



Consolidated Financial Results for the 3rd Quarter of FYE 2019

SUBARU CORPORATION

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Summary

Consolidated Financial Results for the 3rd Quarter (9 months) of FYE 2019

- Net sales declined due to decreased unit sales, foreign exchange losses and other factors.
- Consolidated unit sales decreased as deliveries of the Forester declined before the launch of its fully-redesigned version and deliveries were adjusted to optimize local inventory levels mainly in the U.S. market, despite a contribution from new ASCENT.
- All profit levels declined for factors such as an increase in quality-related expenses due to recall campaigns and a decrease in consolidated unit sales.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Actual results (YoY)	¥2,377.4bil. (-60.3bil.)	¥153.7bil. (-152.6bil.)	¥157.0bil. (-146.1bil.)	¥118.2bil. (-34.6bil.)	762.1k units (-39.8k units)

Forecast for FYE 2019

- Forecasts are revised from the previous announcement made on November 5, 2018, reflecting factors such as higher raw material costs and decreases in production output and unit sales volume as a result of production halt at the Gunma manufacturing plant in January, 2019.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Forecasts (YoY)	¥3,120.0bil. (-112.7bil.)	¥185.0bil. (-194.4bil.)	¥193.0bil. (-186.9bil.)	¥140.0bil. (-80.4bil.)	996.4k units (-70.5k units)
(vs Previous Plan as of Nov.5 th)	(-90.0bil.)	(-35.0bil.)	(-36.0bil.)	(-27.0bil.)	(-44.7k units)

* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales).
The comparative year has been also recalculated under the same conditions.

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**Consolidated Financial Results
for the 3rd Quarter (9 months) of FYE 2019**

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3 rd Quarter (9 months) :			
Consolidated Unit Sales			
	(Thousand Units)		
	Actual Results 3 rd Quarter FYE 2018	Actual Results 3 rd Quarter FYE 2019	Variance
Passenger cars	97.7	79.9	-17.8
Minicars	21.1	18.6	-2.5
Domestic total	118.8	98.5	-20.3
US	509.1	495.9	-13.2
Canada	44.5	47.3	+2.8
Russia	5.7	6.5	+0.9
Europe	28.5	25.9	-2.6
Australia	42.0	35.7	-6.3
China	21.5	16.6	-4.9
Others	31.8	35.7	+3.9
Overseas total	683.1	663.6	-19.4
Total	801.9	762.1	-39.8

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We will now report on our consolidated financial results for the third quarter (9 months) of the fiscal year ending March 31, 2019.

Consolidated unit sales were 762.1 thousand units, a decline of 39.8 thousand units year on year.

In the domestic market, the July launch of the fully redesigned Forester resulted in strong sales, but sales of the Impreza, Levorg and SUBARU XV fell, resulting in a year-on-year decline of 20.3 thousand units, to 98.5 thousand units.

There was a contribution in the North American market from the start of sales of the new Ascent, but sales of the Forester declined in the first half of the fiscal year ahead of the launch of the fully redesigned version, and inventory adjustments, mainly in the U.S. local market, resulted in lower deliveries. As a result, overseas unit sales were 663.6 thousand units, a year-on-year decline of 19.4 thousand units.

Meanwhile, retail sales for calendar 2018 in the key U.S. market hit a record high for the 10th consecutive year, helped by the new Ascent and Crosstrek.

Total global retail sales also recorded a record high, for the 7th consecutive year.

3 rd Quarter (9 months) :				
Consolidated Income Statements				
(100 Million Yen)				
	Actual Results 3 rd Quarter FYE 2018		Actual Results 3 rd Quarter FYE 2019	Variance
Net sales	(25,646)	24,377	23,774	-603
Domestic	(4,845)	4,842	4,358	-484
Overseas	(20,801)	19,536	19,417	-119
Operating income		3,063	1,537	-1,526
Ordinary income		3,031	1,570	-1,461
Income before income taxes		2,176	1,580	-596
Net income attributable to owners of parent		1,528	1,182	-346
SUBARU exchange rate		¥112/US\$	¥111/US\$	-¥1/US\$

* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales). The comparative year has been also recalculated under the same conditions.
* Figure in () : Net sales before deducting sales incentives

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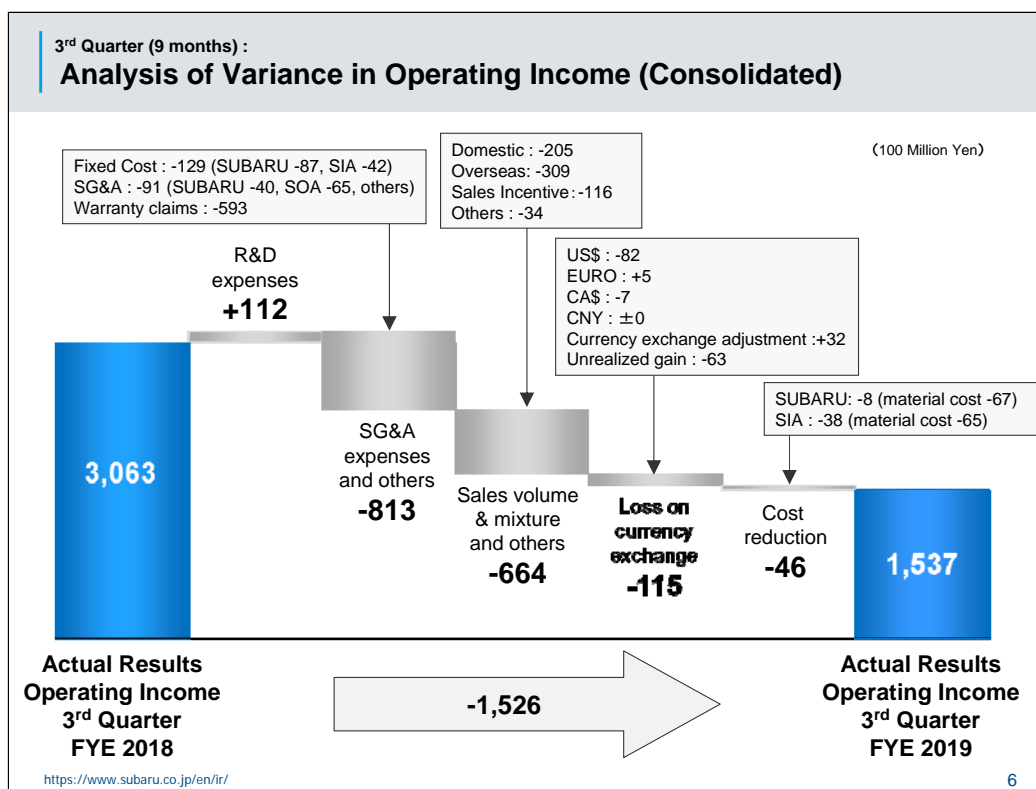
We will now move on to the consolidated income statements.

Consolidated net sales declined by 60.3 billion yen year on year to 2,377.4 billion yen, due to currency exchange losses of 10.3 billion yen, a negative impact of 25.5 billion yen from poorer sales volume & mixture, and a negative impact of 24.5 billion yen from SUBARU companies, etc.

In addition, with regard to the year-on-year comparison of net sales, due to the adoption of new accounting policies, the result for the previous fiscal year has been recalculated in accordance with those policies.

With regard to operating income, an increase in quality-related expenses caused mainly by a major recall, and lower unit sales, etc., resulted in a year-on-year decline of 152.6 billion yen, to 153.7 billion yen. Ordinary income fell by 146.1 billion yen to 157.0 billion yen.

Net income attributable to owners of parent contracted by 34.6 billion yen year on year, to 118.2 billion yen.



Now let us look at the analysis of variance at the operating income level. Compared to the result for the same period of the previous fiscal year, there has been a decline of 152.6 billion yen, the respective components of which will now be explained.

First, the factors pushing up operating income. R&D expenses had a positive impact of 11.2 billion yen.

Now we will look at factors pushing down operating income.

<1> The negative impact of SG&A and other expenses was 81.3 billion yen, which can be broken down into the following three factors

(1) Increases in fixed manufacturing costs had a negative impact of 12.9 billion yen.

Of this, SUBARU accounted for -8.7 billion yen.

At SUBARU, the impact of increased costs for supplier dies was -6.1 billion yen, and increases in fixed processing costs came to -2.6 billion yen. SIA accounted for -4.2 billion yen. The impact of increased costs for supplier dies came to -2.7 billion yen, and the impact of increased fixed processing costs was -1.5 billion yen.

(2) Higher SG&A expenses had a negative impact of 9.1 billion yen.

Of this, SUBARU accounted for -4.0 billion yen, domestic dealers were neutral, SOA was -6.5 billion yen, the Canadian subsidiary was -0.1 billion yen, and others had a positive impact of 1.5 billion yen.

(3) An increase in warranty claims had a negative impact of 59.3 billion yen.

The previous fiscal year saw the recording of expenses such as those related to recalls for final inspection issues, but this fiscal year includes expenses related to major recalls for valve springs, etc.

<2> The impact of sales volume & mixture and others was negative 66.4 billion yen. In more detail, there are four factors, as follows.

(1) New car sales domestic: -20.5 billion yen (2) New car sales overseas: -30.9 billion yen

(3) Incentives: -11.6 billion yen

Of this, SOA was -7.2 billion yen. Incentives per vehicle were 2,150 dollars, an increase of 250 dollars over the previous year's 1,900 dollars.

(4) Inventory adjustments and other factors: -3.4 billion yen.

<3> Currency exchange losses were 11.5 billion yen.

The roughly 1-yen appreciation of the yen against the U.S. dollar had a negative impact of 8.2 billion yen.

The roughly 3-yen depreciation of the yen against the euro had a positive impact of 0.5 billion yen.

The roughly 1-yen appreciation of the yen against the Canadian dollar had a negative impact of 0.7 billion yen.

Foreign exchange adjustments related to transactions between SUBARU and its overseas subsidiaries had a positive impact of 3.2 billion yen, while unrealized gains on inventory had a negative effect of 6.3 billion yen.

<4> Cost reductions had a negative impact of 4.6 billion yen. Of this, SUBARU accounted for -0.8 billion yen and SIA for -3.8 billion yen.

The breakdown of the SUBARU portion was +5.9 billion yen in cost reductions, and -6.7 billion yen from material prices and market conditions, etc.

For SIA the breakdown was +2.7 billion yen in cost reductions, and -6.5 billion yen from material prices and market conditions, etc.

As a result of the above, consolidated operating income for the first nine months of FYE 2019 fell 152.6 billion yen from the 306.3 billion yen recorded in the same period of the previous year, to 153.7 billion yen.

Consolidated Balance Sheets

(100 Million Yen)

	As of March 2018	As of December 2018	Variance
Total assets	28,665	28,701	+36
Current assets	17,704	17,379	-326
Noncurrent assets	10,960	11,322	+361
Total liabilities	13,055	12,900	-154
Interest bearing debts	862	520	-342
Net assets	15,610	15,800	+190
Retained earnings	12,835	12,913	+78
Shareholders' equity	15,528	15,732	+203
Ratio of shareholders' equity to total assets	54.2%	54.8%	-
D/E ratio	0.06	0.03	-

* Due to partial amendments to Accounting Standard for Tax Effect Accounting, calculation method has been changed from FYE 2019. The comparative year has been also recalculated under the same conditions.

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Next, we will move on to the balance sheet.

Total assets were 2,870.1 billion yen, an increase of 3.6 billion yen from the end of the previous fiscal year. The main causes of this included an increase in merchandise and finished goods of 49.8 billion yen; an increase of 36.1 billion yen in noncurrent assets; an increase in work in process of 22.7 billion yen; a rise in raw materials and supplies of 18.5 billion yen; an increase of 9.5 billion yen in short-term loans receivable; and a decrease of 136.3 billion yen in short-term investment securities.

Liabilities were 1,290.0 billion yen, decreasing by 15.4 billion yen from the end of the previous fiscal year. The primary factors in this were a 43.1 billion yen fall in provisions for losses related to airbags, a decline in income taxes payable of 42.1 billion yen, a decrease in short-term loans payable of 17.4 billion yen and an increase in accrued expenses of 82.9 billion yen.

Net assets were 1,580.0 billion yen, an increase of 19.0 billion yen from the end of the previous fiscal year. The main factors behind this were a rise in the foreign currency translation adjustment of 14.7 billion yen, and an increase in retained earnings of 7.8 billion yen.

The ratio of shareholders' equity to total assets was 54.8%.

3 rd Quarter (9 months) :			
Consolidated Statements of Cash Flows			
(100 Million Yen)			
	Actual Results 3 rd Quarter FYE 2018	Actual Results 3 rd Quarter FYE 2019	Variance
Net cash provided by (used in) operating activities	2,546	1,123	-1,423
Net cash provided by (used in) investing activities	-1,320	-1,129	+191
Free cash flows	1,226	-6	-1,232
Net cash provided by (used in) financing activities	-1,650	-1,454	+196
Effect of exchange rate change on cash and cash equivalents	34	168	+135
Net increase (decrease) in cash and cash equivalents	-390	-1,292	-901
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-5	-	+5
Increase (decrease) in cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	37	-	-37
Cash and cash equivalents at end of period	6,928	6,364	-563

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Now we come to the consolidated statement of cash flows.

Net cash provided by operating activities was 112.3 billion yen.

The main components of this included income before income taxes of 158.0 billion yen, an increase in accrued expenses of 78.8 billion yen, depreciation and amortization of 78.4 billion yen, income taxes paid of 95.5 billion yen, and a rise in inventories of 86.0 billion yen.

Net cash used in investing activities was 112.9 billion yen.

The primary component was 107.4 billion yen in expenditures for the purchase of non-current assets (on a net basis against proceeds from disposals).

As a result, free cash flow was negative by 0.6 billion yen.

Net cash used in financing activities was 145.4 billion yen.

The principal factors behind this were cash dividends paid of 110.1 billion yen, a decrease in short-term loans payable of 17.1 billion yen and expenditures for the repayments of long-term loans payable of 16.8 billion yen (on a net basis against loan proceeds).

Finally, cash and cash equivalents at end of period came to 636.4 billion yen.

3 rd Quarter (9 months) : Operating Results of Subsidiaries in U.S.			
(Million US\$)			
SOA	Actual Results 3 rd Quarter FYE 2018	Actual Results 3 rd Quarter FYE 2019	Variance
Net sales	13,901	14,240	+339
Operating income	336	256	-80
Net income	218	216	-2
Retail sales (Thousand units)	501.2	526.1	+24.9
SIA	Actual Results 3 rd Quarter FYE 2018	Actual Results 3 rd Quarter FYE 2019	Variance
Net sales	5,706	6,404	+698
Operating income	116	100	-16
Net income	65	81	+16
Production (Thousand units)	260.4	271.2	+10.8

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Now let us take a look at the results of the U.S. subsidiary.

SOA retail sales rose 24.9 thousand units year on year to 526.1 thousand units, due to the continued strength of the Crosstrek and the volume contribution from the launch of the new Ascent.

Net sales rose by 339 million dollars year on year to 14,240 million dollars, and operating income decreased by 80 million dollars year on year to 256 million dollars.

The factors behind the change in operating income were a positive impact from sales volume & mixture of 43 million dollars, and a negative effect from increased SG&A expenses of 123 million dollars, leading to a year-on-year decline of 80 million dollars and operating income of 256 million dollars.

SIA net sales rose by 698 million dollars year on year to 6,404 million dollars.

At the operating level, the combination of a positive impact from sales mix variances of 56 million dollars, a negative impact from higher costs of 34 million dollars, and a negative impact from higher fixed costs of 38 million dollars resulted in a year-on-year decline of 16 million dollars, and operating income of 100 million dollars.

| Forecasts for FYE 2019

Revised Plan FYE 2019 :

Production Plan / Consolidated Unit Sales Plan

(Thousand Units)

	Actual Results FYE 2018 (a)	Previous Plan FYE 2019 as of Nov. 5 th (b)	Revised Plan FYE 2019 (c)	Variance (c)-(a)	Variance (c)-(b)
Production in U.S.	348.6	379.7	377.2	+28.6	-2.6
Production in Japan	701.2	656.1	615.8	-85.3	-40.3
Total	1,049.7	1,035.8	993.0	-56.8	-42.9

* Domestic production figures include Toyota 86.

(Thousand Units)

	Actual Results FYE 2018 (a)	Previous Plan FYE 2019 as of Nov. 5 th (b)	Revised Plan FYE 2019 (c)	Variance (c)-(a)	Variance (c)-(b)
Consolidated Unit Sales Total	1,066.9	1,041.1	996.4	-70.5	-44.7

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Next, we will discuss production and consolidated unit sales plans for the full fiscal year ending March 31, 2019.

With regard to production, having taken into account factors such as the impact of a production halt at the Gunma manufacturing plant due to a defect in the Electronic Power Steering unit, which was announced in January 2019, we have revised our plans downward by 42.9 thousand units from the previous plan to 993 thousand units, a year-on-year decline of 56.8 thousand units.

Accordingly, we have revised our consolidated unit sales plans downward by 44.7 thousand units from the previous plan to 996.4 thousand units, a year-on-year decline of 70.5 thousand units.

In terms of units by market, we are still carrying out a detailed investigation of the impact based on these revised plans, and so on this occasion we are announcing only the total figures.

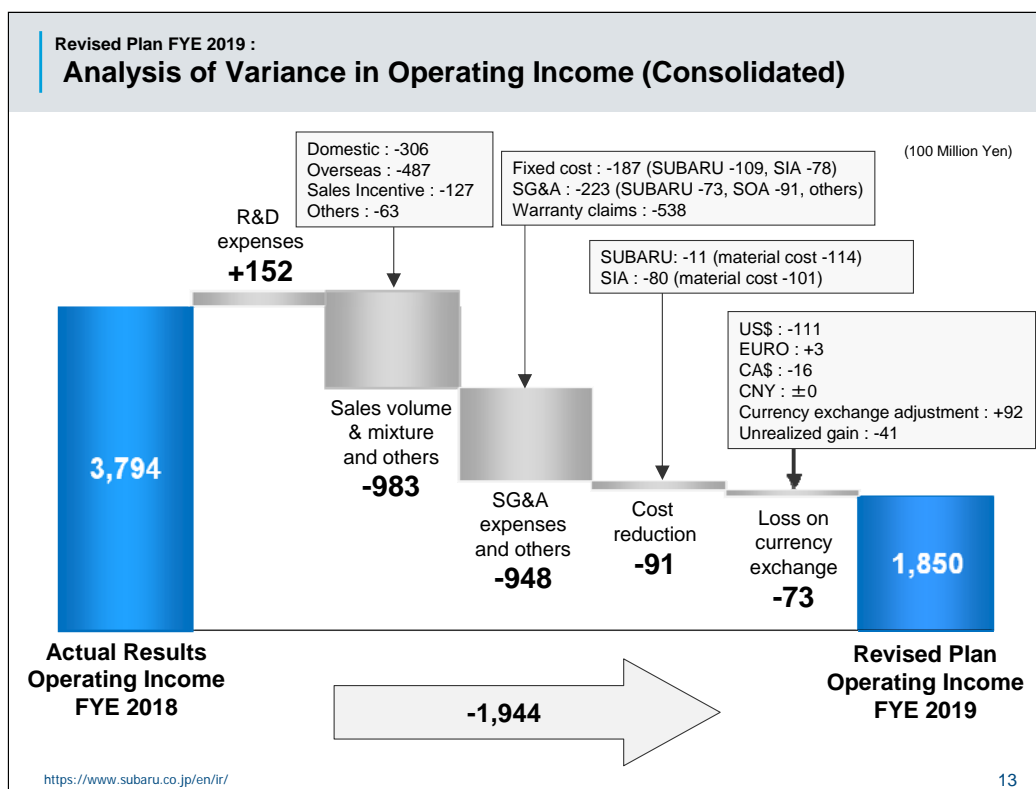
Revised Plan FYE 2019 : Consolidated Income Plan						
(100 Million Yen)						
	Actual Results FYE 2018 (a)		Previous Plan FYE 2019 as of Nov. 5 th (b)	Revised Plan FYE 2019 (c)	Variance (c)-(a)	Variance (c)-(b)
Net sales	(34,052)	32,327	32,100	31,200	-1,127	-900
Domestic	(6,686)	6,680	6,173	5,698	-982	-475
Overseas	(27,367)	25,647	25,927	25,502	-145	-425
Operating income		3,794	2,200	1,850	-1,944	-350
Ordinary income		3,799	2,290	1,930	-1,869	-360
Income before income taxes		2,973	2,290	1,920	-1,053	-370
Net income attributable to owners of parent		2,204	1,670	1,400	-804	-270
SUBARU exchange rate		¥111/US\$	¥110/US\$	¥110/US\$	-¥1/US\$	+¥1/US\$

* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales). The comparative year has been also recalculated under the same conditions.
* Figure in () : Net sales before deducting sales incentives
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Next we will look at the consolidated income statements plan.

As a result of incorporating the decline in unit sales,
in addition to the increase in quality-related expenses and other factors,
consolidated net sales are forecast to fall by 112.7 billion yen year on year to 3,120.0 billion yen. Operating
income is set to decline by 194.4 billion yen to 185.0 billion yen, while ordinary income and net income
attributable to owners of parent have been revised to 193.0 billion yen and 140.0 billion yen respectively.



Now let us look at the analysis of variance at the operating income level. Compared to the result for the same period of the previous fiscal year, there has been a decline of 194.4 billion yen, the respective components of which we will now explain.

First, the factors pushing up operating income. A decline in R&D expenses with a positive impact of 15.2 billion yen.

Next, factors pushing down profit.

<1> Sales volume & mixture and others had a negative impact of 98.3 billion yen. There are four factors at work here, as follows.

(1) New car sales domestic: -30.6 billion yen (2) New car sales overseas: -48.7 billion yen

(3) Incentives: -12.7 billion yen. Of which, SOA to account for -10.6 billion yen.

Incentives per vehicle this fiscal year are forecast to rise 150 dollars year on year from 2,000 dollars to 2,150 dollars.

(4) Inventory adjustments and other factors: -6.3 billion yen.

<2> An increase in SG&A and other expenses is projected to have a negative impact of 94.8 billion yen.

There are three factors behind this, as follows.

(1) Increases in fixed manufacturing costs had a negative impact of 18.7 billion yen.

Of this, SUBARU is to see increased costs for supplier dies of 8.4 billion yen, and higher fixed processing costs of 2.5 billion yen, for a total negative impact of 10.9 billion yen.

SIA will likely experience a rise in costs for supplier dies of 3.4 billion yen and increased fixed processing costs of 4.4 billion yen, for a total negative impact of 7.8 billion yen.

(2) Higher SG&A expenses with an estimated negative impact of 22.3 billion yen.

Of this, SUBARU is projected to account for -7.3 billion yen, domestic dealers for -0.2 billion yen, SOA for -9.1 billion yen, the Canadian subsidiary for -1.7 billion yen, and others for -4.0 billion yen.

(3) Increased warranty claims are forecast to have a negative impact of 53.8 billion yen.

<3> Cost reductions are seen having a negative impact of -9.1 billion yen.

Of that, SUBARU is expected to account for -1.1 billion yen and SIA for -8.0 billion yen.

For SUBARU the breakdown is +10.3 billion yen in cost reductions, and -11.4 billion yen from material prices and market conditions, etc.

For SIA the breakdown is +2.1 billion yen in cost reductions, and -10.1 billion yen from material prices and market conditions, etc.

<4> Finally, foreign exchange losses are estimated to come in at 7.3 billion yen.

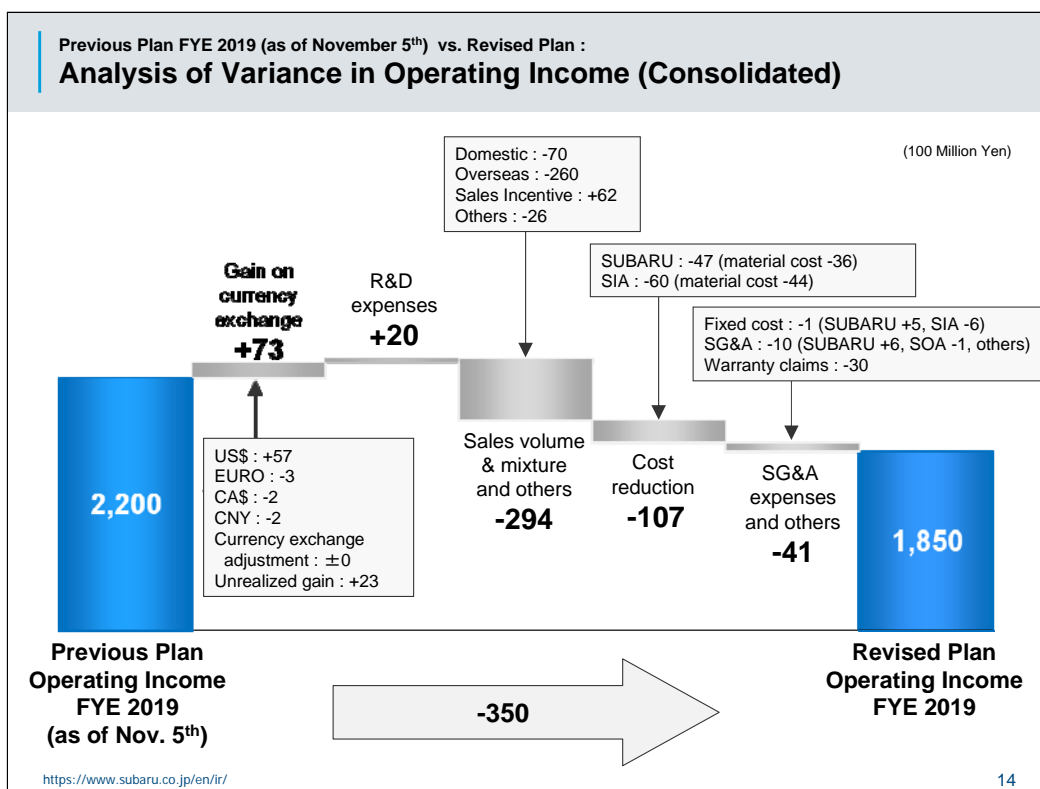
We expect the yen to appreciate by around 1 yen against the U.S. dollar, resulting in a negative impact of 11.1 billion yen.

A slight fluctuation against the euro is forecast to have a positive impact of 0.3 billion yen, and the approximately 2-yen appreciation against the Canadian dollar is seen having a negative effect of 1.6 billion yen.

Others and foreign exchange adjustments related to transactions between SUBARU and its overseas subsidiaries are predicted to have a positive impact of 9.2 billion yen, while unrealized gains on inventory are forecast to be negative by

-4.1 billion yen.

As a result of the above factors, operating income for the full fiscal year ending March 31, 2019 is forecast to decline by 194.4 billion yen from 379.4 billion yen in the previous year to 185.0 billion yen.



Next we will explain the factors behind the 35.0 billion yen reduction in profit when compared to the previously announced plans.

First, the two factors that are forecast to push up operating income.

<1> The first is foreign exchange rate gains of 7.3 billion yen.

The yen is expected to weaken by roughly 1 yen against the U. S. dollar, leading to a positive impact of 5.7 billion yen.

The roughly 1-yen appreciation against the euro is forecast to result in a negative impact of 0.3 billion yen, while the approximately 1-yen appreciation against the Canadian dollar will likely have a negative effect of 0.2 billion yen, with the impact of minor changes in the Chinese yuan being negative by 0.2 billion yen.

Others and foreign exchange adjustments related to transactions between SUBARU and its overseas subsidiaries are predicted to have a neutral impact, while unrealized gains on inventory are forecast to be positive by 2.3 billion yen.

< 2> R&D expenses are predicted to have a positive impact of 2.0 billion yen.

Next, we will look at the factors depressing profit.

<1> The negative impact of sales volume & mixture and others is seen at 29.4 billion yen. There are four factors behind this, as follows.

(1) New car sales domestic: -7.0 billion yen (2) New car sales overseas: -26.0 billion yen

(3) Incentives: +6.2 billion yen. Of which, SOA to account for +4.4 billion yen.

Incentives per vehicle are planned to fall by 100 dollars from the previous forecast, from 2,250 dollars to 2,150 dollars.

(4) Inventory adjustments and other factors: -2.6 billion yen.

<2> Cost reductions are seen having a negative impact of 10.7 billion yen.

Of that, SUBARU is expected to account for -4.7 billion yen and SIA for -6.0 billion yen.

The breakdown of the SUBARU portion is -1.1 billion yen in cost reductions, and -3.6 billion yen from material prices and market conditions, etc.

For SIA the breakdown is -1.6 billion yen in cost reductions, and -4.4 billion yen from material prices and market conditions, etc.

<3> An increase in SG&A and other expenses is projected to have a negative impact of 4.1 billion yen.

There are three factors behind this, as follows.

(1) Increases in fixed manufacturing costs with a projected negative impact of 0.1 billion yen.

Of this, SUBARU is expected to see lower costs for supplier dies leading to a positive impact of 0.9 billion yen, and higher fixed processing costs of 0.4 billion yen, for a net effect of +0.5 billion yen.

At SIA, an increase in fixed processing costs is forecast to have a negative impact of 0.6 billion yen.

(2) Higher SG&A expenses with an estimated negative impact of 1.0 billion yen.

Of this, SUBARU is projected to account for +0.6 billion yen, domestic dealers for +0.9 billion yen, SOA for -0.1 billion yen, the Canadian subsidiary for -0.7 billion yen, and others for -1.7 billion yen.

(3) Increased warranty claims are forecast to have a negative impact of 3.0 billion yen.

As a result of the above factors, operating income for the full fiscal year ending March 31, 2019 is now expected to be 185.0 billion yen, 35.0 billion yen lower than the previous plan of 220.0 billion yen.

Capex / Depreciation / R&D / Interest Bearing Debt

(100 Million Yen)

	Actual Results 3 rd Quarter FYE 2018	Actual Results 3 rd Quarter FYE 2019	Actual Results FYE 2018 (a)	Previous Plan FYE 2019 (as of Nov. 5 th) (b)	Revised Plan FYE 2019 (c)	Variance (c)-(a)	Variance (c)-(b)
Capex	780	852	1,414	1,300	1,300	-114	±0
Depreciation	653	674	898	930	930	+32	±0
R&D	889	780	1,211	1,080	1,060	-151	-20
Interest bearing debt	919	520	862	500	1,000	+138	+500

* Changed accounting policies from FYE 2019.
The Company and its major domestic consolidated subsidiaries changed depreciation method of certain tangible fixed assets from the declining-balance method to the straight-line method.

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Next, we will look at capital expenditures, depreciation costs, R&D expenses, and interest-bearing debt.

Capital expenditures for the nine months were 85.2 billion yen, while depreciation was 67.4 billion yen and R&D expenses came to 78.0 billion yen.

With regard to full-year plans, there have been no changes from the previously announced figures for capital expenditures and the depreciation, but R&D expenses have been cut by 2.0 billion yen from the previous plan, to 106.0 billion yen, and interest-bearing debt is now expected to be 50.0 billion yen higher, at 100.0 billion yen.

Shareholder Returns

【Dividend per share】

(Yen)

	FYE 2018 Results	FYE 2019	
		Results	Forecast
2 nd Quarter	72	72	-
Year-end	72	-	72
Annual	144	-	144

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Finally, we come to returns to shareholders.

Although the level of profits has deteriorated compared to the previous set of forecasts due to lower unit sales and increases in quality-related expenses, etc., the dividend forecast has been left unchanged.

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

This concludes the briefing on our financial results for the third quarter (9 months) of the year ending March 31, 2019.

Thank you very much.

Appendix

- Non-operating Income
& Expenses and Extraordinary Income & Losses
- Segment information by Business & Geographic
- Overseas Net Sales
- Non-consolidated Unit Sales
- 3rd Quarter (3 months) Consolidated Unit Sales and Income Statements
- 4th Quarter (3 months) Consolidated Income Statements
- Complete Cars Production / Retail Sales Units

3rd Quarter (9 months) :

Non-operating Income & Expenses and Extraordinary Income & Losses (Consolidated)

(100 Million Yen)

	Actual Results 3 rd Quarter FYE 2018	Actual Results 3 rd Quarter FYE 2019	Variance
Financial revenue and expenditure	42	91	+48
FOREX effects	-26	-58	-32
Loss on taxation of overseas subsidiary	-37	-	+37
Others	-11	1	+12
Total non-operating income & expenses	-32	34	+66
Gain on sales of noncurrent assets	3	12	+8
Gain on sales of investment securities	7	36	+29
Loss on sales and retirement of noncurrent assets	-42	-41	+2
Loss related to airbags	-813	-	+813
Others	-11	+3	+13
Total extraordinary income & losses	-855	+10	+864

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3rd Quarter (9 months) :

Net Sales and Operating Income by Business Segment (Consolidated)

(100 Million Yen)

	Net Sales				Operating Income		
	Actual Results 3 rd Quarter FYE 2018	Actual Results 3 rd Quarter FYE 2019	Variance	Actual Results 3 rd Quarter FYE 2018	Actual Results 3 rd Quarter FYE 2019	Variance	
Automobile	(24,339)	23,070	22,719	-351	2,903	1,454	-1,449
Aerospace	(1,067)	1,067	943	-123	116	49	-67
Others	(240)	240	111	-129	40	29	-11
Elimination & Corporate					5	5	+0
Total	(25,646)	24,377	23,774	-603	3,063	1,537	-1,526

* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales). The comparative year has been also recalculated under the same conditions.
* Figure in (): Net sales before deducting sales incentives

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3rd Quarter (9 months) :

Net Sales and Operating Income by Geographic Area (Consolidated)

(100 Million Yen)

	Net Sales				Operating Income		
	Actual Results 3 rd Quarter FYE 2018	Actual Results 3 rd Quarter FYE 2019	Variance	Actual Results 3 rd Quarter FYE 2018	Actual Results 3 rd Quarter FYE 2019	Variance	
Japan	(7,422)	7,417	6,764	-653	2,419	1,031	-1,388
North America	(16,720)	15,506	15,810	+304	582	504	-78
Others	(1,504)	1,454	1,200	-254	36	8	-29
Elimination & Corporate					26	-6	-32
Total	(25,646)	24,377	23,774	-603	3,063	1,537	-1,526

* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales). The comparative year has been also recalculated under the same conditions.

* Figure in (): Net sales before deducting sales incentives

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3rd Quarter (9 months) :
Overseas Net Sales (Consolidated)

(100 Million Yen)

	Actual Results 3 rd Quarter FYE 2018		Actual Results 3 rd Quarter FYE 2019	Variance
North America	(17,610)	16,395	16,512	+117
Europe	(851)	844	808	-36
Asia	(1,074)	1,031	877	-153
Others	(1,267)	1,265	1,219	-46
Total	(20,801)	19,536	19,417	-119

* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales). The comparative year has been also recalculated under the same conditions.

* Figure in (): Net sales before deducting sales incentives

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3rd Quarter (9 months) :
Non-consolidated Unit Sales

(Thousand Units)

	Actual Results 3rd Quarter FYE 2018	Actual Results 3rd Quarter FYE 2019	Variance
Domestic production	532.2	491.1	-41.2
Domestic sales	125.9	104.2	-21.6
Passenger cars	103.4	84.9	-18.5
Minicars	22.5	19.4	-3.1
Number of exported vehicles	419.6	396.2	-23.5
Components for overseas production	266.0	298.6	+32.7
Total	811.4	799.0	-12.4

* Domestic production figures include Toyota 86.

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3rd Quarter (3 months) :
Consolidated Unit Sales

(Thousand Units)

	Actual Results 3 rd Quarter (3 months) FYE 2018	Actual Results 3 rd Quarter (3 months) FYE 2019	Variance
Passenger car	30.4	27.5	-2.9
Minicar	6.1	6.0	-0.1
Domestic total	36.5	33.5	-3.0
US	175.8	193.7	+17.8
Canada	13.7	15.4	+1.7
Russia	2.0	1.4	-0.6
Europe	10.7	5.3	-5.5
Australia	14.3	12.2	-2.1
China	7.7	7.5	-0.2
Others	9.8	11.0	+1.3
Overseas total	234.1	246.5	+12.4
Total	270.6	280.0	+9.4

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3rd Quarter (3 months) :
Consolidated Income Statements

(100 Million Yen)

	Actual Results 3Q (3 months) FYE 2018		Actual Results 3Q (3 months) FYE 2019	Variance
Net sales	(8,783)	8,297	8,906	+609
Domestic	(1,559)	1,559	1,483	-76
Overseas	(7,224)	6,738	7,423	+684
Operating income		942	986	+44
Ordinary income		904	970	+66
Income before income taxes		892	950	+59
Net income attributable to owners of parent		678	739	+61
SUBARU exchange rate		¥112/US\$	¥113/US\$	+¥0/US\$

* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales). The comparative year has been also recalculated under the same conditions.

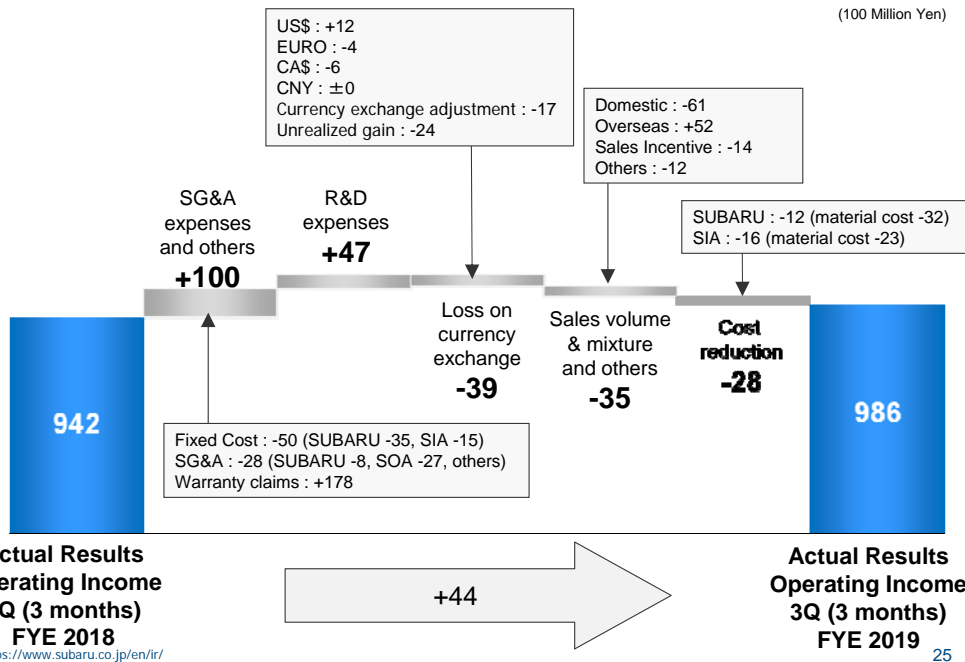
* Figure in (): Net sales before deducting sales incentives

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3rd Quarter (3 months) :
Consolidated Income Statements

(100 Million Yen)



4th Quarter (3 months) :
Consolidated Income Statements

(100 Million Yen)

	Actual Results 4 th Quarter (3 months) FYE 2018		Plan 4 th Quarter (3 months) FYE 2019	Variance
Net sales	(8,406)	7,949	7,426	-524
Domestic	(1,840)	1,838	1,340	-498
Overseas	(6,565)	6,111	6,086	-26
Operating income		731	313	-418
Ordinary income		768	360	-409
Income before income taxes		797	340	-457
Net income attributable to owners of parent		675	218	-457
SUBARU exchange rate		¥110/US\$	¥109/US\$	-¥1/US\$

* Changed accounting policies from FYE 2019 (deducting sales incentives from net sales). The comparative year has been also recalculated under the same conditions.

* Figure in (): Net sales before deducting sales incentives

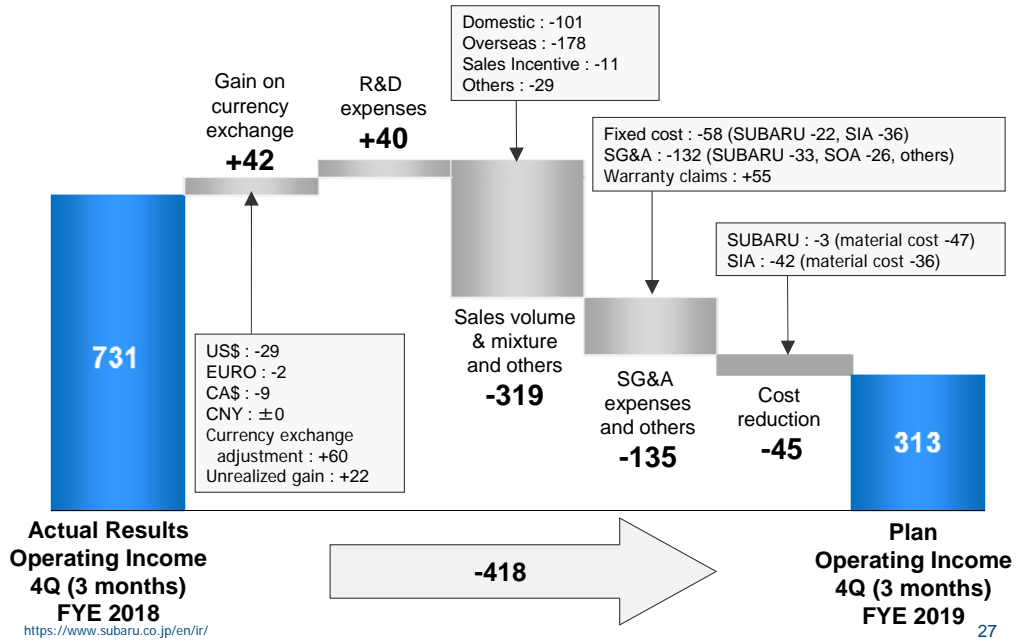
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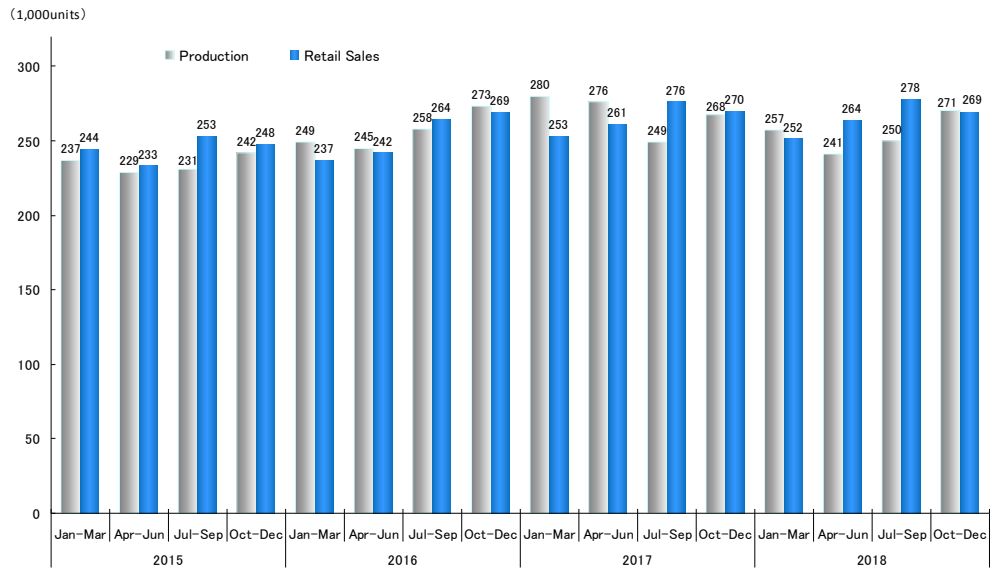
4th Quarter (3 months) :

Analysis of Variance in Operating Income(Consolidated)

(100 Million Yen)



Complete Cars Production / Retail Sales Units



* Production figures include Toyota 86.

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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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