

< Reference for FYE2019 Consolidated Financial Results >

(Yen in 100 Millions, Units in Thousands)

	FYE2018 (Note 1) [2017.4 - 2018.3]		FYE2019 (Note 1) [2018.4 - 2019.3]			FYE2020 (Note 2) [2019.4 - 2020.3]			
	RESULTS		RESULTS			FORECASTS			
	JGAAP		JGAAP			IFRS	JGAAP (Reference)		
(a)	Originally-reported	(b)	Change (b-a)	%	(c)		Change (c-b)	%	
Revenue *1	32,327	34,052	31,605	(722)	(2.2)	33,100	33,020	1,415	4.5
Japan	6,680	6,686	5,966	(714)	(10.7)	5,841	5,760	(206)	(3.4)
Overseas	25,647	27,367	25,639	(8)	(0.0)	27,260	27,260	1,620	6.3
Operating profit *2	3,794		1,955	(1,839)	(48.5)	2,600	2,500	545	27.9
Profit margin (%)	11.7	11.1	6.2			7.9	7.6		
Ordinary income	3,799		1,962	(1,837)	(48.3)		2,575	613	31.2
Profit margin (%)	11.8	11.2	6.2				7.8		
Profit before tax *3	2,973		1,958	(1,015)	(34.1)	2,700	2,520	562	28.7
Profit margin (%)	9.2	8.7	6.2			8.2	7.6		
Profit for the period attributable to owners of parent *4	2,204		1,478	(725)	(32.9)	2,100	2,000	522	35.3
Profit margin (%)	6.8	6.5	4.7			6.3	6.1		
Factors contributing to change in operating income			Decrease in R&D exp	186		Accounting standard difference: 100	Decrease in SG&A exp, etc.	706	
			Increase in SG&A exp, etc.	(987)			Improvement in model mix, etc.	252	
			Deterioration in model mix, etc.	(874)			Increase in R&D exp	(173)	
			Increase in raw material costs, etc.	(107)			Effects of foreign exchange rates	(148)	
			Effects of foreign exchange rates	(57)			Increase in raw material costs, etc.	(92)	
Exchange rates	JPY/US\$	111/US\$	111/US\$			110/US\$			
	JPY/EUR	130/EUR	129/EUR			120/EUR			
Capital expenditures	1,414		1,135			1,400			
Depreciation and amortization	898		888			1,000			
R&D expenditures *5	1,211		1,027			1,200			
Interest bearing debts	862		1,004			1,450			
Performance description (Comparison on JGAAP basis)			- First decrease in net sales in 7 yrs. - Decrease in all profits for 3 consecutive yrs. - First decrease in consolidated unit sales in 7 yrs.			- First increase in net sales in 2 yrs. - First increase in all profits in 4 yrs. - First increase in consolidated unit sales in 2 yrs.			
Consolidated unit sales <Japan> *6	163		135	(28)	(17.2)	141 *5	138	2	1.7
Passenger Cars	133		110	(23)	(17.2)	112 *5	110	0	0.3
Minicars	31		26	(5)	(17.1)	28 *5	28	2	7.7
Consolidated unit sales <Overseas>	903		865	(39)	(4.3)	918		53	6.2
North America	728		717	(11)	(1.5)	753		37	5.1
Europe	48		40	(8)	(16.1)	46		6	15.0
China	27		23	(4)	(15.2)	25		2	10.6
Other	101		85	(16)	(15.7)	93		8	9.5
Consolidated unit sales total	1,067		1,000	(67)	(6.3)	1,058	1,055	56	5.6
Production units total	1,050		989	(61)	(5.8)	1,056		67	6.8
Japan	701		617	(84)	(12.0)	668		51	8.2
U.S.	349		372	24	6.8	389		17	4.5
Net sales by business segment	Automobile	30,623	32,349	30,145	(479)	(1.6)			
	Aerospace	1,422		1,317	(105)	(7.4)			
	Other	282		144	(138)	(49.0)			
Operating income by business segment	Automobile	3,615		1,849	(1,765)	(48.8)			
	Aerospace	123		60	(62)	(50.7)			
	Other	51		38	(12)	(24.1)			
	Elimination & Corporate	7		7	0	3.1			

Note 1: With effect from 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 of the previous year (FYE2018) have been recalculated according to the new policies. The recalculated figures are stated along with the originally-announced figures. There is no impact of the recalculation on FYE2018 profit figures. Performance description notes for FYE2019 are stated in comparison with the recalculated figures of FYE2018.

Note 2: As the Company is voluntarily adopting International Financial Reporting Standards (IFRS) from the fiscal year ending March 2020 in place of the Japanese generally accepted accounting principles (JGAAP) previously adopted, forecasts for FYE2020 are calculated based on IFRS. For the purposes of comparison with the previous year (FYE2019), forecast figures for FYE2020 based on JGAAP are also stated as a reference.

*1: "Net sales" in JGAAP is stated as "revenue" in IFRS. *2: "Operating income" in JGAAP is stated as "operating profit" in IFRS.

*3: "Income before income taxes" in JGAAP is stated as "profit before tax" in IFRS.

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

*5: "R&D expenditures" are R&D activity related costs incurred during the reporting period. Under JGAAP, the amount of "R&D expenditures" matches that of "R&D expenses" on the Consolidated Statement of Income. Under IFRS, a part of "R&D expenditures" that meets capitalization criteria is recognized as an intangible asset and amortized over its estimated useful life. As such, the amount of "R&D expenditures" does not match that of "R&D expenses" on the Consolidated Statement of Income under IFRS.

*6: 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.

- "Exchange rates" are the rates used for Subaru Corporation's non-consolidated revenue recording.
- "Consolidated unit sales" include retail sales of Japanese consolidated dealers, wholesale sales of overseas consolidated distributors, and deliveries from Subaru Corporation to non-consolidated distributors/dealers.
- Production in Japan includes production of the Toyota 86 models for Toyota.

< 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. >