

Subaru Corporation Announces Consolidated Financial Results for the First Quarter of FYE2020

Tokyo, August 5, 2019 – Subaru Corporation today announced its consolidated financial results for the first quarter of fiscal year ending March 31, 2020.

< Results for April-June 2019: Consolidated Revenue >

Consolidated global unit sales of Subaru vehicles increased 8.8% to 263,000 units.

Overseas unit sales rose 9.7% to 229,000 units due mainly to growth in the U.S. driven by strong demand for the Ascent and Forester. Unit sales in Japan grew 2.9% to 33,000 units^{*1}, led by the fully-redesigned Forester launched in July 2018 and the Subaru XV which newly added “e-Boxer”-equipped models^{*2} to its lineup in October 2018.

Consolidated revenue^{*3} rose 16.0% to 833.4 billion yen due to unit sales growth and other factors.

The Company is voluntarily adopting International Financial Reporting Standards (IFRS) for its consolidated financial statements from the fiscal year ending March 2020 (FYE2020) in place of the Japanese generally accepted accounting principles (JGAAP) previously adopted. The first-quarter and full-year result figures for the previous fiscal year (FYE2019) have been recalculated based on IFRS for comparison and analysis purposes.

Global production rose 8.4% to 262,000 units. Production in Japan increased due to strong demand for the fully-redesigned Forester, which offset an impact of changes in operation schedules at the Gunma plant continuing since the fall of 2018 to ensure quality-first production and inspection work. Overseas production grew significantly due to an increase in output of the all-new Ascent at Subaru of Indiana Automotive Inc. in the U.S.

< Results for April-June 2019: Consolidated Profit and Loss >

Operating profit^{*4} rose 48.4% to 92.2 billion yen as a result of unit sales growth, sales incentive control, decreases in SG&A expenses and R&D expenditures, and other factors. Profit before tax^{*5} grew 41.0% to 89.3 billion yen. Profit for the period attributable to owners of parent^{*6} increased 40.1% to 66.5 billion yen.

< Forecasts for FYE2020 >

Full-year forecasts for FYE2020 remain unchanged from the previous announcement made on May 10, 2019.

Forecasts for FYE2020 (Announced on May 10, 2019):

Consolidated global sales of Subaru vehicles: 1,058,000 units

Revenue: 3,310 billion yen

Operating profit: 260 billion yen

Profit before tax: 270 billion yen

Profit for the period attributable to owners of parent: 210 billion yen

Currency rate assumptions: 110 yen/US\$, 120 yen/euro

*1: Under IFRS, revenue recognition timing for unit sales in Japan is on a delivery-to-customer basis, whereas it is on a vehicle registration basis under JGAAP.

*2: “e-Boxer” is Subaru’s newly-developed power unit system combining a horizontally-opposed Boxer engine with an electric motor, which offers enhanced environmental performance as well as Subaru’s distinctive driving enjoyment.

*3: “Net sales” in JGAAP is stated as “revenue” in IFRS.

*4: “Operating income” in JGAAP is stated as “operating profit” in IFRS.

*5: “Income before income taxes” in JGAAP is stated as “profit before tax” in IFRS.

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

Note: Vehicle volume figures are rounded off to the nearest thousand.

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.