

Subaru Corporation Announces Consolidated Financial Results for the First Half of FYE2019

Tokyo, November 5, 2018 – Subaru Corporation today announced its consolidated financial results for the first half of fiscal year ending March 31, 2019.

< Results for April-September 2018: Consolidated Net Sales >

Consolidated global sales of Subaru vehicles decreased 9.3% to 482,000 units. Despite strong sales of the fully-redesigned Forester launched in July 2018, unit sales in Japan decreased 21.1% to 65,000 units, as sales of Impreza and Subaru XV models declined compared to their prior year sales which were driven by the launch of their fully-redesigned versions. Despite strong demand for the all-new Ascent launched in North America, overseas unit sales fell 7.1% to 417,000 units, as deliveries of the Forester decreased before the launch of its fully-redesigned version and deliveries to the U.S. and other markets were adjusted to optimize local inventory levels. Net sales declined 7.5% to 1,486.8 billion yen.*1

On retail sales, Subaru sales in its largest North American market kept strong momentum led by the all-new Ascent and the Crosstrek (Subaru XV), marking the 7th consecutive year of record sales for the April-September period.

< Results for April-September 2018: Consolidated Profit and Loss >

Operating income declined 74.1% to 55 billion yen because of factors including an increase in quality-related expenses due to a large-scale recall and decreased deliveries of the Forester before the launch of its fully-redesigned version. Ordinary income decreased 71.8% to 60.0 billion yen. Net income attributable to owners of parent fell 47.9% to 44.3 billion yen.

< Forecasts for FYE2019 >

Full-year forecasts for FYE2019 are revised from the previous announcement made on August 6, 2018, to reflect factors including a decrease in consolidated unit sales and an increase in quality-related expenses.

Revised forecasts: Consolidated unit sales of 1,041,000 vehicles, net sales of 3,210 billion yen, operating income of 220 billion yen, ordinary income of 229 billion yen, net income attributable to owners of parent of 167 billion yen.

Currency rate assumptions: 110 yen/US\$, 130 yen/euro

Previous Forecasts for FYE2019 (Announced on August 6, 2018)

Consolidated unit sales: 1,100,000 vehicles

Net sales: 3,250 billion yen

Operating income: 300 billion yen

Ordinary income: 305 billion yen

Net income attributable to owners of parent: 220 billion yen

Currency rate assumptions: 105 yen/US\$, 130 yen/euro

*1: With effect from this fiscal year (FYE2019), the Company has changed its accounting policies. In the new method, sales incentives are deducted from net sales, whereas they were previously recognized as SG&A expenses.

For comparison purposes, net sales and SG&A expenses of the previous fiscal year (FYE2018) have been recalculated according to the new policies. The recalculated figures of net sales and SG&A expenses for the first half of FYE2018 are 1,608 billion yen and 203.8 billion yen, respectively, a decrease of 78.3 billion yen each from the originally-reported figures (announced on November 6, 2017). There is no impact of the recalculation on profit figures of the previous fiscal year.

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.