

Consolidated Financial Results
for the Three Months Ended June 30, 2021
(Under IFRS)



August 3, 2021

Company name : SUBARU CORPORATION
 Listing : Tokyo Stock Exchange
 Securities code : 7270
 URL : <https://www.subaru.co.jp/en/ir/>
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 Scheduled date to file quarterly securities report : August 6, 2021
 Scheduled date to commence dividend payments : —
 Preparation of supplementary material on quarterly financial results : Yes
 Holding of quarterly financial results briefing : Yes (for investment analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit for the period attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended												
June 30, 2021	635,171	39.0	29,535	—	34,257	—	18,822	—	18,514	—	27,526	—
June 30, 2020	456,998	(45.2)	(15,671)	—	(10,735)	—	(7,554)	—	(7,700)	—	(10,470)	—

	Profit for the period per share, basic	Profit for the period per share, diluted
Three months ended	Yen	Yen
June 30, 2021	24.14	—
June 30, 2020	(10.04)	—

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2021	3,391,709	1,792,424	1,783,364	52.6
March 31, 2021	3,411,712	1,786,383	1,777,735	52.1

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	28.00	—	28.00	56.00
Fiscal year ending March 31, 2022	—	—	—	—	—
Fiscal year ending March 31, 2022 (Forecast)	—	28.00	—	28.00	56.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated results for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

	Revenue		Operating profit		Profit before tax		Profit for the period attributable to owners of parent		Profit for the period per share, basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Fiscal year ending March 31, 2022 (Forecast)	3,300,000	16.6	200,000	95.2	203,000	78.1	140,000	83.0	Yen 182.56

Note: Revisions to the forecast of consolidated results most recently announced: None

* Notes

(1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS : None
- (ii) Changes in accounting policies due to other reasons : None
- (iii) Changes in accounting estimates : None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2021	769,175,873 shares
As of March 31, 2021	769,175,873 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2021	2,305,592 shares
As of March 31, 2021	2,305,130 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	766,870,483 shares
Three months ended June 30, 2020	766,815,274 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The performance projections were based on the information available as of the date when this document was released. Therefore, actual results may differ considerably due to various factors that might occur in the future.

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1. Condensed quarterly consolidated financial statements
(1) Condensed quarterly consolidated statement of financial position

(Unit: Millions of yen)

	FYE 2021 (as of March 31, 2021)	1st Quarter of FYE 2022 (as of June 30, 2021)
Assets		
Current assets		
Cash and cash equivalents	907,326	838,485
Trade and other receivables	341,907	327,824
Inventories	419,053	462,077
Income taxes receivable	19,820	14,189
Other financial assets	228,279	226,648
Other current assets	66,378	69,957
Subtotal	1,982,763	1,939,180
Assets held for sale	69	68
Total current assets	1,982,832	1,939,248
Non-current assets		
Property, plant and equipment	839,648	848,135
Intangible assets and goodwill	216,652	222,522
Investment property	24,282	23,904
Investments accounted for using equity method	10,177	10,369
Other financial assets	101,389	111,385
Other non-current assets	127,826	133,318
Deferred tax assets	108,906	102,828
Total non-current assets	1,428,880	1,452,461
Total assets	3,411,712	3,391,709

(Unit: Millions of yen)

	FYE 2021 (as of March 31, 2021)	1st Quarter of FYE 2022 (as of June 30, 2021)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	267,824	252,447
Financing liabilities	26,334	15,096
Other financial liabilities	61,282	67,801
Income taxes payable	2,908	9,879
Provisions	194,497	180,336
Other current liabilities	322,295	292,864
Total current liabilities	875,140	818,423
Non-current liabilities		
Financing liabilities	307,549	320,895
Other financial liabilities	78,528	82,391
Employee benefits	55,817	56,778
Provisions	89,954	87,942
Other non-current liabilities	210,491	228,749
Deferred tax liabilities	7,850	4,107
Total non-current liabilities	750,189	780,862
Total Liabilities	1,625,329	1,599,285
Equity		
Equity attributable to owners of parent		
Capital stock	153,795	153,795
Capital surplus	160,178	160,178
Treasury shares	(6,524)	(6,525)
Retained earnings	1,435,291	1,432,171
Other components of equity	34,995	43,745
Total equity attributable to owners of parent	1,777,735	1,783,364
Non-controlling interests	8,648	9,060
Total equity	1,786,383	1,792,424
Total liabilities and equity	3,411,712	3,391,709

(2) Condensed quarterly consolidated statement of income and condensed quarterly consolidated statement of comprehensive income

Condensed quarterly consolidated statement of income

(Unit: Millions of yen)

	FYE 2021 (April 1, 2020 to June 30, 2020)	FYE 2022 (April 1, 2021 to June 30, 2021)
Revenue	456,998	635,171
Cost of sales	(378,483)	(508,020)
Gross profit	78,515	127,151
Selling, general and administrative expenses	(60,440)	(71,449)
Research and development expenses	(32,189)	(25,124)
Other income	736	1,077
Other expenses	(2,190)	(2,326)
Share of profit (loss) of investments accounted for using equity method	(103)	206
Operating profit (loss)	(15,671)	29,535
Finance income	7,424	10,760
Finance costs	(2,488)	(6,038)
Profit (loss) before tax	(10,735)	34,257
Income tax expense	3,181	(15,435)
Profit (loss) for the period	(7,554)	18,822
Profit (loss) for the period attributable to		
Owners of parent	(7,700)	18,514
Non-controlling interests	146	308
Profit (loss) for the period	(7,554)	18,822
Profit (loss) for the period per share attributable to owners of parent		
Basic (yen)	(10.04)	24.14

Condensed quarterly consolidated statement of comprehensive income

(Unit: Millions of yen)

	FYE 2021 (April 1, 2020 to June 30, 2020)	FYE 2022 (April 1, 2021 to June 30, 2021)
Profit (loss) for the period	(7,554)	18,822
Other comprehensive income (after deduction of tax)		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	—	(124)
Net changes in revaluation of capital financial assets measured at fair value through other comprehensive income	(10)	7,537
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(4,414)	946
Share of other comprehensive income of investments accounted for using equity method	41	88
Net changes in revaluation of liability financial assets measured at fair value through other comprehensive income	1,467	257
Other comprehensive income (after deduction of tax) total	(2,916)	8,704
Comprehensive income	(10,470)	27,526
Comprehensive income attributable to		
Owners of parent	(10,593)	27,114
Non-controlling interests	123	412
Comprehensive income	(10,470)	27,526

**(3) Condensed quarterly consolidated statement of changes in equity
FYE 2021 (April 1, 2020 to June 30, 2020)**

(Unit: Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total capital
	Capital stock	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance at the beginning of the year	153,795	160,178	(6,722)	1,397,239	8,391	1,712,881	7,242	1,720,123
Comprehensive income								
Profit (loss) for the period	—	—	—	(7,700)	—	(7,700)	146	(7,554)
Other comprehensive income (after deduction of tax)	—	—	—	—	(2,893)	(2,893)	(23)	(2,916)
Comprehensive income total	—	—	—	(7,700)	(2,893)	(10,593)	123	(10,470)
Transfer to retained earnings	—	—	—	—	—	—	—	—
Transactions with owners								
Dividends paid	—	—	—	(21,482)	—	(21,482)	—	(21,482)
Purchase of treasury shares	—	—	(1)	—	—	(1)	—	(1)
Disposal of treasury shares	—	(0)	—	—	—	(0)	—	(0)
Transfer from retained earnings to capital surplus	—	0	—	(0)	—	—	—	—
Total transactions with owners	—	—	(1)	(21,482)	—	(21,483)	—	(21,483)
Balance at the end of the year	153,795	160,178	(6,723)	1,368,057	5,498	1,680,805	7,365	1,688,170

FYE 2022 (April 1, 2021 to June 30, 2021)

(Unit: Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total capital
	Capital stock	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance at the beginning of the year	153,795	160,178	(6,524)	1,435,291	34,995	1,777,735	8,648	1,786,383
Comprehensive income								
Profit for the period	—	—	—	18,514	—	18,514	308	18,822
Other comprehensive income (after deduction of tax)	—	—	—	—	8,600	8,600	104	8,704
Comprehensive income total	—	—	—	18,514	8,600	27,114	412	27,526
Transfer to retained earnings	—	—	—	(150)	150	—	—	—
Transactions with owners								
Dividends paid	—	—	—	(21,484)	—	(21,484)	—	(21,484)
Purchase of treasury shares	—	—	(1)	—	—	(1)	—	(1)
Disposal of treasury shares	—	—	—	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—	—
Total transactions with owners	—	—	(1)	(21,484)	—	(21,485)	—	(21,485)
Balance at the end of the year	153,795	160,178	(6,525)	1,432,171	43,745	1,783,364	9,060	1,792,424

(4) Condensed quarterly consolidated statement of cash flows

(Unit: Millions of yen)

	FYE 2021 (April 1, 2020 to June 30, 2020)	FYE 2022 (April 1, 2021 to June 30, 2021)
Net cash provided by (used in) operating activities		
Profit (loss) before tax	(10,735)	34,257
Depreciation and amortization	48,775	57,550
Share of loss (profit) of investments accounted for using equity method	103	(206)
Finance income	(7,424)	(10,760)
Finance costs	2,488	6,038
Decrease (increase) in trade and other receivables	25,784	14,289
Decrease (increase) in inventories	32,662	(43,848)
Increase (decrease) in trade and other payables	(141,382)	(3,931)
Increase (decrease) in provisions and employee benefits	(13,425)	(15,339)
Others	(15,003)	(14,329)
Subtotal	(78,157)	23,721
Interest received	1,384	907
Dividends received	225	1,449
Interest paid	(444)	(570)
Income taxes paid	(2,563)	(5,403)
Net cash provided by (used in) operating activities	(79,555)	20,104
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	6,488	(947)
Purchase of property, plant and equipment	(40,386)	(40,188)
Proceeds from sale of property, plant and equipment	665	—
Purchase of intangible assets and expenditure on internally generated intangible assets	(6,912)	(19,571)
Purchase of other financial assets	(47,988)	(54,563)
Proceeds from sale and collection of other financial assets	51,806	60,422
Others	(106)	(114)
Net cash provided by (used in) investing activities	(36,433)	(54,961)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	151,365	(200)
Repayments of long-term borrowings	(379)	(13,785)
Proceeds from long-term borrowings	60,000	16,000
Repayments of lease liabilities	(8,406)	(15,315)
Dividends paid to owners of parent	(20,847)	(20,888)
Others	(2)	7
Net cash provided by (used in) financing activities	181,731	(34,181)
Effect of exchange rate changes on cash and cash equivalents	(3,752)	197
Net increase (decrease) in cash and cash equivalents	61,991	(68,841)
Cash and cash equivalents at beginning of period	858,966	907,326
Cash and cash equivalents at end of period	920,957	838,485

(5) Note to condensed quarterly consolidated financial statements

(Note on premise of going concern)

FYE 2022 (April 1, 2021 to June 30, 2021)

Not applicable.

(Segment information)

Information on revenue, profit or loss, and other significant items by segment

Segment information by business type of the Company and its consolidated subsidiaries during the first quarter of FYE 2021 and the first quarter of FYE 2022 is as follows.

FYE 2021 (April 1, 2020 to June 30, 2020)

(Unit: Millions of yen)

	Automobile	Aerospace	Subtotal	Others	Adjustment	Consolidated
Revenue						
(1) Outside customers	437,134	18,695	455,829	1,169	—	456,998
(2) Inter-segment	542	—	542	6,952	(7,494)	—
Total revenue	437,676	18,695	456,371	8,121	(7,494)	456,998
Share of profit (loss) of investments accounted for using equity method	(18)	—	(18)	(85)	—	(103)
Operating profit (loss)	(14,091)	(2,829)	(16,920)	1,255	(6)	(15,671)
Finance income						7,424
Finance costs						(2,488)
Profit (loss) before tax						(10,735)

FYE 2022 (April 1, 2021 to June 30, 2021)

(Unit: Millions of yen)

	Automobile	Aerospace	Subtotal	Others	Adjustment	Consolidated
Revenue						
(1) Outside customers	617,742	16,260	634,002	1,169	—	635,171
(2) Inter-segment	570	2	572	8,076	(8,648)	—
Total revenue	618,312	16,262	634,574	9,245	(8,648)	635,171
Share of profit of investments accounted for using equity method	197	—	197	9	—	206
Operating profit (loss)	28,693	(830)	27,863	1,637	35	29,535
Finance income						10,760
Finance costs						(6,038)
Profit before tax						34,257

Note: The method of calculating operating profit (loss) for each segment is consistent with the method of calculating operating profit (loss) in the condensed quarterly consolidated statement of income, and does not include financial income, financial costs, and income tax expense. In addition, operating expenses that cannot be charged directly to each segment are allocated to each segment based on the most reasonable allocation criteria.

(Significant subsequent event)

Not applicable.

Subaru Corporation Announces Consolidated Financial Results for the First Quarter of FYE 2022

Tokyo, August 3, 2021 – Subaru Corporation today announced its consolidated financial results for the first quarter of the fiscal year ending March 31, 2022.

Results for April–June 2021: Consolidated Revenue

With the overall industry showing a recovery trend especially in Subaru's key U.S. market, global sales of Subaru vehicles increased 31.7% to 175,000 units despite the impact of the global shortage of semiconductor supplies on production. Overseas vehicle sales rose 32.1% to 151,000 units, while vehicle sales in Japan grew 29.5% to 24,000 units.

Consolidated revenue rose 39.0% to 635.2 billion yen led by the increase in vehicle sales.

Global production grew 99.4% to 184,000 units. Overseas production increased 83.5% to 67,000 units, while production in Japan rose 109.6% to 117,000 units.

Results for April–June 2021: Consolidated Profit and Loss

Due mainly to the increase in vehicle sales, the Company posted operating profit of 29.5 billion yen (an increase of 45.2 billion yen), profit before tax of 34.3 billion yen (an increase of 45.0 billion yen), and profit for the period attributable to owners of parent of 18.5 billion yen (an increase of 26.2 billion yen).

Forecasts for FYE 2022

Reflecting the impact of the shortage of semiconductor supplies on production, the Company revises its previous forecast for global vehicle sales (announced on May 11, 2021) to 960,000 units (up 11.6% from previous year), a decrease of 40,000 units from previous forecast. Meanwhile, in prospect of the improvements such as the changes in exchange rate assumptions and the control of spending on sales incentives, forecasts for consolidated revenue and profit at each stage (operating profit, profit before tax, and profit for the period attributable to owners of parent) remain unchanged from the previous announcement.

The projections are based on exchange rate assumptions of 109 yen to the U.S. dollar and 130 yen to the euro.

Previous forecasts for FYE 2022 announced on May 11, 2021:

- Consolidated revenue: 3,300 billion yen (up 16.6% from previous year)
- Operating profit: 200 billion yen (up 95.2% from previous year)
- Profit before tax: 203 billion yen (up 78.1% from previous year)
- Profit for the period attributable to owners of parent: 140 billion yen (up 83.0% from previous year)

Exchange rate assumptions: 108 yen/US\$, 128 yen/euro

Notes on results:

Vehicle volume figures are rounded off to the nearest thousand. Yen figures are rounded off to the nearest hundred-million.

Forward-looking statements in this document including financial and other forecasts are based on the information available at the time of announcement and are subject to various risks and uncertainties that could cause actual results to vary materially.

###



Reference for the First Quarter of FYE 2022 Consolidated Financial Results

(Yen in 100 millions, Units in thousands)

	FYE 2021 1st Qtr [2020. 4-6] RESULTS	FYE 2022 1st Qtr [2021. 4-6] RESULTS			FYE 2021 Full Year ['20.4-'21.3] RESULTS	FYE 2022 Full Year [2021.4 - 2022.3] FORECASTS			FYE 2022 Full Year ['21.4-'22.3] PREVIOUS FORECASTS
			Change	%			Change	%	
Revenue	4,570	6,352	1,782	39.0	28,302	33,000	4,698	16.6	33,000
Japan	947	1,130	183	19.4	4,983	—	—	—	—
Overseas	3,623	5,222	1,598	44.1	23,319	—	—	—	—
Operating profit	(157)	295	452	—	1,025	2,000	975	95.2	2,000
Profit margin (%)	—	4.6	—	—	3.6	6.1	—	—	6.1
Profit before tax	(107)	343	450	—	1,140	2,030	890	78.1	2,030
Profit margin (%)	—	5.4	—	—	4.0	6.2	—	—	6.2
Profit for the period attributable to owners of parent	(77)	185	262	—	765	1,400	635	83.0	1,400
Profit margin (%)	—	2.9	—	—	2.7	4.2	—	—	4.2
Factors contributing to change in operating profit									
		Sales volume, mix, etc.	617			Sales volume, mix, etc.	1,507		
		Decrease in R&D exp.	71			Effects of foreign exchange rates	350		
		Cost reduction efforts, etc.	(118)			Increase in material costs, etc.	(754)		
		Increase in SG&A exp., etc.	(107)			SG&A, cost reduction efforts, etc.	(298)		
		Effects of foreign exchange rates	(16)			Increase in R&D exp.	(53)		
		Other	5			Improvement efforts	223		
Exchange rates	JPY/US\$ 107/US\$ JPY/EUR 118/EUR	109/US\$ 131/EUR			106/US\$ 123/EUR	109/US\$ 130/EUR			108/US\$ 128/EUR
Capital expenditures	154	192			862	1,000			1,000
Depreciation	230	228			950	1,000			1,000
R&D expenditures *	254	271			1,016	1,200			1,200
Interest bearing debts	4,483	3,360			3,339	—			—
Performance description		- First increase in revenue in 2 years. - First increase in profit at each stage in 2 years. - First increase in consolidated unit sales in 2 years.				- First increase in revenue in 2 years. - First increase in profit at each stage in 2 years. - First increase in consolidated unit sales in 2 years.			
Vehicle sales (Japan)	19	24	5	29.5	102	—	—	—	—
Passenger Cars	14	19	5	33.0	82	—	—	—	—
Minicars	4	5	1	17.8	20	—	—	—	—
Vehicle sales (Overseas)	115	151	37	32.1	758	—	—	—	—
North America	97	129	31	32.3	661	—	—	—	—
Europe	3	5	2	44.4	18	—	—	—	—
China	6	4	(2)	(32.2)	24	—	—	—	—
Other	8	14	6	74.2	54	—	—	—	—
Consolidated vehicle sales total	133	175	42	31.7	860	960	100	11.6	1,000
Global production total	92	184	92	99.4	810	990	180	22.2	1,030
Japan	56	117	61	109.6	525	—	—	—	—
U.S.	36	67	30	83.5	285	—	—	—	—
Revenue by business segment									
Automobile	4,371	6,177	1,806	41.3	27,375				
Aerospace	187	163	(24)	(13.0)	877				
Other	12	12	0	0.0	50				
Operating profit by business segment									
Automobile	(141)	287	428	—	1,091				
Aerospace	(28)	(8)	20	70.7	(98)				
Other	13	16	4	30.4	31				
Elimination & Corporate	(0)	0	0	—	1				

* "R&D expenditures" indicate R&D activity related costs incurred during the reporting period. Under IFRS, a part of these costs that meets capitalization criteria is recognized as an intangible asset and amortized over its estimated useful life; thus, the amount of "R&D expenditures" stated here does not match that of "R&D expenses" stated on the Consolidated Statement of Income.

< Forward-looking statements in this document are based on the information available at the time of the announcement and are subject to various risks and uncertainties that could cause actual results to vary materially. >