



**Consolidated Financial Results for the 3<sup>rd</sup> Quarter of FYE 2020**

**SUBARU CORPORATION**

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

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NOTE)

This document is an English translation of an original Japanese document. If there are any discrepancies between this document and the original Japanese document, the original Japanese document prevails.

## **Consolidated Financial Results for the 3<sup>rd</sup> Quarter (9 months) of FYE 2020**

SUBARU Corporation is voluntarily adopting the International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 2020. Therefore, the figures are based on IFRS.

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

3<sup>rd</sup> Quarter (9 months) :

### Consolidated Unit Sales (by market)

	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance	(Thousand Units)
				Reference : JGAAP Results 3 <sup>rd</sup> Quarter FYE 2019
Passenger cars (*)	84.9	76.3	-8.6	79.9
Minicars (*)	19.4	18.4	-0.9	18.6
<b>Domestic total(*)</b>	<b>104.2</b>	<b>94.7</b>	<b>-9.5</b>	<b>98.5</b>
US	495.9	520.0	+24.1	495.9
Canada	47.3	45.1	-2.1	47.3
Russia	6.5	7.2	+0.7	6.5
Europe	25.9	25.1	-0.8	25.9
Australia	35.7	33.2	-2.5	35.7
China	16.6	17.6	+0.9	16.6
Others	35.7	28.1	-7.6	35.7
<b>Overseas total</b>	<b>663.6</b>	<b>676.3</b>	<b>+12.7</b>	<b>663.6</b>
<b>Total</b>	<b>767.9</b>	<b>771.0</b>	<b>+3.1</b>	<b>762.1</b>

\* IFRS : on delivery-to-customer basis, JGAAP : on vehicle registration basis  
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Let's start with the results for the cumulative 3<sup>rd</sup> Quarter (9 months).

Consolidated unit sales grew 3.1 thousand units year on year to reach 771.0 thousand units.

Overseas, sales of the Legacy and Outback were down in the United States due to the model changes, but sales of the Forester and of the Ascent, which was launched in the summer of 2018, were strong, resulting in a year-on-year increase of 12.7 thousand units, to 676.3 thousand units.

In the domestic market, sales of the Impreza decreased, resulting in a year-on-year decrease of 9.5 thousand units, to 94.7 thousand units.

3<sup>rd</sup> Quarter (9 months) :

## Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance
Consolidated Unit Sales Total	767.9	771.0	+3.1

(Thousand Units)

	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance
Production in U.S.	271.2	267.6	-3.6
Production in Japan	491.1	492.8	+1.8
<b>Total</b>	<b>762.3</b>	<b>760.4</b>	<b>-1.9</b>

\* Production figures include Toyota 86.

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Now let's look at production.

Production decreased 1.9 thousand units year on year to 760.4 thousand units.

Production in Japan increased year on year due to strong demand for the Forester, despite the temporary suspension of plant operations due to Typhoon 19 (Hagibis) which struck Japan in October 2019.

Production in the U.S. declined year on year as production of the Legacy and Outback decreased at the time of their model changes, offsetting an increase in production of the Ascent.

3 <sup>rd</sup> Quarter (9 months) : Consolidated Profit Results					
(100 Million Yen)					
Reference : JGAAP					
	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance	Results 3 <sup>rd</sup> Quarter FYE 2019	
<b>Revenue (*1)</b>	<b>23,913</b>	<b>24,846</b>	<b>+932</b>	<b>23,774</b>	
Domestic	4,509	4,242	-267	4,358	
Overseas	19,405	20,604	+1,199	19,417	
<b>Operating profit (*2)</b>	<b>1,557</b>	<b>1,527</b>	<b>-30</b>	<b>1,537</b>	
<b>Profit before tax (*3)</b>	<b>1,578</b>	<b>1,532</b>	<b>-45</b>	<b>1,580</b>	
<b>Profit for the period attributable to owners of parent (*4)</b>	<b>1,181</b>	<b>1,117</b>	<b>-64</b>	<b>1,182</b>	
SUBARU exchange rate	US\$	¥111	¥109	-¥2	¥111
	EURO	¥130	¥121	-¥9	¥130
	CAN\$	¥85	¥82	-¥3	¥85

\*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".

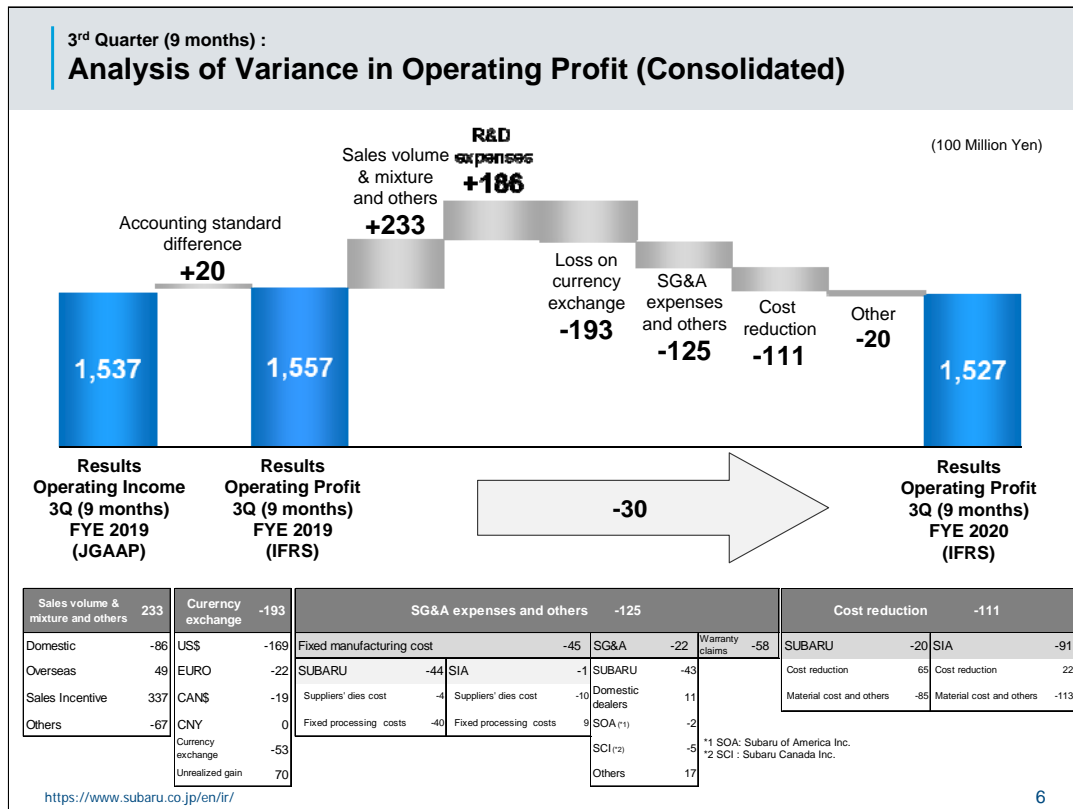
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Next, let's look at consolidated profit results.

Due primarily to the positive effect of improved sales volume & mixture and others of 139.0 billion yen as a result of increased automobile unit sales and other factors, revenue increased by 93.2 billion yen year on year to 2,484.6 billion yen, despite a currency exchange loss of 50.3 billion yen.

Operating profit was down 3.0 billion yen year on year to 152.7 billion yen as changes in currency exchange rates and other factors offset improved sales volume & mixture and others and decreased R&D expenses.

Profit before tax was down 4.5 billion yen to 153.2 billion yen, and profit for the period attributable to owners of parent fell 6.4 billion yen to 111.7 billion yen.



Now let's look at an analysis of variance in operating profit.

The main factors working to increase operating profit were improvement in the sales volume & mixture and others and a decrease in R&D expenses.

The sales volume & mixture and others improved due to an increase in overseas unit sales, primarily of the Ascent and Forester, and sales incentive control.

The decrease in R&D expenses was primarily a result of an increase in capitalized cost in conjunction with the adoption of IFRS.

The main factors working to decrease operating profit were the currency exchange rate, an increase of SG&A expenses and others, higher material costs and others.

An increase in prices for precious metals such as palladium, rhodium and others had a significant impact on the material cost and others.

In the U.S., sales of the Legacy and Outback continued favorably ahead of full redesigns, and incentive costs were kept down. As a result, per unit incentives were down 700 dollars year on year to 1,500 dollars, leading to a 30.3 billion yen decrease in the total amount of incentives.

## Capex / Depreciation / Interest Bearing Debt / R&D

(100 Million Yen)

	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance	Reference : JGAAP
				Results 3 <sup>rd</sup> Quarter FYE 2019
<b>Capex</b> <sup>(*1)</sup>	859	955	+96	852
<b>Depreciation</b> <sup>(*1)</sup>	675	707	+32	674
<b>Interest bearing debt</b> <sup>(*1)</sup>	554	1,752	+1,199	520
<b>R&amp;D expenditures</b> <sup>(*2)</sup>	780	849	+69	

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

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The results for capital expenditures and so on are as shown in this slide.

Interest-bearing debt was up 119.9 billion yen to 175.2 billion yen due to an increase in long-term loans and issuance of corporate bonds.

## | Forecast for FYE 2020



Revised Plan FYE 2020 : Consolidated Unit Sales (by market)						
	(Thousand Units)					Reference : JGAAP
	Results FYE 2019 (a)	Previous Plan FYE 2020 (as of Nov. 6 <sup>th</sup> ) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)	Results FYE 2019
Passenger cars (*)	110.2	111.3	104.2	-6.0	-7.1	109.7
Minicars (*)	26.0	26.9	23.8	-2.3	-3.1	25.6
<b>Domestic total(*)</b>	<b>136.2</b>	<b>138.2</b>	<b>128.0</b>	<b>-8.2</b>	<b>-10.2</b>	<b>135.3</b>
US	659.7	701.8	700.0	+40.3	-1.8	659.7
Canada	56.8	61.4	62.0	+5.2	+0.6	56.8
Russia	8.1	9.7	8.5	+0.4	-1.2	8.1
Europe	32.1	37.4	37.6	+5.5	+0.2	32.1
Australia	41.7	42.5	42.9	+1.2	+0.3	41.7
China	22.8	24.6	24.5	+1.7	-0.2	22.8
Others	43.3	42.7	37.9	-5.3	-4.7	43.3
<b>Overseas total</b>	<b>864.6</b>	<b>920.1</b>	<b>913.3</b>	<b>+48.8</b>	<b>-6.8</b>	<b>864.6</b>
<b>Total</b>	<b>1,000.8</b>	<b>1,058.3</b>	<b>1,041.3</b>	<b>+40.5</b>	<b>-16.9</b>	<b>999.9</b>

\* IFRS : on delivery-to-customer basis, JGAAP : on vehicle registration basis  
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Next, let's look at full-year plans.

The projection for consolidated unit sales has been revised to 1,041.3 thousand units, a decrease of 16.9 thousand units from the previous announcement, to incorporate factors such as changes in the production plan due to Typhoon 19 (Hagibis), which struck Japan in October 2019.

Revised Plan FYE 2020 : Consolidated Unit Sales / Complete Cars Production					
(Thousand Units)					
	Results FYE 2019 (a)	Previous Plan FYE 2020 (as of Nov. 6 <sup>th</sup> ) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)
Consolidated Unit Sales Total	1,000.8	1,058.3	1,041.3	+40.5	-16.9

(Thousand Units)					
	Results FYE 2019 (a)	Previous Plan FYE 2020 (as of Nov. 6 <sup>th</sup> ) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)
Production in U.S.	372.2	389.7	381.8	+9.6	-7.9
Production in Japan	617.0	667.5	667.0	+50.0	-0.6
<b>Total</b>	<b>989.1</b>	<b>1,057.2</b>	<b>1,048.7</b>	<b>+59.6</b>	<b>-8.5</b>

\* Production figures include Toyota 86.

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The production plan calls for a decrease of 8.5 thousand units to 1,048.7 thousand units compared to the previous announcement.

The forecast for U.S. production is a decrease of 7.9 thousand units compared to the previous announcement, partly due to insufficient parts supply.

Revised Plan FYE 2020 : Consolidated Profit Plan							
						(100 Million Yen)	
						Reference : JGAAP	
	Results FYE 2019 (a)	Previous Plan FYE 2020 (as of Nov. 6 <sup>th</sup> ) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)	Results FYE 2019	
<b>Revenue</b> (*1)	<b>31,562</b>	<b>33,100</b>	<b>33,600</b>	<b>+2,039</b>	<b>+500</b>	<b>31,605</b>	
Domestic	5,941	5,975	5,605	-337	-370	5,966	
Overseas	25,620	27,125	27,995	+2,375	+870	25,639	
<b>Operating profit</b> (*2)	<b>1,817</b>	<b>2,200</b>	<b>2,200</b>	<b>+383</b>	<b>±0</b>	<b>1,955</b>	
<b>Profit before tax</b> (*3)	<b>1,860</b>	<b>2,200</b>	<b>2,200</b>	<b>+340</b>	<b>±0</b>	<b>1,958</b>	
<b>Profit for the period attributable to owners of parent</b> (*4)	<b>1,414</b>	<b>1,630</b>	<b>1,630</b>	<b>+216</b>	<b>±0</b>	<b>1,478</b>	
SUBARU exchange rate	US\$	¥111	¥107	¥109	-¥2	+¥2	¥111
	EURO	¥129	¥119	¥122	-¥8	+¥3	¥129
	CAN\$	¥85	¥81	¥82	-¥2	+¥1	¥85

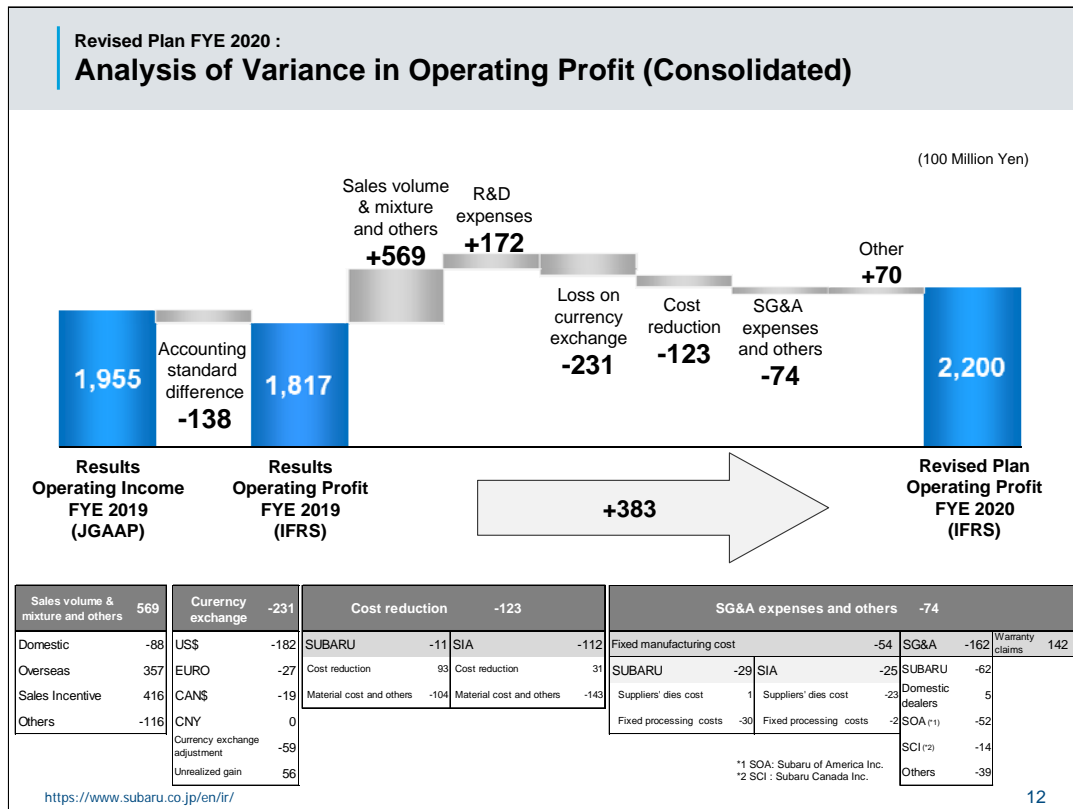
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Let's look at the consolidated profit plan.

Operating profit, profit before tax and profit for the period attributable to owners of parent remain unchanged from the previous announcement (as of November 6, 2019).

We expect consolidated revenue to be up by 50 billion yen to 3,360.0 billion yen, reflecting changes in currency exchange rate assumptions (weaker yen) and other improvements including sales incentive control.



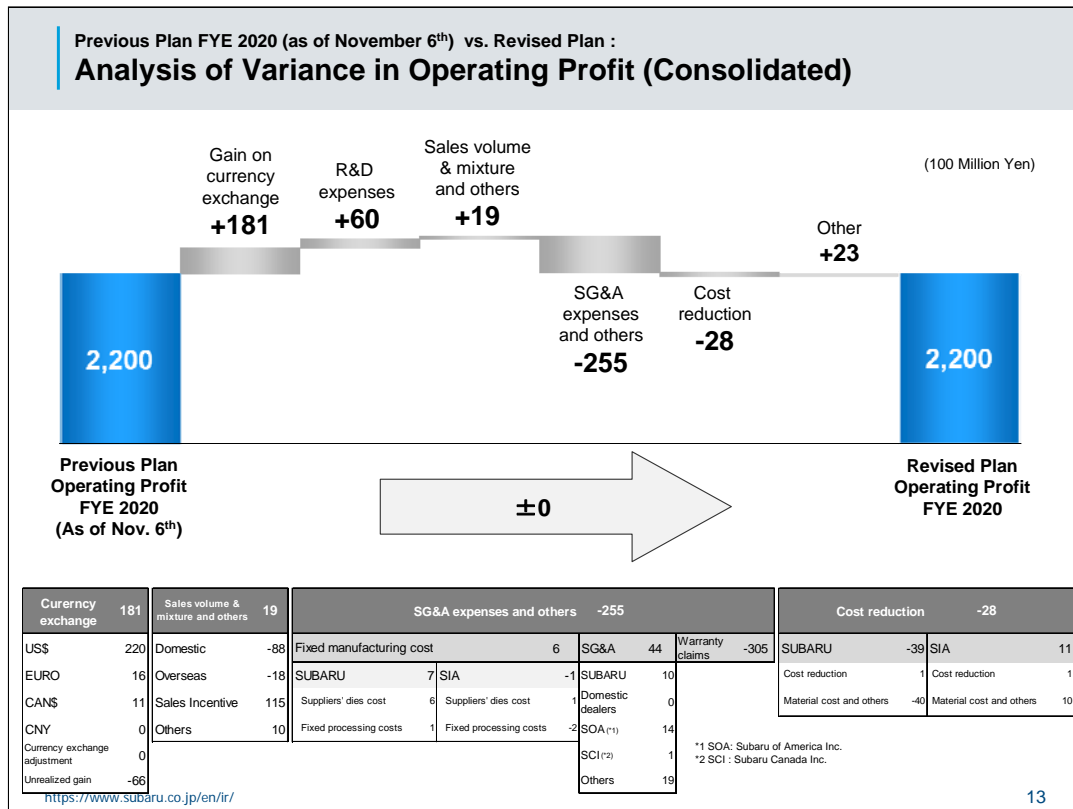
This is the analysis of variance in operating profit compared to the previous year's results.

The main factors working to increase operating profit are improvement in the sales volume & mixture and others and a decrease in R&D expenses.

In regard to sales volume & mixture and others, we expect an improvement as a result of revision of sales incentives.

The main factors working to decrease operating profit are higher material cost and others and the currency exchange rate. An increase in prices for precious metals and other factors had a significant impact on the material cost and others.

U.S. sales incentives per unit will decrease 550 dollars from 2,100 dollars in the same period of the previous year to 1,550 dollars, bringing the total amount of incentives down 34.7 billion yen.



This is an analysis of variance in operating profit compared to the previous announcement.

The main factors working to increase operating profit are an improvement in the sales volume & mixture and others, a decrease in R&D expenses, and the currency exchange rate.

The main factors working to decrease operating profit are increased SG&A expenses and others and the higher material cost and others.

In regard to SG&A expenses and others, the main factor is an increase in expenses related to warranty claims.

U.S. sales incentives per unit will decrease 200 dollars from the previous plan of 1,750 dollars to 1,550 dollars, bringing the total amount of incentives down 17.2 billion yen.

<b>Capex / Depreciation / Interest Bearing Debt / R&amp;D</b>						
						(100 Million Yen)
						Reference : JGAAP
	Results FYE 2019 (a)	Previous Plan FYE 2020 (as of Nov. 6 <sup>th</sup> ) (b)	Revised Plan FYE 2020 (c)	Variance (c)-(a)	Variance (c)-(b)	Results FYE 2019
<b>Capex</b> (*1)	1,140	1,400	1,400	+260	±0	1,135
<b>Depreciation</b> (*1)	891	1,000	1,000	+110	±0	888
<b>Interest bearing debt</b> (*1)	1,037	2,400	2,400	+1,363	±0	1,004
<b>R&amp;D expenditures</b> (*2)	1,027	1,200	1,170	+143	-30	

\*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)

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Capex, depreciation, and interest-bearing debt remain unchanged from the previous announcement.

R&D expenditures will be down 3.0 billion yen from the previous plan.

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

This concludes the briefing on our financial results for the 3<sup>rd</sup> quarter of the fiscal year ending March 31, 2020.

Thank you.

## | Appendix (1)

- Segment information by Business & Geographic (3<sup>rd</sup> Quarter)
- Overseas Revenue (3<sup>rd</sup> Quarter)
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flows (3<sup>rd</sup> Quarter)
- Non-consolidated Unit Sales (3<sup>rd</sup> Quarter)
- Operating Results of Subsidiaries in U.S. (3<sup>rd</sup> Quarter)
- Consolidated Financial Results for 3<sup>rd</sup> Quarter (3 months)
- Forecast for 4<sup>th</sup> Quarter (3 months)
- Complete Cars Production / Retail Sales Units

3<sup>rd</sup> Quarter (9 months) :

## Revenue and Operating Profit by Business Segment (Consolidated)

(100 Million Yen)

	Revenue				Operating profit		
	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance	
Automobile	(22,719)	22,840	+898	(1,454)	1,464	1,433	-31
Aerospace	(943)	962	+80	(49)	53	63	+10
Other	(111)	111	-45	(29)	37	29	-8
Elimination & Corporate				(5)	3	1	-2
<b>Total</b>	<b>(23,774)</b>	<b>23,913</b>	<b>+932</b>	<b>(1,537)</b>	<b>1,557</b>	<b>1,527</b>	<b>-30</b>

\* Figure in ( ) : JGAAP

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3<sup>rd</sup> Quarter (9 months) :

## Revenue and Operating Profit by Geographic Area (Consolidated)

(100 Million Yen)

	Revenue				Operating profit			
	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance		
Japan	(6,764)	6,915	6,543	-372	(1,031)	1,064	597	-467
North America	(15,810)	15,798	17,091	+1,293	(504)	494	929	+436
Other	(1,200)	1,200	1,212	+11	(8)	6	9	+3
Elimination & Corporate					(-6)	-7	-8	-2
Total	(23,774)	23,913	24,846	+932	(1,537)	1,557	1,527	-30

\* Figure in ( ) : JGAAP

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**3<sup>rd</sup> Quarter (9 months) :**  
**Overseas Revenue (Consolidated)**

(100 Million Yen)

	Results 3 <sup>rd</sup> Quarter FYE 2019		Results 3 <sup>rd</sup> Quarter FYE 2020	Variance
North America	(16,512)	16,500	17,867	+1,367
Europe	(808)	808	818	+10
Asia	(877)	877	874	-3
Other	(1,219)	1,219	1,044	-175
<b>Total</b>	(19,417)	19,405	20,604	+1,199

\* Figure in ( ) : JGAAP

## Consolidated Statement of Financial Position

(100 Million Yen)

	As of March 2019	As of December 2019	Variance
<b>Total assets</b>	<b>31,806</b>	<b>31,668</b>	<b>-138</b>
Current assets	19,137	18,556	-582
Non-current assets	12,669	13,112	+443
<b>Total liabilities</b>	<b>14,907</b>	<b>14,777</b>	<b>-130</b>
Interest bearing debts	1,037	1,752	+715
<b>Total equity</b>	<b>16,899</b>	<b>16,891</b>	<b>-8</b>
Retained earnings	13,506	13,520	+14
Equity attributable to owners of parent	16,822	16,820	-2
Ratio of equity attributable to owners of parent to total assets	52.9%	53.1%	-
D/E ratio	0.06	0.10	-

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3<sup>rd</sup> Quarter (9 months) :

## Consolidated Statement of Cash Flows

(100 Million Yen)

	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance
<b>Net cash provided by (used in) operating activities</b>	<b>1,717</b>	<b>1,292</b>	-425
<b>Net cash provided by (used in) investing activities</b>	<b>-1,392</b>	<b>18</b>	+1,409
Free cash flows	325	1,310	+985
<b>Net cash provided by (used in) financing activities</b>	<b>-1,785</b>	<b>-711</b>	+1,074
Effect of exchange rate change on cash and cash equivalents	168	-64	-233
Net increase (decrease) in cash and cash equivalents	-1,292	535	+1,826
<b>Cash and cash equivalents at end of period</b>	<b>6,364</b>	<b>7,558</b>	+1,194

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3<sup>rd</sup> Quarter (9 months) :  
**Non-consolidated Unit Sales**

(Thousand Units)

	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance
<b>Domestic production</b>	491.1	492.8	+1.8
<b>Domestic sales</b>	104.2	94.4	-9.8
Passenger cars	84.9	75.4	-9.5
Minicars	19.4	19.0	-0.3
<b>Number of exported vehicles</b>	396.2	410.4	+14.3
<b>Components for overseas production</b>	298.6	280.9	-17.8
<b>Total</b>	799.0	785.7	-13.3

\* Domestic production figures include Toyota 86.

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3<sup>rd</sup> Quarter (9 months) :

## Operating Results of Subsidiaries in U.S.

(Million US\$)

SOA	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance
Net sales	14,240	15,516	+1,275
Operating income	256	723	+467
Net income	216	571	+355
Retail sales (Thousand units)	528.6*	541.4	+12.8

SIA	Results 3 <sup>rd</sup> Quarter FYE 2019	Results 3 <sup>rd</sup> Quarter FYE 2020	Variance
Net sales	6,404	6,552	+147
Operating income	100	77	-23
Net income	81	72	-10
Production (Thousand units)	271.2	267.6	-3.6

\* Correction

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3<sup>rd</sup> Quarter (3 months) :  
**Consolidated Unit Sales (by market)**

(Thousand Units)

	Results 3 <sup>rd</sup> Quarter (3 months) FYE 2019	Results 3 <sup>rd</sup> Quarter (3 months) FYE 2020	Variance	Reference : JGAAP
				Results 3 <sup>rd</sup> Quarter (3 months) FYE 2019
Passenger cars (*)	30.8	21.1	-9.7	27.5
Minicars (*)	6.6	5.6	-1.0	6.0
<b>Domestic total(*)</b>	<b>37.4</b>	<b>26.7</b>	<b>-10.6</b>	<b>33.5</b>
US	193.7	183.7	-10.0	193.7
Canada	15.4	17.4	+2.0	15.4
Russia	1.4	2.6	+1.1	1.4
Europe	5.3	12.7	+7.5	5.3
Australia	12.2	8.6	-3.6	12.2
China	7.5	6.8	-0.7	7.5
Others	11.0	8.6	-2.4	11.0
<b>Overseas total</b>	<b>246.5</b>	<b>240.4</b>	<b>-6.1</b>	<b>246.5</b>
<b>Total</b>	<b>283.9</b>	<b>267.2</b>	<b>-16.7</b>	<b>280.0</b>

\* IFRS : on delivery-to-customer basis, JGAAP : on vehicle registration basis  
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3<sup>rd</sup> Quarter (3 months) :  
**Consolidated Profit Results**

(100 Million Yen)

					Reference : JGAAP
		Results 3 <sup>rd</sup> Quarter (3 months) FYE 2019	Results 3 <sup>rd</sup> Quarter (3 months) FYE 2020	Variance	Results 3 <sup>rd</sup> Quarter (3 months) FYE 2019
<b>Revenue (*1)</b>		<b>8,999</b>	<b>8,789</b>	<b>-210</b>	<b>8,906</b>
Domestic		1,585	1,267	-318	1,483
Overseas		7,414	7,522	+108	7,423
<b>Operating profit (*2)</b>		<b>992</b>	<b>578</b>	<b>-414</b>	<b>986</b>
<b>Profit before tax (*3)</b>		<b>973</b>	<b>601</b>	<b>-372</b>	<b>950</b>
<b>Profit for the period attributable to owners of parent (*4)</b>		<b>750</b>	<b>434</b>	<b>-316</b>	<b>739</b>
SUBARU exchange rate	US\$	¥113	¥108	-¥4	¥113
	EURO	¥129	¥119	-¥10	¥129
	CAN\$	¥86	¥82	-¥4	¥86

\*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".

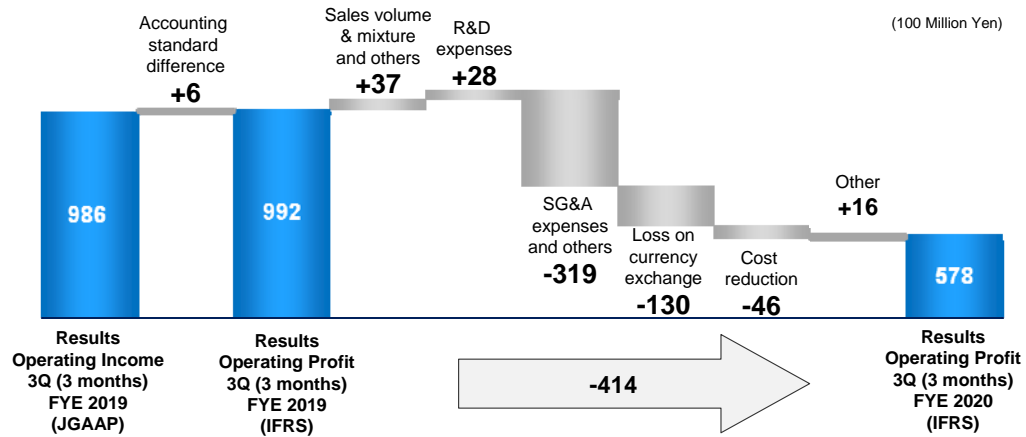
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3<sup>rd</sup> Quarter (3 months) :

## Analysis of Variance in Operating Profit (Consolidated)



Sales volume & mixture and others	37	SG&A expenses and others				-319	Currency exchange	-130	Cost reduction		-46		
Domestic	-73	Fixed manufacturing cost		-7	SG&A	-19	US\$	-147	SUBARU	-1	SIA	-45	
Overseas	-1	SUBARU	-9	SIA	2	SUBARU	-53	EURO	-14	Cost reduction	29	Cost reduction	5
Sales Incentive	164	Suppliers' dies cost	2	Suppliers' dies cost	-9	Domestic dealers	6	CANS	-9	Material cost and others	-30	Material cost and others	-50
Others	-53	Fixed processing costs	-11	Fixed processing costs	11	SOA <sup>(1)</sup>	8	CNY	0				
						SCI <sup>(2)</sup>	-3	Currency exchange adjustment	17				
						Others	23	Unrealized gain	23				

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

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Plan for 4<sup>th</sup> Quarter (3 months) :

**Consolidated Unit Sales (by market)**

(Thousand Units)

	Results 4 <sup>th</sup> Quarter (3 months) FYE 2019	Plan 4 <sup>th</sup> Quarter (3 months) FYE 2020	Variance	Reference : JGAAP
				Results 4 <sup>th</sup> Quarter (3 months) FYE 2019
Passenger cars (*)	25.3	28.0	+2.6	29.8
Minicars (*)	6.7	5.3	-1.3	7.0
<b>Domestic total(*)</b>	<b>32.0</b>	<b>33.3</b>	<b>+1.3</b>	<b>36.8</b>
US	163.8	180.0	+16.2	163.8
Canada	9.6	16.9	+7.3	9.6
Russia	1.6	1.3	-0.3	1.6
Europe	6.2	12.6	+6.3	6.2
Australia	6.0	9.7	+3.6	6.0
China	6.1	6.9	+0.8	6.1
Others	7.6	9.9	+2.2	7.6
<b>Overseas total</b>	<b>201.0</b>	<b>237.1</b>	<b>+36.1</b>	<b>201.0</b>
<b>Total</b>	<b>233.0</b>	<b>270.3</b>	<b>+37.4</b>	<b>237.8</b>

\* IFRS : on delivery-to-customer basis, JGAAP : on vehicle registration basis  
<https://www.subaru.co.jp/en/ir/>

Plan for 4<sup>th</sup> Quarter (3 months) :  
**Consolidated Profit**

				(100 Million Yen)	
				Reference : JGAAP	
	Results 4 <sup>th</sup> Quarter (3 months) FYE 2019	Plan 4 <sup>th</sup> Quarter (3 months) FYE 2020	Variance	Results 4 <sup>th</sup> Quarter (3 months) FYE 2019	
<b>Revenue (*1)</b>	<b>7,648</b>	<b>8,754</b>	<b>+1,106</b>	<b>7,831</b>	
Domestic	1,432	1,363	-70	1,608	
Overseas	6,216	7,392	+1,176	6,223	
<b>Operating profit (*2)</b>	<b>261</b>	<b>673</b>	<b>+413</b>	<b>419</b>	
<b>Profit before tax (*3)</b>	<b>283</b>	<b>668</b>	<b>+385</b>	<b>378</b>	
<b>Profit for the period attributable to owners of parent (*4)</b>	<b>233</b>	<b>513</b>	<b>+280</b>	<b>296</b>	
SUBARU exchange rate	US\$	¥110	¥110	-¥1	¥110
	EURO	¥126	¥122	-¥4	¥126
	CAN\$	¥83	¥84	+¥0	¥83

\*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".

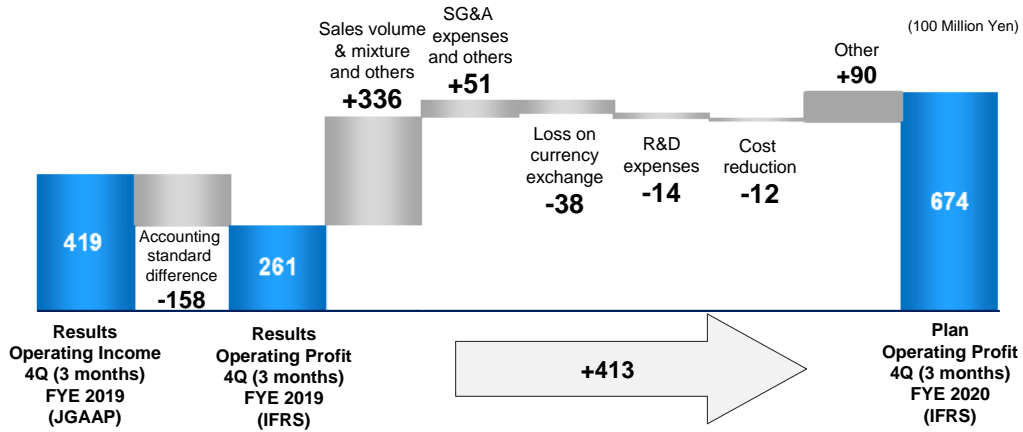
\*4 : "Net income attributable to owners of parent" on JGAAP is shown as "Profit for the period attributable to owners of parent".

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Plan for 4<sup>th</sup> Quarter (3months) :

## Analysis of Variance in Operating Profit (Consolidated)



Sales volume & mixture and others		SG&A expenses and others					Currency exchange		Cost reduction				
336		51					-38		-12				
Domestic	-2	Fixed manufacturing cost	-9	SG&A	-140	Warranty claims	200	US\$	-13	SUBARU	9	SIA	-21
Overseas	308	SUBARU	15	SIA	-24	SUBARU	-19	EURO	-5	Cost reduction	28	Cost reduction	9
Sales Incentive	79	Suppliers' dies cost	6	Suppliers' dies cost	-13	Domestic dealers	-6	CAN\$	0	Material cost and others	-19	Material cost and others	-30
Others	-49	Fixed processing costs	10	Fixed processing costs	-11	SOA <sup>(1)</sup>	-50	CNY	0				
						SCI <sup>(2)</sup>	-9	Currency exchange adjustment	-6				
						Others	-56	Unrealized gain	-14				

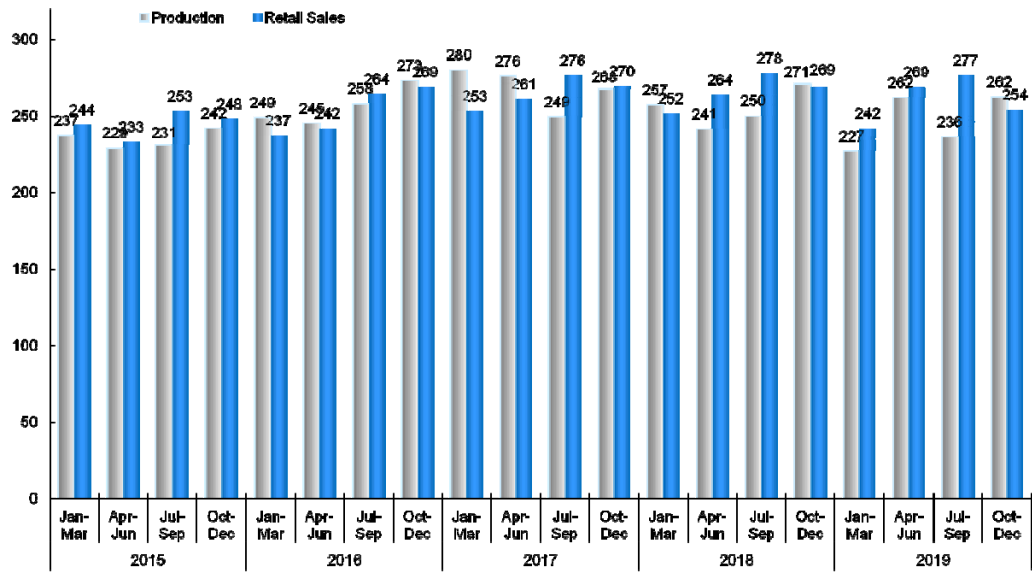
<https://www.subaru.co.jp/en/ir/>

<sup>1</sup> SOA: Subaru of America Inc.  
<sup>2</sup> SCI : Subaru Canada Inc.

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## Complete Cars Production / Retail Sales Units

(Thousand Units)



\* Production figures include Toyota 86.

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## | Appendix (2)

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

# 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	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".
<b>Operating income</b>	Research and development expenses	
Non-operating income	Other income	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.
Equity in earnings of affiliates	Other expenses	
Depreciation	Share of profit (loss) of investments accounted for using equity method	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"
Other	<b>Operating profit</b>	
Interest income	Finance income	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.
Dividends income	Finance costs	
Interest expenses	<b>Profit before tax</b>	5) "Gain and loss on sales of investment securities" on JGAAP will be recorded in the statement of comprehensive income.
Foreign exchange gains or losses	Income tax expense	
Gain or loss on valuation of derivatives	<b>Profit for the period</b>	
<b>Ordinary income</b>		
Extraordinary income or loss	Profit for the period attributable to	
Gain on sales of noncurrent assets	Owners of parent	
Loss on sales and retirement of noncurrent assets	Non-controlling interests	
Other		
Gain or loss on sales of investment securities		
<b>Income before income taxes</b>		
Income taxes-current		
Income taxes-deferred		
<b>Net income</b>		
Net income (loss) attributable to non-controlling interests		
Net income attributable to owners of parent		



## Consolidated Statement of Financial Position (Assets)

JGAAP	IFRS																																																							
<b>Consolidated Balance Sheet (Assets)</b>	<b>Consolidated statement of financial position (Assets)</b>																																																							
<table border="1"> <tr><td><b>Assets</b></td></tr> <tr><td>Current assets</td></tr> <tr><td>Cash and deposits</td></tr> <tr><td>Notes and accounts receivable-trade</td></tr> <tr><td>Lease investment assets</td></tr> <tr><td>Short-term investment securities</td></tr> <tr><td>Merchandise and finished goods</td></tr> <tr><td>Work in process</td></tr> <tr><td>Raw materials and supplies</td></tr> <tr><td>Short-term loans receivable</td></tr> <tr><td>Other</td></tr> <tr><td>Allowance for doubtful accounts</td></tr> <tr><td><b>Total current assets</b></td></tr> <tr><td>Noncurrent assets</td></tr> <tr><td>Property, plant and equipment</td></tr> <tr><td>Buildings and structures, net</td></tr> <tr><td>Machinery, equipment and vehicles, net</td></tr> <tr><td>Land</td></tr> <tr><td>Vehicles and equipment on operating leases, net</td></tr> <tr><td>Construction in progress</td></tr> <tr><td>Other, net</td></tr> <tr><td>Total property, plant and equipment</td></tr> <tr><td>Intangible assets</td></tr> <tr><td>Other</td></tr> <tr><td>Total intangible assets</td></tr> <tr><td>Investments and other assets</td></tr> <tr><td>Investment securities</td></tr> <tr><td>Net defined benefit asset</td></tr> <tr><td>Deferred tax assets</td></tr> <tr><td>Other</td></tr> <tr><td>Allowance for doubtful accounts</td></tr> <tr><td>Total investments and other assets</td></tr> <tr><td><b>Total noncurrent assets</b></td></tr> <tr><td><b>Total assets</b></td></tr> </table>	<b>Assets</b>	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	<b>Total current assets</b>	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	<b>Total noncurrent assets</b>	<b>Total assets</b>	<table border="1"> <tr><td><b>Assets</b></td></tr> <tr><td>Current assets</td></tr> <tr><td>Cash and cash equivalents</td></tr> <tr><td>Trade and other receivables</td></tr> <tr><td>Inventories</td></tr> <tr><td>Income taxes receivable</td></tr> <tr><td>Other financial assets</td></tr> <tr><td>Other current assets</td></tr> <tr><td>Subtotal</td></tr> <tr><td>Assets held for sale</td></tr> <tr><td><b>Total current assets</b></td></tr> <tr><td>Non-current assets</td></tr> <tr><td>Property, plant and equipment</td></tr> <tr><td>Intangible assets and goodwill</td></tr> <tr><td>Investment property</td></tr> <tr><td>Investments accounted for using equity method</td></tr> <tr><td>Other financial assets</td></tr> <tr><td>Other non-current assets</td></tr> <tr><td>Deferred tax assets</td></tr> <tr><td><b>Total non-current assets</b></td></tr> <tr><td><b>Total assets</b></td></tr> </table>	<b>Assets</b>	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	<b>Total current assets</b>	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	<b>Total non-current assets</b>	<b>Total assets</b>
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	<p>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."</p> <p>2) "Notes and accounts receivable-trade", "Lease investment assets", "Short-term loans receivable" on JGAAP will be presented as "Trade and other receivables".</p> <p>3) "Merchandise and finished goods", "Work in process" and "Raw materials and supplies" on JGAAP will be presented as "Inventories".</p> <p>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".</p> <p>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".</p> <p>6) Of the "Property, plant and equipment" on JGAAP, the assets provided for leasing will be presented as "Investment property".</p>																																																							

# Consolidated Statement of Financial Position (Liabilities and Equity)

JGAAP	IFRS
<b>Consolidated Balance Sheet (Liabilities and Equity)</b>	<b>Consolidated statement of financial position (Liabilities and Equity)</b>
<b>Liabilities</b>	<b>Liabilities and equity</b>
<b>Current liabilities</b>	<b>Liabilities</b>
Notes and accounts payable-trade	<b>Current liabilities</b>
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	<b>Total current liabilities</b>
Provision for loss on construction contracts	<b>Non-current liabilities</b>
Provision for loss on business liquidation	Borrowings
Other	Other financial liabilities
<b>Total current liabilities</b>	Employee benefits
<b>Noncurrent liabilities</b>	Provisions
Long-term loans payable	Other non-current liabilities
Deferred tax liabilities	Deferred tax liabilities
Provision for product warranties	<b>Total non-current liabilities</b>
Provision for directors' retirement benefits	<b>Total Liabilities</b>
Net defined benefit liability	<b>Equity</b>
Long-term unearned revenue	<b>Equity attributable to owners of parent</b>
Other	Capital stock
<b>Total noncurrent liabilities</b>	Capital surplus
<b>Total liabilities</b>	Treasury shares
<b>Net Assets</b>	Retained earnings
<b>Shareholders' equity</b>	Other components of equity
Capital stock	<b>Total equity attributable to owners of parent</b>
Capital surplus	<b>Non-controlling interests</b>
Retained earnings	<b>Total equity</b>
Treasury stock	<b>Total liabilities and equity</b>
<b>Total shareholders' equity</b>	
<b>Accumulated other comprehensive income</b>	
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	
<b>Total accumulated other comprehensive income</b>	
<b>Non-controlling interests</b>	
<b>Total net assets</b>	
<b>Total liabilities and net assets</b>	

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".

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# Consolidated Statements of Cash Flows

JGAAP	IFRS
<b>Net cash provided by (used in) operating activities</b>	<b>Net cash provided by (used in) operating activities</b>
Income (loss) before income taxes	Profit before tax
Depreciation and amortization	Depreciation and amortization
Increase (decrease) in allowance for doubtful accounts	Finance income
Increase (decrease) in provision for product warranties	Finance costs
Interest and dividends income	Share of loss (profit) of investments accounted for using equity method
Interest expenses	Decrease (increase) in trade and other receivables
Loss (gain) on sales and retirement of noncurrent assets	Decrease (increase) in inventories
Loss (gain) on sales and valuation of investment securities	Increase (decrease) in trade and other payables
Decrease (increase) in operating loans receivable	Increase (decrease) in provisions and employee benefits
Decrease (increase) in notes and accounts receivable-trade	Other
Decrease (increase) in inventories	Subtotal
Increase (decrease) in notes and accounts payable-trade	Interest received
Increase (decrease) in accrued expenses	Dividends received
Other, net	Interest paid
Subtotal	Income taxes paid
Interest and dividends income received	Net cash provided by (used in) operating activities
Interest expenses paid	<b>Net cash provided by (used in) investing activities</b>
Income taxes paid	Purchase of property, plant and equipment
<b>Net cash provided by (used in) operating activities</b>	Proceeds from sale of property, plant and equipment
<b>Net cash provided by (used in) investing activities</b>	Purchases of intangible assets and expenditure on internally generated intangible assets
Net decrease (increase) in time deposits	Purchase of other financial assets
Purchase of short-term investment securities	Proceeds from sale and collection of other financial assets
Proceeds from sales of short-term investment securities	Other
Purchase of non-current assets	Net cash provided by (used in) investing activities
Proceeds from sales of non-current assets	<b>Net cash provided by (used in) financing activities</b>
Purchase of investment securities	Net increase (decrease) in short-term borrowings
Proceeds from sales of investment securities	Proceeds from long-term borrowings
Payments of loans receivable	Repayments of long-term borrowings
Collection of loans receivable	Proceeds from sale of treasury shares
Other, net	Purchase of treasury shares
Net cash provided by (used in) investing activities	Dividends paid to owners of parent
<b>Net cash provided by (used in) financing activities</b>	Repayments of lease liabilities
Net increase (decrease) in short-term loans payable	Other
Proceeds from long-term loans payable	Net cash provided by (used in) financing activities
Repayments of long-term loans payable	<b>Effect of exchange rate changes on cash and cash equivalents</b>
Purchase of treasury shares	<b>Net increase (decrease) in cash and cash equivalents</b>
Cash dividends paid	<b>Cash and cash equivalents at beginning of period</b>
Other, net	<b>Decrease in cash and cash equivalents resulting from change of scope of consolidation</b>
Net cash provided by (used in) financing activities	<b>Cash and cash equivalents at end of period</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>	
<b>Cash and cash equivalents at beginning of period</b>	
<b>Decrease in cash and cash equivalents resulting from change of scope of consolidation</b>	
<b>Cash and cash equivalents at end of period</b>	

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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