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Company name: SUBARU CORPORATION
Representative: Tomomi Nakamura, Representative Director, President and CEO
Code number: 7270 (First Section of Tokyo Stock Exchange)
Contact for inquiries: Katsuo Saito, Vice President
and General Manager of Investor Relations Department
Phone: +81-3-6447-8825

Notice Regarding Year-on-Year Changes in Consolidated Financial Results for FYE2019

Subaru Corporation hereby notifies year-on-year changes between the consolidated financial results for FYE2019 (April 1 – March 31, 2019) announced today and the corresponding of the previous year. Details are set out below.

1. Year-on-Year Changes in Consolidated Financial Results for FYE2019

| | Net sales | Operating income | Ordinary income | Net income attributable to owners of parent | Net income per share |
|----------------------------|------------------------------|----------------------------|----------------------------|---|----------------------|
| FYE2018 Results (A) | Millions of yen 3,232,695 | Millions of yen 379,447 | Millions of yen 379,934 | Millions of yen 220,354 | Yen 287.40 |
| FYE2019 Results (B) | 3,160,514 | 195,529 | 196,0239 | 147,812 | 192.78 |
| Increase or decrease (B—A) | (72,181) | (183,918) | (183,695) | (72,542) | |
| Percentage change (%) | (2.2) | (48.5) | (48.3) | (32.9) | |

Note: The Company has changed its accounting policies with effect from the first quarter of FYE2019. Accordingly, the new policies have been retroactively applied to FYE2018 results before carrying out year-on-year comparison and analysis of net sales figures.

2. Reasons for the Changes

In the automotive business, overseas retail sales remained stable in North America, which is a priority market for us, contributed by strong sales of Ascent, a new model vehicle newly launched. However, total unit sales dropped by 39 thousand units (4.3%) from the previous fiscal year to 865 thousand units due to the decrease in shipment of Forester, which had not been fully remodeled for the first half of this fiscal year. Overall domestic sales also decreased by 28 thousand units (17.2%) from the previous fiscal year to 135 thousand units due to the decline in sales of Impreza, SUBARU XV and Levorg, while the sales of Forester, which was fully remodeled in July, grew steadily. Combined domestic and overseas unit sales thus decreased by 67 thousand units (6.3%) from the previous fiscal year to 1 million units.

In the Aerospace Company, Deliveries to the Japan Ministry of Defense saw sales decrease from the previous fiscal year, partly because the performance of a contract for the test production of a new multi-purpose helicopter for the Ground Self-Defense Force had been completed. Affected by the decline in production of Boeing 777 aircraft, the sales in the civilian market also fell below the previous fiscal year.

As a result, Net sales in the period under review decreased by ¥72.2 billion (2.2%) from the previous fiscal year to ¥3,160.5 billion.

The increase in quality-related expenses triggered by the recall in November 2018 and the decrease in automobile unit sales affected both operating income and ordinary income, which respectively dropped by ¥183.9 billion (48.5%)

to ¥195.5 billion and by ¥183.7 billion (48.3%) to ¥196.2 billion compared with the previous fiscal year. Net income attributable to owners of the parent also fell by ¥72.5 billion (32.9%) from the previous fiscal year to ¥147.8 billion.

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