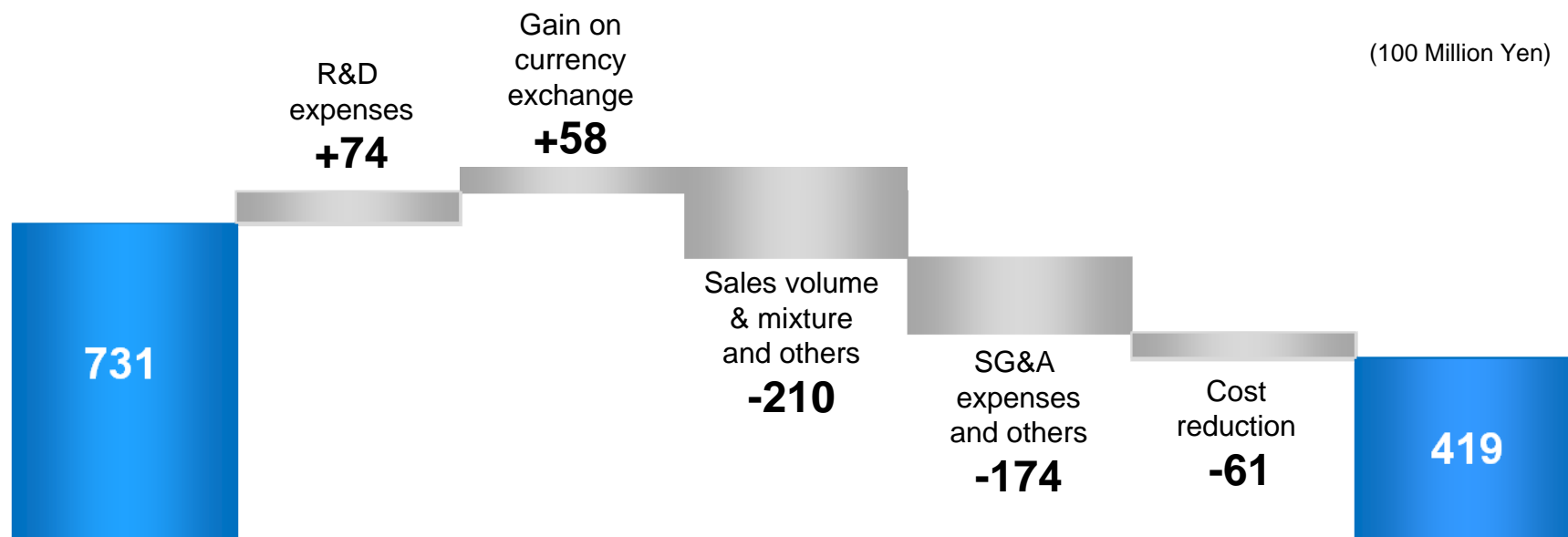
* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales). The comparative year has been also recalculated under the same conditions.

* Figure in () : Net sales before deducting sales incentives

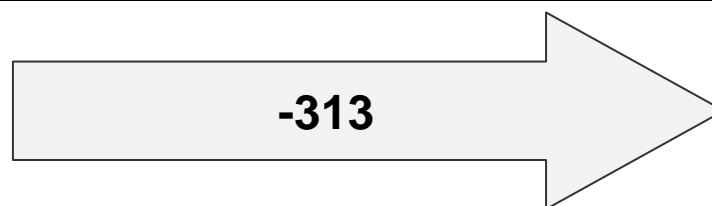
4th Quarter (3 months) :

Analysis of Variance in Operating Income(Consolidated)

(100 Million Yen)



**Results
Operating Income
4Q (3 months)
FYE 2018**



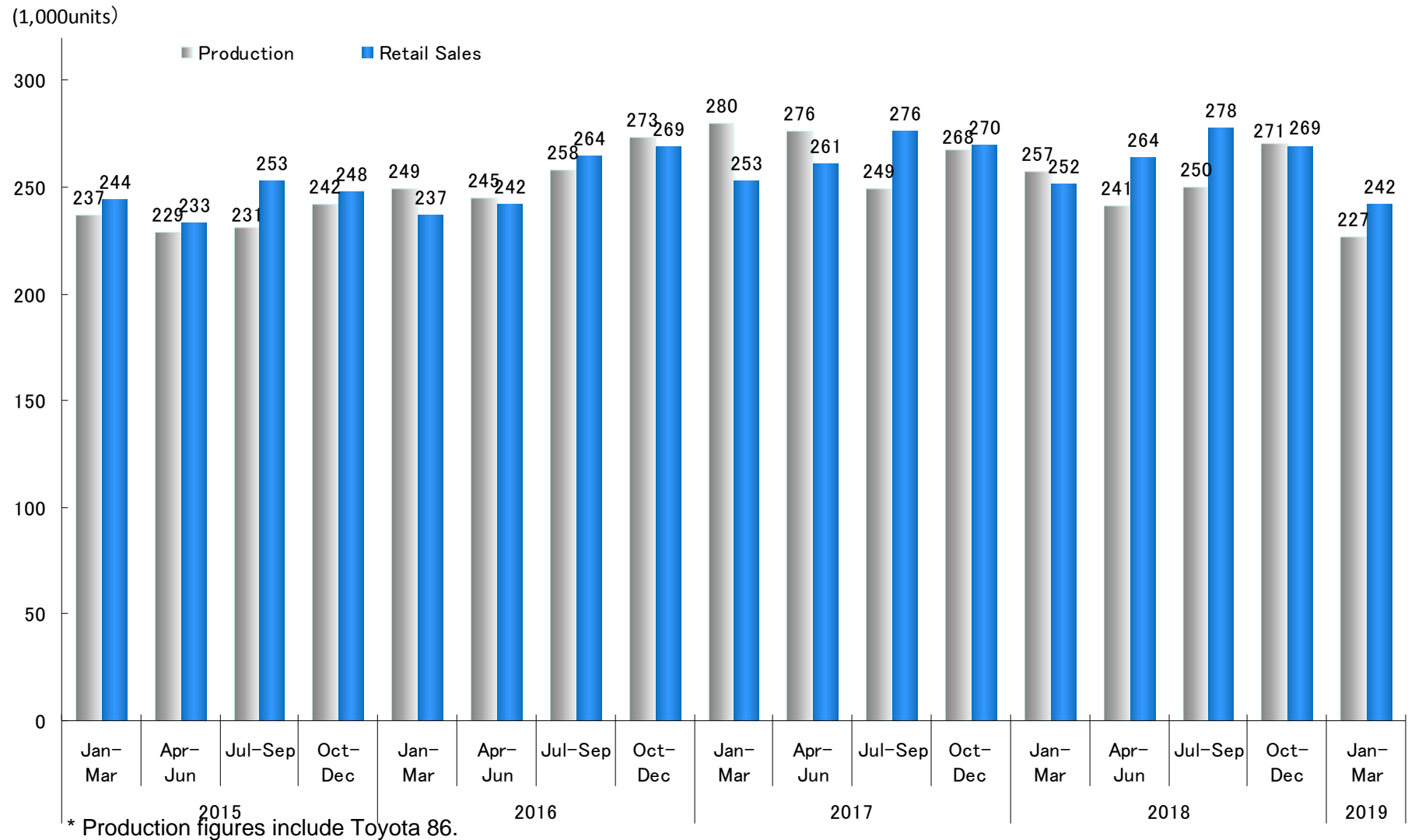
**Results
Operating Income
4Q (3 months)
FYE 2019**

Currency exchange		Sales volume & mixture and others		SG&A expenses and others			Cost reduction							
	58		-210					-61						
US\$	5	Domestic	-76	Fixed manufacturing cost		-15	SG&A	-23	Warranty claims	-136	SUBARU	-6	SIA	-55
EURO	-5	Overseas	-218	SUBARU	-2	SIA	-13	SUBARU	-2	Cost reduction	36	Cost reduction	9	
CAN\$	-6	Sales Incentive	33	Suppliers' dies cost	-24	Suppliers' dies cost	-5	Domestic dealers	6	Material cost and others	-42	Material cost and others	-64	
CNY	0	Others	51	Fixed processing costs	22	Fixed processing costs	-8	SOA (*1)	-27					
Currency exchange adjustment	49							SCI (*2)	-3					
Unrealized gain	15							Others	3					

*1 SOA: Subaru of America Inc.

*2 SCI : Subaru Canada Inc.

Complete Cars Production / Retail Sales Units



| Appendix (2)

Changes in Consolidated Financial Statements Due to Voluntary Adoption of International Financial Reporting Standards (IFRS)

Information included in this material is currently under consideration. Therefore, please be advised that our actual consolidated financial statements based on IFRS that will be announced at a later date could differ from those described in this material.

Consolidated Statements of Income

JGAAP	IFRS
Net sales	Revenue
Cost of sales	Cost of sales
Gross profit	Gross profit
Selling, general and administrative expenses	Selling, general and administrative expenses
Operating income	Research and development expenses
Non-operating income	Other income
Equity in earnings of affiliates	Other expenses
Depreciation	Share of profit (loss) of investments accounted for using equity method
Other	Operating profit
Interest income	Finance income
Dividends income	Finance costs
Interest expenses	Profit before tax
Foreign exchange gains or losses	Income tax expense
Gain or loss on valuation of derivatives	Profit for the period
Ordinary income	Profit for the period attributable to
Extraordinary income or loss	Owners of parent
Gain on sales of noncurrent assets	Non-controlling interests
Loss on sales and retirement of noncurrent assets	
Other	
Gain or loss on sales of investment securities	
Income before income taxes	
Income taxes-current	
Income taxes-deferred	
Net income	
Net income (loss) attributable to non-controlling interests	
Net income attributable to owners of parent	

- 1) "Selling, general and administrative expenses" on "Japanese Generally Accepted Accounting Principles" (hereafter "JGAAP") will be presented as "Selling, general and administrative expenses" and "Research and development expenses".
- 2) "Operating profit" on IFRS will be presented, but components are different compared with JGAAP, a part of "Non-operating income and expense" and "Extraordinary income or loss" will be included.
- 3) "Interest income", "Dividends income", "Interest expenses", "Foreign exchange gains or losses" and "Gain or loss on valuation of derivatives" of JGAAP will be presented as "Finance income" and "Finance costs".
- 4) There is no concept of "Ordinary income" on IFRS. We calculate "Profit before tax" by adding and subtracting "Finance income" and "Finance costs" from "Operating profit" of IFRS.
- 5) "Gain and loss on sales of investment securities" on JGAAP will be recorded in the statement of comprehensive income.

Consolidated statement of financial position (Assets)

JGAAP

Consolidated Balance Sheet (Assets)

Assets
Current assets
Cash and deposits
Notes and accounts receivable-trade
Lease investment assets
Short-term investment securities
Merchandise and finished goods
Work in process
Raw materials and supplies
Short-term loans receivable
Other
Allowance for doubtful accounts
Total current assets
Noncurrent assets
Property, plant and equipment
Buildings and structures, net
Machinery, equipment and vehicles, net
Land
Vehicles and equipment on operating leases, net
Construction in progress
Other, net
Total property, plant and equipment
Intangible assets
Other
Total intangible assets
Investments and other assets
Investment securities
Net defined benefit asset
Deferred tax assets
Other
Allowance for doubtful accounts
Total investments and other assets
Total noncurrent assets
Total assets

IFRS

Consolidated statement of financial position (Assets)

Assets
Current assets
Cash and cash equivalents
Trade and other receivables
Inventories
Income taxes receivable
Other financial assets
Other current assets
Subtotal
Assets held for sale
Total current assets
Non-current assets
Property, plant and equipment
Intangible assets and goodwill
Investment property
Investments accounted for using equity method
Other financial assets
Other non-current assets
Deferred tax assets
Total non-current assets
Total assets

1) Of "Cash and deposits" and "Short-term investment securities" on JGAAP, Cash and securities that mature within three months will be displayed as "Cash and cash equivalents."

2) "Notes and accounts receivable-trade", "Lease investment assets", "Short-term loans receivable" on JGAAP will be presented as "Trade and other receivables".

3) "Merchandise and finished goods", "Work in process" and "Raw materials and supplies" on JGAAP will be presented as "Inventories".

4) Operating lease transactions that were recorded as expense on JGAAP will be capitalized as "lease assets" and are included in "Property, plant and equipment".

5) In addition to "Intangible assets" on JGAAP, Research and development expenses that are recognized as assets on IFRS will be capitalized and presented as "Intangible assets and goodwill".

6) Of the "Property, plant and equipment" on JGAAP, the assets provided for leasing will be presented as "Investment property".

Consolidated statement of financial position (Liabilities and Equity)

JGAAP	IFRS
Consolidated Balance Sheet (Liabilities and Equity)	Consolidated statement of financial position (Liabilities and Equity)
Liabilities	Liabilities and equity
Current liabilities	Liabilities
Notes and accounts payable-trade	Current liabilities
Electronically recorded obligations-operating	Borrowings
Short-term loans payable	Trade and other payables
Current portion of long-term loans payable	Other financial liabilities
Income taxes payable	Income taxes payable
Accrued expenses	Provisions
Provision for bonuses	Other current liabilities
Provision for product warranties	Total current liabilities
Provision for loss on construction contracts	Non-current liabilities
Provision for loss on business liquidation	Borrowings
Other	Other financial liabilities
Total current liabilities	Employee benefits
Noncurrent liabilities	Provisions
Long-term loans payable	Other non-current liabilities
Deferred tax liabilities	Deferred tax liabilities
Provision for product warranties	Total non-current liabilities
Provision for directors' retirement benefits	Total Liabilities
Net defined benefit liability	Equity
Long-term unearned revenue	Equity attributable to owners of parent
Other	Capital stock
Total noncurrent liabilities	Capital surplus
Total liabilities	Treasury shares
Net Assets	Retained earnings
Shareholders' equity	Other components of equity
Capital stock	Total equity attributable to owners of parent
Capital surplus	Non-controlling interests
Retained earnings	Total equity
Treasury stock	Total liabilities and equity
Total shareholders' equity	
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	
Foreign currency translation adjustment	
Remeasurements of defined benefit plans	
Remeasurements of other postretirement benefits of foreign consolidated subsidiaries	
Total accumulated other comprehensive income	
Non-controlling interests	
Total net assets	
Total liabilities and net assets	

- 1) "Notes and accounts payable-trade", "Electronically recorded obligations-operating" etc. on JGAAP will be presented as "Trade and other payables".
- 2) "Provision for bonuses", "Provision for product warranties", "Provision for loss on construction contracts", "Provision for loss on business liquidation" and will be presented as "Provisions".
- 3) "Provision for directors' retirement benefits" and "Net defined benefit liability" etc. will be presented as "Employee benefits".
- 4) "Provision for product warranties" etc. on JGAAP will be presented as "Provisions".
- 5) "Remeasurements of defined benefit plans" and "Remeasurements of other postretirement benefits of foreign consolidated subsidiaries" on JGAAP will be included in "Retained earnings".
- 6) "Valuation difference on available-for-sale securities" and "Foreign currency translation adjustment" on JGAAP will be presented as "Other components of equity".

Consolidated Statements of Cash Flows

JGAAP
Net cash provided by (used in) operating activities
Income (loss) before income taxes
Depreciation and amortization
Increase (decrease) in allowance for doubtful accounts
Increase (decrease) in provision for product warranties
Interest and dividends income
Interest expenses
Loss (gain) on sales and retirement of noncurrent assets
Loss (gain) on sales and valuation of investment securities
Decrease (increase) in operating loans receivable
Decrease (increase) in notes and accounts receivable-trade
Decrease (increase) in inventories
Increase (decrease) in notes and accounts payable-trade
Increase (decrease) in accrued expenses
Other, net
Subtotal
Interest and dividends income received
Interest expenses paid
Income taxes paid
Net cash provided by (used in) operating activities
Net cash provided by (used in) investing activities
Net decrease (increase) in time deposits
Purchase of short-term investment securities
Proceeds from sales of short-term investment securities
Purchase of non-current assets
Proceeds from sales of non-current assets
Purchase of investment securities
Proceeds from sales of investment securities
Payments of loans receivable
Collection of loans receivable
Other, net
Net cash provided by (used in) investing activities
Net cash provided by (used in) financing activities
Net increase (decrease) in short-term loans payable
Proceeds from long-term loans payable
Repayments of long-term loans payable
Purchase of treasury shares
Cash dividends paid
Other, net
Net cash provided by (used in) financing activities
Effect of exchange rate change on cash and cash equivalents
Net increase (decrease) in cash and cash equivalents
Cash and cash equivalents at beginning of period
Decrease in cash and cash equivalents resulting from change of scope of consolidation
Cash and cash equivalents at end of period

IFRS
Net cash provided by (used in) operating activities
Profit before tax
Depreciation and amortization
Finance income
Finance costs
Share of loss (profit) of investments accounted for using equity method
Decrease (increase) in trade and other receivables
Decrease (increase) in inventories
Increase (decrease) in trade and other payables
Increase (decrease) in provisions and employee benefits
Other
Subtotal
Interest received
Dividends received
Interest paid
Income taxes paid
Net cash provided by (used in) operating activities
Net cash provided by (used in) investing activities
Purchase of property, plant and equipment
Proceeds from sale of property, plant and equipment
Purchases of intangible assets and expenditure on internally generated intangible assets
Purchase of other financial assets
Proceeds from sale and collection of other financial assets
Other
Net cash provided by (used in) investing activities
Net cash provided by (used in) financing activities
Net increase (decrease) in short-term borrowings
Proceeds from long-term borrowings
Repayments of long-term borrowings
Proceeds from sale of treasury shares
Purchase of treasury shares
Dividends paid to owners of parent
Repayments of lease liabilities
Other
Net cash provided by (used in) financing activities
Effect of exchange rate changes on cash and cash equivalents
Net increase (decrease) in cash and cash equivalents
Cash and cash equivalents at beginning of period
Decrease in cash and cash equivalents resulting from change of scope of consolidation
Cash and cash equivalents at end of period

1) Operating lease transactions that were recorded as expense on JGAAP will be capitalized, and their depreciation cost will be included in "Depreciation and amortization". And amortization cost of research and development cost will be also included in "Depreciation and amortization".

2) "Increase (decrease) in provision for product warranties" and other provision included in "Other" in "Net cash provided by (used in) operating activities" etc. will be presented as "Increase (decrease) in provisions and employee benefits".

3) "Purchase of non-current assets" on JGAAP will be separately presented as "Purchase of property, plant and equipment" and "Purchases of intangible assets and expenditure on internally generated intangible assets".

4) "Purchase of short-term investment securities", "Purchase of investment securities" and "Payments of loans receivable" on JGAAP will be presented as "Purchase of other financial assets".

5) Proceeds from sales of short-term investment securities", "Proceeds from sales of investment securities" and "Collection of loans receivable" will be presented as "Proceeds from sale and collection of other financial assets".

6) Operating lease transactions that were recorded as expense on JGAAP will be capitalized and recorded on liabilities. Payments of the liabilities will be presented as "Repayments of lease liabilities".



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.

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