

FYE2020 Consolidated Financial Results

For the Year Ended March 31, 2020



(IFRS basis)

May 18, 2020

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Scheduled date of annual meeting of stockholders: June 23, 2020 Scheduled date for dividend payment: June 24, 2020
 Scheduled date of submitting Security Report : June 24, 2020
 Annual earnings supplementary explanatory documents : Yes
 Holding of annual financial results meeting : Yes (for investment analysts and institutional investors)

(All amounts have been rounded off to the nearest million yen, unless otherwise specified)

1. Consolidated Results for FYE2020 (April 1, 2019 to March 31, 2020)

(1) Consolidated Financial Results of Operations (for twelve-month period)

(Unit: Millions of yen, except for per share figures)

(%: Changes from the previous fiscal year)

	Revenue		Operating Profit		Profit before tax		Profit for the period		Profit for the period attributable to owners of parent		Total comprehensive income	
FYE 2020	3,344,109	6.0%	210,319	15.7%	207,656	11.6%	152,591	8.4%	152,587	7.9%	140,556	(10.6)%
FYE 2019	3,156,150	—%	181,724	—%	186,026	—%	140,789	—%	141,418	—%	157,298	—%

	Profit for the period per share, basic (yen)	Profit for the period per share, diluted (yen)	Ratio of profit to equity attributable to owners of parent	Ratio of profit before income tax to total assets	Ratio of operating profit to revenue
FYE 2020	198.99	—	9.0 %	6.4 %	6.3 %
FYE 2019	184.44	—	8.5 %	6.0 %	5.8 %

Reference: Share of profit (loss) of investments accounted for using equity method FYE2020: (223) million yen FYE2019: 377 million yen

(2) Consolidated Financial Position

(Unit: Millions of yen, except for per share figures)

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share (yen)
FYE 2020	3,293,908	1,720,123	1,712,881	52.0 %	2,233.76
FYE 2019	3,180,597	1,689,899	1,682,248	52.9 %	2,193.97

(3) Consolidated Cash Flows

(Unit: Millions of yen)

	Operating activities	Investment activities	Financing activities	Cash & cash equivalents
FYE 2020	210,134	(25,844)	(15,818)	858,966
FYE 2019	250,732	(190,119)	(141,551)	702,328

2. Dividends

(Unit: Millions of yen, except for per share figures)

	Cash dividends per share (yen)					Amount of dividends paid (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual			
FYE 2019	—	72.00	—	72.00	144.00	110,471	78.1%	6.7%
FYE 2020	—	72.00	—	28.00	100.00	76,722	50.3%	4.5%
FYE 2021 (Forecast)	—	—	—	—	—		—%	

Note: 1) Revision of the forecasts in the third quarter of the fiscal year ended March 31, 2020: Yes
 2) The forecasts for the FYE 2021 are yet to be determined.

3. Forecast of Consolidated Results for FYE2021 (April 1, 2020 to March 31, 2021)

As the ongoing global pandemic of COVID-19 is significantly impacting production, sales and other business activities of the Subaru Group, forecasts for FYE2021 are yet to be determined due to difficulty in reasonably assessing the full year impact at this time. We will announce its forecasts as soon as they become available.

For further details, please refer to “1. Overview of Operating Results: (4) Forecast for the fiscal year ending March 2021” on page 4.

4. Others

(1) Changes of significant subsidiaries in the fiscal year ended 2020 : No

(2) Changes in accounting policy and changes in accounting estimates

- 1) Changes in accounting policy required by IFRS : No
 2) Changes other than the above 1) : No
 3) Changes in accounting estimates : No

(3) Number of issued shares (common stock)

1) Number of outstanding shares (including treasury stock)	As of March 31, 2020:	769,175,873 shares	As of March 31, 2019:	769,175,873 shares
2) Number of treasury stock	As of March 31, 2020:	2,360,368 shares	As of March 31, 2019:	2,414,841 shares
3) Average number of shares (for twelve-month period)	FYE 2020:	766,799,185 shares	FYE 2019:	766,748,664 shares

(Reference) Non-consolidated Financial Results Highlights

1. Non-consolidated Results for FYE2020 (April 1, 2019 to March 31, 2020)

(1) Non-consolidated Financial Results of Operations (for twelve-month period)

(Unit: Millions of yen, except for per share figures)

(%: Changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
FYE 2020	2,011,205	4.2%	47,924	(40.0)%	41,454	(49.8)%	31,919	(53.1)%
FYE 2019	1,929,791	(7.4)%	79,822	(68.8)%	82,619	(68.9)%	68,003	(55.7)%

	Net income per share, basic (yen)	Net income per share, diluted (yen)
FYE 2020	41.60	—
FYE 2019	88.64	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets (%)	Net assets per share (yen)
FYE 2020	2,156,095	1,032,507	47.9%	1,345.78
FYE 2019	2,147,612	1,110,809	51.7%	1,447.95

Reference: Shareholders' equity FYE2020: 1,032,507 million yen, FYE2019: 1,110,809 million yen

*The status of the implementation of the annual audit

This earnings report is not subject to audit procedures based upon the Financial Instruments and Exchange Act.

*Proper use of projection of operating results, and other information

1. The Group has voluntarily adopted the IFRS from the first quarter of the fiscal year ended March 2020, and the figures for the FYE 2019 have also been reclassified to the IFRS basis and presented.

2. The performance projections were based on the information available as of the date when this document was released. Therefore, actual results may differ considerably due to various factors that might occur in the future.

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1. Overview of Operating Results

(1) Overview of Operating Results for the fiscal year ended March 2020

The global economy continued to slow down until the final part of this fiscal period due mainly to a prolonged trade issue, but consumer spending remained solid in the United States, the Group's mainstay market, thanks to a favorable employment and income environment. In Japan, consumer spending continued to fail to show strength as corporate capital spending and domestic demand decreased, affected by export declines and natural disasters. Growth outlook has remained uncertain since January 2020, as economic activity slowed globally, affected by the global pandemic of COVID-19.

Under such circumstances, the Group is proceeding with a mid-term management vision called "STEP" with the aim of becoming a company that is trusted by and resonates with our customers through the provision of "Peace of mind and enjoyment." In this fiscal period, which falls in the second year of STEP, we set: (1) corporate culture reforms to create a company that is more open and transparent and where people are free to speak their minds; (2) quality reforms to strengthen trust, which forms the cornerstone of our brand, and (3) a "Make-a-Subaru" initiative, as the highest priority, and worked on these reforms in a coordinated effort across the Group.

Furthermore, we are working to solidify the foundation on which to build a strong brand and maintain our sustained growth in a time when the automotive industry is undergoing a significant change. In September 2019, in our pursuit of alliance, we agreed with Toyota Motor Corp. on a new business and capital alliance with the aim of further developing and strengthening a long-term partnership. In January 2020, we announced a medium- to long-term goals (road map) regarding climate change. Through these efforts, we aim to steadily implement measures to contribute to realizing a post-carbon society, taking advantage of our uniqueness and technological innovation.

The consolidated results for the fiscal year ended March 2020 are as follows. Revenue rose ¥188.0 billion, or 6.0%, to ¥3,344.1 billion, due to unit sales growth and other factors.

Despite negative impact on profit from exchange rates, operating profit increased ¥28.6 billion, or 15.7%, to ¥210.3 billion as a result of unit sales growth and other efforts including sales incentive control. Profit before tax rose ¥20.8 billion, or 11.6%, to ¥207.7 billion, and profit for the period attributable to owners of parent grew ¥11.2 billion, or 7.9%, to ¥152.6 billion. Impact of the spread of COVID-19 on the results for the fiscal year ended March 2020 was not significant.

(In Japanese yen in million except for profit ratio and percentage change from the previous period)

	Revenue	Operating Profit (Margin)	Profit Before Tax (Margin)	Profit for the period attributable to owners of parent (Margin)	Foreign Exchange Rate
FYE2020 Profit Margin	3,344,109	210,319 (6.3)	207,656 (6.2)	152,587 (4.6)	¥109/US\$ ¥121/EUR
FYE2019 Profit Margin	3,156,150	181,724 (5.8)	186,026 (5.9)	141,418 (4.5)	¥111/US\$ ¥129/EUR
Change	187,959	28,595	21,630	11,169	
Percentage Change	6.0	15.7	11.6	7.9	

Results for the fiscal year ended March 2020 by business segment are as described below.

(In Japanese yen in million except for profit ratio and percentage change from the previous period)

	Revenue				Segment Profit			
	FYE2019	FYE2020	Change	Percentage Change	FYE2019	FYE2020	Change	Percentage Change
Automobile Div.	3,007,637	3,193,949	186,312	6.2	172,083	200,263	28,180	16.4
Aerospace Div.	134,144	142,141	7,997	6.0	6,025	5,065	(960)	(15.9)
Other	14,369	8,019	(6,350)	(44.2)	3,287	3,577	290	8.8
Adjustments	—	—	—	—	329	1,414	1,085	329.8
Total	3,156,150	3,344,109	187,959	6.0	181,724	210,319	28,595	15.7

Notes: 1. Revenue is the revenue from external customers.

2. Adjustment to segment profit refers to the elimination of intersegment transactions.

(Automobile Division)

Overall automobile demand in the United States, our mainstay market, decreased 3.6% to 16.549 million units, as the figure for light trucks, including SUVs, exceeded the year-earlier level but the passenger vehicle figure decreased year-on-year. Total automobile demand in Japan decreased 4.2% to 5.039 million units as figures decreased for both passenger cars and the “kei” class minicars.

Despite such a demand situation, overseas sales rose 43,000 units, or 5.0%, to 908,000 units, led by strong demand for the Forester and Ascent in the United States. In the domestic market, unit sales declined 10,000 units, or 7.7%, to 126,000 units, as sales of the Impreza and other models decreased.

Combined domestic and overseas unit sales thus increased by 33,000 units, or 3.3%, to 1.034 million units, while revenue increased ¥186.3 billion, or 6.2%, to ¥3,193.9 billion. Segment profit increased ¥28.2 billion, or 16.4%, to ¥200.3 billion.

Consolidated Unit Sales in the fiscal year ended March 2020

(Units in thousands and percentage change from the previous period)

	FYE2019	FYE2020	Change	Percentage Change
Total in Japan	136	126	(10)	(7.7)
Passenger cars	110	102	(8)	(7.5)
Minicars	26	24	(2)	(8.3)
Total Overseas	865	908	43	5.0
North America	717	762	45	6.3
Europe/Russia	40	46	5	13.4
Australia	42	43	1	3.3
China	23	21	(2)	(9.4)
Other regions	43	37	(7)	(15.3)
Total	1,001	1,034	33	3.3

(Aerospace Division)

Revenue grew ¥8.0 billion, or 6.0%, to ¥142.1 billion as output of the Boeing 787 and Boeing 777X increased. Segment profit decreased ¥1.0 billion, or 15.9%, to ¥5.1 billion.

(Other Businesses)

Revenue decreased ¥6.4 billion, or 44.2%, to ¥8.0 billion. Segment profit increased ¥0.3 billion, or 8.8%, to ¥3.6 billion.

(2) Overview of Financial Position at the end of March 2020

Total assets increased ¥113.3 billion to ¥3,293.9 billion. Key drivers of this include ¥156.6 billion increase in cash and cash equivalents, ¥56.5 billion increase in inventories, increase of ¥54.3 billion in intangible assets and goodwill, and ¥190.0 billion decrease in other financial assets of current assets.

Total liabilities increased ¥83.1 billion to ¥1,573.8 billion. Key drivers include increase of ¥135.5 billion in financing liabilities of current liabilities and non-current liabilities, ¥47.8 billion increase in other current liabilities and other non-current liabilities, decrease of ¥68.2 billion in trade and other payables, and ¥27.9 billion decrease in provisions for current and non-current liabilities.

Total equity increased ¥30.2 billion to ¥1,720.1 billion. Key factors include ¥46.6 billion increase in retained earnings and decrease of ¥16.1 billion in other components of equity.

(3) Overview of Cash Flow in the fiscal year ended March 2020

Cash and cash equivalents (hereinafter “cash”) at the end of March totaled ¥859.0 billion.

Net cash provided by operating activities increased ¥210.1 billion (compared with ¥250.7 billion increase in the previous fiscal year). Key factors include ¥207.7 billion in profit before tax, ¥192.7 billion in depreciation and amortization, ¥70.2 billion increase in inventories, and decrease of ¥67.9 billion in trade and other payables.

Net cash used in investment activities decreased ¥25.8 billion (compared with ¥190.1 billion decrease in the previous fiscal year). Key factors include proceeds from sale and collection of other financial assets totaling ¥319.7 billion and purchases of other financial assets totaling ¥260.0 billion.

Net cash used in finance activities decreased ¥15.8 billion (compared with ¥141.6 billion decrease in the previous fiscal year). Main factors include ¥110.4 billion in expenditures for cash dividends paid to owners of parent and ¥98.4 billion proceeds from long-term borrowings payable (net basis against repayment of long-term borrowings payable).

(4) Forecast for the fiscal year ending March 2021

In response to the spread of COVID-19, we suspended plant operations in Japan (Gunma Plant) and overseas (plant in the U.S. at Subaru of Indiana Automotive, Inc.). We resumed operations on May 11, but plan to operate at adjusted levels of production for the time being. In terms of sales activity, many dealers in the mainstay U.S. market continue to face various restrictions.

We withhold release of consolidated earnings forecast for the fiscal year ending March 2021 as it remains uncertain at this point when the COVID-19 situation may be resolved, and it is difficult to reasonably estimate its impact on the Group’s production, sales and other business activities. We plan to disclose estimated consolidated earnings and dividend payout forecast for the year ending March 2021, as soon as we can make calculations for them.

In early February, the Company set up a counter-COVID-19 headquarters led by the CEO, and is working under the Chief Risk Management Officer’s supervision to prevent spread of infection, collecting information from our domestic and overseas Group companies and keeping in mind the health and safety of our customers, business partners and employees as our top priority. In order to step up the work to promote the “STEP” mid-term management vision continuously, we will work on reforms of our fixed-cost structure and selection and concentration of investment, and will work on all our reform projects in a coordinated effort across the Group, aiming to build a robust profit structure and business foundation through work style reforms to incorporate expansion of remote work, measures to improve productivity of indirect operations, and measures to make our operations efficient by fully reviewing costs.

2. Basic policy about the adoption of Accounting standards

The Group has adopted International Financial Reporting Standards (IFRS) to the Group’s consolidated financial statements from the first quarter of the fiscal year ended March 31, 2020, instead of the Japanese Generally Accepted Accounting Principles.

3. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Unit: Millions of yen)

	Transition date (as of April 1, 2018)	FYE 2019 (as of March 31, 2019)	FYE 2020 (as of March 31, 2020)
Assets			
Current assets			
Cash and cash equivalents	765,591	702,328	858,966
Trade and other receivables	343,463	344,237	364,839
Inventories	328,941	403,473	459,940
Income taxes receivable	4,316	9,704	15,648
Other financial assets	372,531	394,406	204,373
Other current assets	54,126	59,582	74,748
Subtotal	1,868,968	1,913,730	1,978,514
Assets held for sale	761	4	251
Total current assets	1,869,729	1,913,734	1,978,765
Non-current assets			
Property, plant and equipment	770,698	808,710	820,491
Intangible assets and goodwill	153,175	155,510	209,775
Investment property	27,278	25,414	23,986
Investments accounted for using equity method	7,502	8,821	9,831
Other financial assets	41,654	40,121	19,730
Other non-current assets	85,876	100,764	112,843
Deferred tax assets	114,625	127,523	118,487
Total non-current assets	1,200,808	1,266,863	1,315,143
Total assets	3,070,537	3,180,597	3,293,908

(Unit: Millions of yen)

	Transition date (as of April 1, 2018)	FYE 2019 (as of March 31, 2019)	FYE 2020 (as of March 31, 2020)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	435,929	404,395	336,223
Financing liabilities	69,315	15,274	12,173
Other financial liabilities	40,077	51,621	44,126
Income taxes payable	42,408	4,331	2,642
Provisions	241,773	289,912	261,162
Other current liabilities	278,766	297,917	328,081
Total current liabilities	1,108,268	1,063,450	984,407
Non-current liabilities			
Financing liabilities	21,138	88,452	227,037
Other financial liabilities	67,803	73,856	67,855
Employee benefits	47,320	52,618	56,525
Provisions	37,379	45,537	46,398
Other non-current liabilities	143,131	162,197	179,849
Deferred tax liabilities	2,727	4,588	11,714
Total non-current liabilities	319,498	427,248	589,378
Total Liabilities	1,427,766	1,490,698	1,573,785
Equity			
Equity attributable to owners of parent			
Capital stock	153,795	153,795	153,795
Capital surplus	160,197	160,192	160,178
Treasury shares	(7,054)	(6,910)	(6,722)
Retained earnings	1,317,639	1,350,639	1,397,239
Other components of equity	9,742	24,532	8,391
Total equity attributable to owners of parent	1,634,319	1,682,248	1,712,881
Non-controlling interests	8,452	7,651	7,242
Total equity	1,642,771	1,689,899	1,720,123
Total liabilities and equity	3,070,537	3,180,597	3,293,908

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income (for twelve-month period)

(Unit: Millions of yen)

	FYE 2019 (April 1, 2018 to March 31, 2019)	FYE 2020 (April 1, 2019 to March 31, 2020)
Revenue	3,156,150	3,344,109
Cost of sales	(2,558,262)	(2,728,605)
Gross profit	597,888	615,504
Selling, general and administrative expenses	(298,875)	(308,227)
Research and development expenses	(108,558)	(92,460)
Other income	6,731	7,751
Other expenses	(15,839)	(12,026)
Share of profit (loss) of investments accounted for using equity method	377	(223)
Operating profit	181,724	210,319
Finance income	13,701	15,844
Finance costs	(9,399)	(18,507)
Profit before tax	186,026	207,656
Income tax expense	(45,237)	(55,065)
Profit for the period	140,789	152,591
Profit for the period attributable to		
Owners of parent	141,418	152,587
Non-controlling interests	(629)	4
Profit for the period	140,789	152,591
Profit for the period per share attributable to owners of parent		
Basic (Yen)	184.44	198.99

Consolidated Statements of Comprehensive Income (for twelve-month period)

(Unit: Millions of yen)

	FYE 2019 (April 1, 2018 to March 31, 2019)	FYE 2020 (April 1, 2019 to March 31, 2020)
Profit for the period	140,789	152,591
Other comprehensive income (after deduction of tax)		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(610)	(475)
Net changes in revaluation of capital financial assets measured at fair value through other comprehensive income	535	(763)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	15,519	(12,581)
Share of other comprehensive income of investments accounted for using equity method	(186)	(182)
Net changes in revaluation of liability financial assets measured at fair value through other comprehensive income	1,251	1,966
Other comprehensive income (after deduction of tax) total	16,509	(12,035)
Comprehensive income	157,298	140,556
Comprehensive income attributable to		
Owners of parent	158,099	140,965
Non-controlling interests	(801)	(409)
Comprehensive income	157,298	140,556

(3) Consolidated Statement of Changes in Equity
FYE 2019 (April 1, 2018 to March 31, 2019)

(Unit: Millions of yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total capital
	Capital stock	Capital surplus	Treasury shares	Retained earnings	Other components of equity			
Balance at the beginning of the year	153,795	160,197	(7,054)	1,317,639	9,742	1,634,319	8,452	1,642,771
Comprehensive income								
Profit for the period	—	—	—	141,418	—	141,418	(629)	140,789
Other comprehensive income (after deduction of tax)	—	—	—	—	16,681	16,681	(172)	16,509
Comprehensive income total	—	—	—	141,418	16,681	158,099	(801)	157,298
Transfer to retained earnings	—	—	—	1,892	(1,892)	—	—	—
Transactions with owners								
Dividends paid	—	—	—	(110,468)	—	(110,468)	—	(110,468)
Purchase of treasury shares	—	—	(5)	—	—	(5)	—	(5)
Disposal of treasury shares	—	(5)	149	—	—	144	—	144
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—	—
Capital transactions and others	—	—	—	158	—	158	—	158
Total transactions with owners	—	(5)	144	(110,310)	—	(110,171)	—	(110,171)
Balance at the end of the year	153,795	160,192	(6,910)	1,350,639	24,532	1,682,248	7,651	1,689,899

FYE 2020 (April 1, 2019 to March 31, 2020)

(Unit: Millions of yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total capital
	Capital stock	Capital surplus	Treasury shares	Retained earnings	Other components of equity			
Balance at the beginning of the year	153,795	160,192	(6,910)	1,350,639	24,532	1,682,248	7,651	1,689,899
Comprehensive income								
Profit for the period	—	—	—	152,587	—	152,587	4	152,591
Other comprehensive income (after deduction of tax)	—	—	—	—	(11,622)	(11,622)	(413)	(12,035)
Comprehensive income total	—	—	—	152,587	(11,622)	140,965	(409)	140,556
Transfer to retained earnings	—	—	—	4,519	(4,519)	—	—	—
Transactions with owners								
Dividends paid	—	—	—	(110,475)	—	(110,475)	—	(110,475)
Purchase of treasury shares	—	—	(7)	—	—	(7)	—	(7)
Disposal of treasury shares	—	(45)	195	—	—	150	—	150
Transfer from retained earnings to capital surplus	—	31	—	(31)	—	—	—	—
Capital transactions and others	—	—	—	—	—	—	—	—
Total transactions with owners	—	(14)	188	(110,506)	—	(110,332)	—	(110,332)
Balance at the end of the year	153,795	160,178	(6,722)	1,397,239	8,391	1,712,881	7,242	1,720,123

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FYE 2019 (April 1, 2018 to March 31, 2019)	FYE 2020 (April 1, 2019 to March 31, 2020)
Net cash provided by (used in) operating activities		
Profit before tax	186,026	207,656
Depreciation and amortization	187,077	192,742
Share of loss (profit) of investments accounted for using equity method	(377)	223
Finance income	(13,701)	(15,844)
Finance costs	9,399	18,507
Decrease (increase) in trade and other receivables	(268)	(23,916)
Decrease (increase) in inventories	(71,373)	(70,173)
Increase (decrease) in trade and other payables	(11,197)	(67,939)
Increase (decrease) in provisions and employee benefits	58,435	(24,797)
Others	(4,837)	28,865
Subtotal	339,184	245,324
Interest received	11,987	12,838
Dividends received	1,730	1,258
Interest paid	(1,874)	(1,800)
Income taxes paid	(100,295)	(47,486)
Net cash provided by (used in) operating activities	250,732	210,134
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	14,028	127,404
Purchase of property, plant and equipment	(130,621)	(131,690)
Proceeds from sale of property, plant and equipment	4,261	5,387
Purchase of intangible assets and expenditure on internally generated intangible assets	(45,331)	(82,379)
Purchase of other financial assets	(314,836)	(259,956)
Proceeds from sale and collection of other financial assets	284,241	319,652
Others	(1,861)	(4,262)
Net cash provided by (used in) investing activities	(190,119)	(25,844)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(17,482)	(2,400)
Repayments of long-term borrowings	(43,382)	(7,592)
Proceeds from long-term borrowings	75,300	106,000
Proceeds from issuance of bonds	—	40,000
Repayments of lease liabilities	(45,741)	(41,230)
Dividends paid to owners of parent	(110,384)	(110,375)
Others	138	(221)
Net cash provided by (used in) financing activities	(141,551)	(15,818)
Effect of exchange rate changes on cash and cash equivalents	17,675	(11,834)
Net increase (decrease) in cash and cash equivalents	(63,263)	156,638
Cash and cash equivalents at beginning of period	765,591	702,328
Cash and cash equivalents at end of period	702,328	858,966

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not Applicable

(Segment Information)

Information on revenue, profit or loss, and other significant items by segment

Segment information by business type of the Company and its consolidated subsidiaries during FYE 2019 and FYE 2020 is as follows.

FYE 2019 (April 1, 2018 to March 31, 2019)

	(Unit: Millions of yen)					
	Automobiles	Aerospace	Subtotal	Others	Adjustment	Consolidated
Revenue						
(1) Outside customers	3,007,637	134,144	3,141,781	14,369	—	3,156,150
(2) Inter-segment	3,133	804	3,937	26,848	(30,785)	—
Total revenue	3,010,770	134,948	3,145,718	41,217	(30,785)	3,156,150
Share of profit (loss) of investments accounted for using equity method	563	—	563	(186)	—	377
Operating profit	172,083	6,025	178,108	3,287	329	181,724
Finance income						13,701
Finance costs						(9,399)
Profit before tax						186,026

FYE 2020 (April 1, 2019 to March 31, 2020)

	(Unit: Millions of yen)					
	Automobiles	Aerospace	Subtotal	Others	Adjustment	Consolidated
Revenue						
(1) Outside customers	3,193,949	142,141	3,336,090	8,019	—	3,344,109
(2) Inter-segment	2,985	—	2,985	27,461	(30,446)	—
Total revenue	3,196,934	142,141	3,339,075	35,480	(30,446)	3,344,109
Share of profit (loss) of investments accounted for using equity method	329	—	329	(552)	—	(223)
Operating profit	200,263	5,065	205,328	3,577	1,414	210,319
Finance income						15,844
Finance costs						(18,507)
Profit before tax						207,656

Note: The method of calculating operating profit for each segment is consistent with the method of calculating operating profit in the consolidated statements of income, and does not include financial income, financial costs, and income tax expense. In addition, operating expenses that can not be charged directly to each segment are allocated to each segment based on the most reasonable allocation criteria.

(Per Share Information)

Earnings per share attributable to owners of parent for the years ended March 31, 2019 and 2020 are calculated based on the following information. There were no potentially dilutive common shares outstanding for the years ended March 31, 2019 and 2020.

	FYE2019 (April 1, 2018 to March 31, 2019)	FYE2020 (April 1, 2019 to March 31, 2020)
Profit for the year attributable to owners of parent (millions of yen)	141,418	152,587
Weighted average number of common shares outstanding, basic (thousands of shares)	766,749	766,799
Basic earnings per share attributable to owners of parent (yen)	184.44	198.99

(Significant Subsequent Event)

Impact of the global pandemic of COVID-19

Operations had been suspended due to the spread of COVID-19. SIA, the Group's U.S. manufacturing base had suspended its operations since March 23 and Gunma Plant had suspended its operations since April 9 respectively. But SIA and all plants in Japan has already resumed operations on May 11.

Production volume at SIA and the Gunma Plant has been reduced because of the continued impact on the supply chain and sales activities due to the continued anti-infection measures, such as stay-at-home orders around the world.

The impact on the results for the fiscal year ending March 2021 and beyond is currently under investigation.

Large amount of borrowings

In order to prepare for liquidity risk due to the global decline in demand caused by the spread of COVID-19, the Group borrowed a total of 191,500 million yen from financial institutions from April 21, 2020 to May 15, 2020 as described below in accordance with the resolution of the Board of Directors' meeting held on March 31, 2020.

- (1) Use of funds: Working capital
- (2) Lender: Mizuho Bank, Ltd. and others
- (3) Amount and terms of borrowings: The Group borrowed 191,500 million yen based on the commitment line agreement and the deed loan agreement. The interest rate was determined considering market interest rates.
- (4) Borrowing date: April 21, 2020, April 27, 2020, April 30, 2020, and May 15, 2020.
- (5) Final repayment date: July 21, 2020 - April 24, 2026
- (6) Pledged assets: Unsecured and unguaranteed

(First-time adoption)

The Group discloses consolidated financial statements in accordance with IFRS in the quarterly reports from the first quarter of the fiscal year ending March 2020. The transition date to IFRS is April 1, 2018. The reconciliations required for first-time adoption of IFRS are as follows.

1. Adjustment to Capital on the transition date (April 1, 2018)

(Unit: Millions of yen)

Accounts presented in Japanese GAAP	Japanese GAAP	Reclassification	Difference of recognition and measurement	IFRS	Note	Accounts presented in IFRS
Cash and deposits	765,397	194	—	765,591		Cash and cash equivalents
Notes and accounts receivable-trade	154,907	212,590	(24,034)	343,463	2	Trade and other receivables
Short-term loans receivable	185,364	(185,364)	—			
Lease investment assets	17,120	(17,120)	—			
Merchandise and finished goods	202,435	94,755	31,751	328,941	2	Inventories
Work in process	52,307	(52,307)	—			
Raw materials and supplies	42,448	(42,448)	—			
Short-term investment securities	242,573	129,796	162	372,531		Other financial assets
Others	107,893	(47,662)	(6,105)	54,126		Other current assets
		4,316	—	4,316		Income taxes receivable
		761	—	761		Assets held for sale
Total current assets	1,770,444	97,511	1,774	1,869,729		Total current assets
Property, plant and equipment	703,108	(28,176)	95,766	770,698	3,4	Property, plant and equipment
		27,278	—	27,278		Investment property
Intangible assets	28,293	137	124,745	153,175	3	Intangible assets and goodwill
Investment securities	113,465	(75,702)	3,891	41,654		Other financial assets
		7,502	—	7,502		Investments accounted for using equity method
Deferred tax assets	139,171	(41,601)	17,055	114,625		Deferred tax assets
Others	115,355	(31,912)	2,433	85,876		Other non-current assets
Allowance for doubtful accounts	(3,362)	3,362	—			
Total non-current assets	1,096,030	(139,112)	243,890	1,200,808		Total non-current assets
Total assets	2,866,474	(41,601)	245,664	3,070,537		Total assets

(Unit: Millions of yen)

Accounts presented in Japanese GAAP	Japanese GAAP	Reclassification	Difference of recognition and measurement	IFRS	Note	Accounts presented in IFRS
Notes and accounts payable-trade	320,137	121,552	(5,760)	435,929		Trade and other payables
Short-term loans payable	22,082	42,982	4,251	69,315		Financing liabilities
Current portion of long-term loans payable	42,982	(42,982)	—			
Income taxes payable	45,372	(2,964)	—	42,408		Income taxes payable
Provision	233,812	—	7,961	241,773		Provisions
Others	237,676	28,705	12,385	278,766	2	Other current liabilities
Accrued expenses	148,945	(148,945)	—			
		1,157	38,920	40,077	4	Other financial liabilities
Total current liabilities	1,051,006	(495)	57,757	1,108,268		Total current liabilities
Long-term loans payable	21,138	—	—	21,138		Financing liabilities
Net defined benefit liability	19,337	25,053	2,930	47,320		Employee benefits
Provision	36,248	(298)	1,429	37,379		Provisions
Others	175,256	(36,341)	4,216	143,131	2	Other non-current liabilities
		12,081	55,722	67,803	4	Other financial liabilities
Deferred tax liabilities	2,466	(41,601)	41,862	2,727		Deferred tax liabilities
Total non-current liabilities	254,445	(41,106)	106,159	319,498		Total non-current liabilities
Total liabilities	1,305,451	(41,601)	163,916	1,427,766		Total Liabilities
Capital stock	153,795	—	—	153,795		Capital stock
Capital surplus	160,197	—	—	160,197		Capital surplus
Treasury stock	(7,054)	—	—	(7,054)		Treasury shares
Retained earnings	1,283,539	—	34,100	1,317,639	1,2,3,4	Retained earnings
Accumulated other comprehensive income	(37,633)	—	47,375	9,742	1	Other components of equity
Non-controlling interests	8,179	—	273	8,452		Non-controlling interests
Total net assets	1,561,023	—	81,748	1,642,771		Total equity
Total liabilities and net assets	2,866,474	(41,601)	245,664	3,070,537		Total liabilities and equity

2. Adjustment to Capital on March 31, 2019

(Unit: Millions of yen)

Accounts presented in Japanese GAAP	Japanese GAAP	Reclassification	Difference of recognition and measurement	IFRS	Note	Accounts presented in IFRS
Cash and deposits	831,700	(129,372)	—	702,328		Cash and cash equivalents
Notes and accounts receivable-trade	148,485	219,404	(23,652)	344,237	2	Trade and other receivables
Short-term loans receivable	198,737	(198,737)	—			
Lease investment assets	14,731	(14,731)	—			
Merchandise and finished goods	249,558	141,142	12,773	403,473	2	Inventories
Work in process	74,711	(74,711)	—			
Raw materials and supplies	66,431	(66,431)	—			
Short-term investment securities	119,963	274,197	246	394,406		Other financial assets
Others	121,903	(48,978)	(13,343)	59,582		Other current assets
		9,704	—	9,704		Income taxes receivable
		4	—	4		Assets held for sale
Total current assets	1,826,219	111,491	(23,976)	1,913,734		Total current assets
Property, plant and equipment	717,394	(29,274)	120,590	808,710	3,4	Property, plant and equipment
		25,414	—	25,414		Investment property
Intangible assets	33,754	3,856	117,900	155,510	3	Intangible assets and goodwill
Investment securities	122,453	(86,498)	4,166	40,121		Other financial assets
		8,821	—	8,821		Investments accounted for using equity method
Deferred tax assets	151,019	(47,890)	24,394	127,523		Deferred tax assets
Others	135,132	(37,056)	2,688	100,764		Other non-current assets
Allowance for doubtful accounts	(3,246)	3,246	—			
Total non-current assets	1,156,506	(159,381)	269,738	1,266,863		Total non-current assets
Total assets	2,982,725	(47,890)	245,762	3,180,597		Total assets

(Unit: Millions of yen)

Accounts presented in Japanese GAAP	Japanese GAAP	Reclassification	Difference of recognition and measurement	IFRS	Note	Accounts presented in IFRS
Notes and accounts payable-trade	315,026	97,425	(8,056)	404,395		Trade and other payables
Short-term loans payable	4,352	7,592	3,330	15,274		Financing liabilities
Current portion of long-term loans payable	7,592	(7,592)	—			
Income taxes payable	5,367	(1,036)	—	4,331		Income taxes payable
Provision	281,705	95	8,112	289,912		Provisions
Others	236,468	61,826	(377)	297,917	2	Other current liabilities
Accrued expenses	161,661	(161,661)	—			
		2,792	48,829	51,621	4	Other financial liabilities
Total current liabilities	1,012,171	(559)	51,838	1,063,450		Total current liabilities
Long-term loans payable	88,452	—	—	88,452		Financing liabilities
Net defined benefit liability	22,900	26,623	3,095	52,618		Employee benefits
Provision	44,422	(314)	1,429	45,537		Provisions
Others	196,915	(36,547)	1,829	162,197	2	Other non-current liabilities
		10,797	63,059	73,856	4	Other financial liabilities
Deferred tax liabilities	5,040	(47,890)	47,438	4,588		Deferred tax liabilities
Total non-current liabilities	357,729	(47,331)	116,850	427,248		Total non-current liabilities
Total liabilities	1,369,900	(47,890)	168,688	1,490,698		Total Liabilities
Capital stock	153,795	—	—	153,795		Capital stock
Capital surplus	160,192	—	—	160,192		Capital surplus
Treasury stock	(6,910)	—	—	(6,910)		Treasury shares
Retained earnings	1,320,177	—	30,462	1,350,639	1,2,3,4	Retained earnings
Accumulated other comprehensive income	(21,963)	—	46,495	24,532	1	Other components of equity
Non-controlling interests	7,534	—	117	7,651		Non-controlling interests
Total net assets	1,612,825	—	77,074	1,689,899		Total equity
Total liabilities and net assets	2,982,725	(47,890)	245,762	3,180,597		Total liabilities and equity

3. Adjustment to Comprehensive income for FYE 2019 (April 1, 2018 to March 31, 2019)

(Unit: Millions of yen)

Accounts presented in Japanese GAAP	Japanese GAAP	Reclassification	Difference of recognition and measurement	IFRS	Note	Accounts presented in IFRS
Net sales	3,160,514	—	(4,364)	3,156,150	2	Revenue
Cost of sales	2,561,753	—	(3,491)	2,558,262	2	Cost of sales
Gross profit	598,761	—	(873)	597,888		Gross profit
Selling, general and administrative expenses	403,232	(101,711)	(2,646)	298,875	3	Selling, general and administrative expenses
		101,711	6,847	108,558	3	Research and development expenses
		6,901	(170)	6,731		Other income
		15,923	(84)	15,839		Other expenses
		377	—	377		Share of profit (loss) of investments accounted for using equity method
Operating income	195,529	(8,645)	(5,160)	181,724		Operating profit
Non-operating income	17,580	(17,580)				
Non-operating expenses	16,870	(16,870)				
Ordinary income	196,239	(196,239)				
Extraordinary income	6,953	(6,953)				
Extraordinary loss	7,354	(7,354)				
		17,255	(3,554)	13,701		Finance income
		8,301	1,098	9,399		Finance costs
Income before income taxes	195,838	—	(9,812)	186,026		Profit before tax
Total income taxes	48,499	—	(3,262)	45,237		Income tax expense
Net income	147,339	—	(6,550)	140,789		Profit for the period
Net income attributable to owners of parent	147,812	—	(6,394)	141,418		Attribution of profit of the period Profit for the period attributable to owner of parents
Net income (loss) attributable to non-controlling interests	(473)	—	(156)	(629)		Profit (loss) for the period attributable to non-controlling interests

(Unit: Millions of yen)

Accounts presented in Japanese GAAP	Japanese GAAP	Reclassification	Difference of recognition and measurement	IFRS	Note	Accounts presented in IFRS
Net income	147,339	—	(6,550)	140,789		Profit for the period
Other comprehensive income						Other comprehensive income (after deduction of tax)
						Items that will not be reclassified to profit or loss
Remeasurements of defined benefit plans	(495)	1,566	(1,681)	(610)		Remeasurements of defined benefit plans
Remeasurements of other postretirement benefits of foreign consolidated subsidiaries	1,566	(1,566)				
Valuation difference on available-for-sale securities	(907)	—	1,442	535		Net changes in revaluation of capital financial assets measured at fair value through other comprehensive income
						Items that will be reclassified to profit or loss
Foreign currency translation adjustment	15,520	—	(1)	15,519		Exchange differences on translation of foreign operations
Share of other comprehensive income of associates accounted for using equity method	(186)	—	—	(186)		Share of other comprehensive income of investments accounted for using equity method
			1,251	1,251		Net changes in revaluation of liability financial assets measured at fair value through other comprehensive income
Total other comprehensive income	15,498	—	1,011	16,509		Other comprehensive income (after deduction of tax) total
Comprehensive income	162,837	—	(5,539)	157,298		Comprehensive income
Comprehensive income attributable to owners of parent	163,482	—	(5,383)	158,099		Attribution of comprehensive income Comprehensive income attributable to owners of parents
Comprehensive income attributable to non-controlling interests	(645)	—	(156)	(801)		Comprehensive income attributable to non-controlling interests

4. Adjustment to Capital, Comprehensive income, and Cash-Flow

Primary contents of difference of recognition and measurement are as follows.

(1) Transfer of accumulated foreign currency translation adjustment related to overseas operations

For the first-time adoption of IFRS, we selected the exemptions in IFRS 1 and transferred all accumulated foreign currency translation adjustment on the transition date to retained earnings.

(2) Revenue recognition

Under Japanese GAAP, sales recognition of new car sales is based on vehicle registration, while under IFRS, the point of sales recognition is the delivery to customer.

In accordance with this, the account receivables related to registered undelivered vehicles are derecognized, and inventory is recognized accordingly.

In addition, the portion of provided services related to maintenance and telematics for free in the US is not recognized as revenue because no consideration is received for it under Japanese GAAP. While under IFRS, rendered services are treated as individual performance obligations and recognize revenue over the fixed period by allocating revenue between performance obligations.

(3) Adjustment of tangible fixed assets and intangible assets

Under Japanese GAAP, fixed asset acquisition tax is recorded as expenses, while under IFRS, the fixed asset acquisition tax is included in the acquisition cost for the asset. Under Japanese GAAP, all research and development expenses are recorded as expenses, while under IFRS, the R&D expenses that satisfied with certain requirements are recorded as intangible assets.

(4) Adjustment of the right-of-use asset

Transactions that include a lease in a contract based on the practical judgment are not capitalized under Japanese GAAP, however, they are recognized as tangible fixed assets under IFRS. In addition, the liabilities for the lease transactions are recorded accordingly under IFRS.

(5) Adjustment to Cash-flow

Under Japanese GAAP, R&D expenses are presented as “Cash flows from operating activities”, while under IFRS expenses capitalized related to R&D are presented as “Cash flows from investing activities”. Under Japanese GAAP, expenditures on right-of-use assets are presented as “cash flows from operating activities”, while under IFRS, lease liabilities are recognized and its repayments are presented as “cash flows from financing activities”.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

(Unit: Millions of yen)

	FYE2019 (as of March 31, 2019)	FYE2020 (as of March 31, 2020)
ASSETS		
I Current assets		
Cash and deposits	742,751	769,644
Accounts receivable-trade	261,785	254,960
Short-term investment securities	80,997	—
Merchandise and finished goods	48,330	52,661
Work in process	66,718	68,539
Raw materials and supplies	20,016	26,494
Advance payments-trade	14,924	22,013
Prepaid expenses	4,801	6,745
Short-term loans receivable to subsidiaries and affiliates	58,704	65,799
Current portion of long-term loans receivable from subsidiaries and affiliates	18,000	21,800
Deposits paid	30,540	29,897
Accounts receivable-other	38,594	51,593
Other	20,964	33,267
Allowance for doubtful accounts	(11)	(11)
Total current assets	1,407,113	1,403,401
II Noncurrent assets		
1. Property, plant and equipment		
Buildings, net	90,496	91,214
Structures, net	13,725	14,243
Machinery and equipment, net	118,217	111,784
Vehicles, net	2,774	2,969
Tools, furniture and fixtures, net	10,078	8,438
Land	81,612	81,174
Construction in progress	7,684	28,534
Other	3,050	2,318
Total property, plant and equipment	327,636	340,674
2. Intangible assets		
Software	22,863	24,429
Other	6,758	14,814
Total intangible assets	29,621	39,243
3. Investments and other assets		
Investment securities	3,673	2,503
Stocks of subsidiaries and affiliates	148,828	150,735
Investments in capital of subsidiaries and affiliates	3,634	4,375
Long-term loans receivable	504	403
Long-term loans receivable from subsidiaries and affiliates	80,949	73,160
Claims provable in bankruptcy, claims provable in rehabilitation and other	2,660	0
Prepaid pension cost	11,638	10,241
Deferred tax assets	111,639	107,871
Other	22,989	23,949
Allowance for doubtful accounts	(3,272)	(460)
Total investments and other assets	383,242	372,777
Total noncurrent assets	740,499	752,694
Total assets	2,147,612	2,156,095

(Unit: Millions of yen)

	FYE2019 (as of March 31, 2019)	FYE2020 (as of March 31, 2020)
LIABILITIES		
I Current liabilities		
Notes payable-trade	507	164
Accounts payable-trade	237,125	207,298
Electronically recorded obligations-operating	63,954	32,330
Current portion of long-term loans payable	5,500	6,000
Lease obligations	1,831	1,132
Accounts payable-other	17,398	16,933
Accrued expenses	38,269	51,744
Income taxes payable	912	—
Advances received	33,416	32,979
Deposits received	237,943	262,497
Provision for bonuses	14,294	15,077
Provision for product warranties	255,836	225,967
Provision for loss on construction contracts	666	3,112
Provision for loss on business liquidation	1,575	—
Other	4,261	2,700
Total current liabilities	913,487	857,933
II Noncurrent liabilities		
Bonds payable	—	40,000
Long-term loans payable	85,200	185,200
Lease obligations	1,603	1,496
Provision for product warranties	33,046	36,526
Provision for retirement benefits	261	301
Asset retirement obligations	16	16
Other	3,190	2,116
Total noncurrent liabilities	123,316	265,655
Total liabilities	1,036,803	1,123,588
NET ASSETS		
I Shareholders' equity		
Capital stock	153,795	153,795
Capital surplus		
Legal capital surplus	160,071	160,071
Other capital surplus	14	—
Total capital surplus	160,085	160,071
Retained earnings		
Legal retained earnings	7,901	7,901
Other retained earnings		
Reserve for reduction entry of land	990	1,341
General reserve	35,335	35,335
Retained earnings brought forward	759,738	680,800
Total retained earnings	803,964	725,377
Treasury stock	(6,910)	(6,722)
Total shareholders' equity	1,110,934	1,032,521
II Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(125)	(14)
Total valuation and translation adjustments	(125)	(14)
Total net assets	1,110,809	1,032,507
Total liabilities and net assets	2,147,612	2,156,095

(2) Non-consolidated Statements of Income (for twelve-month period)

(Unit: Millions of yen)

	FYE2019 (April 1, 2018 to March 31, 2019)	FYE2020 (April 1, 2019 to March 31, 2020)
I Net sales	1,929,791	2,011,205
II Cost of sales	1,641,311	1,730,592
Gross profit	288,480	280,613
III Selling, general and administrative expenses	208,658	232,689
Operating income	79,822	47,924
IV Non-operating income		
Interest income	8,814	9,340
Interest on securities	37	18
Dividends income	3,531	3,198
Foreign exchange income	3,031	—
Real estate rent	2,868	2,935
Gain on valuation of derivatives	—	919
Gain on settlement of plant shutdown related costs	—	2,534
Other	4,544	2,740
Total non-operating income	22,825	21,684
V Non-operating expenses		
Interest expenses	3,926	5,438
Depreciation	1,233	1,295
Foreign exchange losses	—	15,834
Loss on valuation of derivatives	6,993	—
Plant shutdown related costs	2,532	—
Other	5,344	5,587
Total non-operating expenses	20,028	28,154
Ordinary income	82,619	41,454
VI Extraordinary income		
Gain on sales of noncurrent assets	95	1,554
Gain on sales of investment securities	3,214	200
Gain on sales of investments in capital of subsidiaries and affiliates	—	2,170
Other	1,379	876
Total extraordinary income	4,688	4,800
VII Extraordinary loss		
Loss on sales and retirement of noncurrent assets	3,609	3,992
Gain on valuation of investment securities	—	905
Other	566	120
Total extraordinary losses	4,175	5,017
Income before income taxes	83,132	41,237
Income tax-current	31,362	5,588
Income taxes-deferred	(16,233)	3,730
Total income taxes	15,129	9,318
Net income	68,003	31,919

(3) Non-consolidated Statements of Changes in Net Assets
FYE 2019 (April 1, 2018 to March 31, 2019)

(Unit: Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Provision of reserve for tax purpose reduction entry of land	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	153,795	160,071	19	160,090	7,901	990	35,335	802,203	846,429
Changes of items during the period									
Provision of reserve for tax purpose reduction entry of land	—	—	—	—	—	—	—	—	—
Dividends from surplus	—	—	—	—	—	—	—	(110,468)	(110,468)
Net income	—	—	—	—	—	—	—	68,003	68,003
Purchase of treasury stock	—	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	(5)	(5)	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—
Total changes of items during the period	—	—	(5)	(5)	—	—	—	(42,465)	(42,465)
Balance at the end of current period	153,795	160,071	14	160,085	7,901	990	35,335	759,738	803,964

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(7,054)	1,153,260	2,808	2,808	1,156,068
Changes of items during the period					
Provision of reserve for tax purpose reduction entry of land	—	—	—	—	—
Dividends from surplus	—	(110,468)	—	—	(110,468)
Net income	—	68,003	—	—	68,003
Purchase of treasury stock	(5)	(5)	—	—	(5)
Disposal of treasury stock	149	144	—	—	144
Transfer from retained earnings to capital surplus	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	(2,933)	(2,933)	(2,933)
Total changes of items during the period	144	(42,326)	(2,933)	(2,933)	(45,259)
Balance at the end of current period	(6,910)	1,110,934	(125)	(125)	1,110,809

FYE 2020 (April 1, 2019 to March 31, 2020)

(Unit: Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Provision of reserve for tax purpose reduction entry of land	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	153,795	160,071	14	160,085	7,901	990	35,335	759,738	803,964
Changes of items during the period									
Provision of reserve for tax purpose reduction entry of land	—	—	—	—	—	351	—	(351)	—
Dividends from surplus	—	—	—	—	—	—	—	(110,475)	(110,475)
Net income	—	—	—	—	—	—	—	31,919	31,919
Purchase of treasury stock	—	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	(45)	(45)	—	—	—	—	—
Transfer to capital surplus from retained earnings	—	—	31	31	—	—	—	(31)	(31)
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—
Total changes of items during the period	—	—	(14)	(14)	—	351	—	(78,938)	(78,587)
Balance at the end of current period	153,795	160,071	—	160,071	7,901	1,341	35,335	680,800	725,377

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(6,910)	1,110,934	(125)	(125)	1,110,809
Changes of items during the period					
Provision of reserve for tax purpose reduction entry of land	—	—	—	—	—
Dividends from surplus	—	(110,475)	—	—	(110,475)
Net income	—	31,919	—	—	31,919
Purchase of treasury stock	(7)	(7)	—	—	(7)
Disposal of treasury stock	195	150	—	—	150
Transfer to capital surplus from retained earnings	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	111	111	111
Total changes of items during the period	188	(78,413)	111	111	(78,302)
Balance at the end of current period	(6,722)	1,032,521	(14)	(14)	1,032,507



Subaru Corporation Announces Consolidated Financial Results for FYE2020

Tokyo, May 18, 2020 – Subaru Corporation today announced its consolidated financial results for the fiscal year ended March 31, 2020.

< Results for FYE2020: Consolidated Revenue >

Consolidated global unit sales of Subaru vehicles increased 3.3% to 1,034,000 units.

Overseas unit sales rose 5.0% to 908,000 units led by strong demand for the Forester and Ascent in the U.S.

Unit sales in Japan declined 7.7% to 126,000 units, as sales of the Impreza and other models decreased.

Consolidated revenue rose 6.0% to 3,344.1 billion yen due to unit sales growth and other factors.

The Company has voluntarily adopted International Financial Reporting Standards (IFRS) from FYE2020 in place of the Japanese generally accepted accounting principles (JGAAP) previously adopted. The previous year (FYE2019) result figures have been recalculated according to IFRS for comparison purposes.

Global production increased 4.2% to 1,031,000 units.

Production in Japan rose 7.6% to 664,000 units led by strong demand for the Forester. Overseas production* decreased 1.3% to 367,000 units, due partly to temporary suspension of plant operations started in March 2020 in response to the spread of COVID-19. (*Production in the U.S. at Subaru of Indiana Automotive, Inc.)

< Results for FYE2020: Consolidated Profit and Loss >

Operating profit increased 15.7% to 210.3 billion yen as a result of unit sales growth and other efforts including sales incentive control. Profit before tax rose 11.6% to 207.7 billion yen. Profit for the period attributable to owners of parent grew 7.9% to 152.6 billion yen.

< Forecasts for FYE2021 >

As the ongoing global pandemic of COVID-19 is significantly impacting production, sales and other business activities of the Subaru Group, forecasts for FYE2021 are yet to be determined due to difficulty in reasonably assessing the full year impact at this time.

Subaru will announce its forecasts as soon as they become available.

Notes on result figures:

Vehicle volume figures are rounded off to the nearest thousand. Yen figures are rounded off to the nearest hundred-million.

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.

< Reference for FYE2020 Consolidated Financial Results >

(Yen in 100 Millions, Units in Thousands)

		FYE2019 [2018.4 - 2019.3] RESULTS		FYE2020 [2019.4 - 2020.3] RESULTS		
		IFRS (a)	JGAAP Originally- reported	IFRS (b)	Change (b-a)	%
Revenue		31,562	31,605	33,441	1,880	6.0
	Japan	5,941	5,966	5,727	(214)	(3.6)
	Overseas	25,620	25,639	27,714	2,094	8.2
Operating profit		1,817	1,955	2,103	286	15.7
	Profit margin (%)	5.8	6.2	6.3		
Profit before tax		1,860	1,958	2,077	216	11.6
	Profit margin (%)	5.9	6.2	6.2		
Profit for the period attributable to owners of parent		1,414	1,478	1,526	112	7.9
	Profit margin (%)	4.5	4.7	4.6		
Factors contributing to change in operating profit		/		Sales volume, mix, etc.		392
				Decrease in R&D exp.		161
				Decrease in SG&A exp., etc.		96
				Effects of foreign exchange rates		(290)
				Cost reduction efforts, etc.		(115)
				Other		42
Exchange rates	JPY/US\$	111/US\$		109/US\$		
	JPY/EUR	129/EUR		121/EUR		
Capital expenditures		1,140	1,135	1,260		
Depreciation		891	888	961		
R&D expenditures*1		1,027	1,027 *	1,187		
Interest bearing debts		1,037	1,004	2,392		
Performance description		/		- First increase in revenue in 2 yrs.		
				- First increase in all profits in 4 yrs.		
				- First increase in consolidated unit sales in 2 yrs.		
Consolidated unit sales		136	135	126	(10)	(7.7)
< Japan >	Passenger Cars	110	110	102	(8)	(7.5)
	Minicars	26	26	24	(2)	(8.3)
Consolidated unit sales		865		908	43	5.0
< Overseas >	North America	717		762	45	6.3
	Europe	40		46	5	13.4
	China	23		21	(2)	(9.4)
	Other	85		80	(5)	(6.2)
Consolidated unit sales total*3		1,001	1,000	1,034	33	3.3
Production units total		989		1,031	42	4.2
	Japan	617		664	47	7.6
	U.S.	372		367	(5)	(1.3)
Revenue by business segment	Automobile	30,076	30,145	31,939	1,863	6.2
	Aerospace	1,341	1,317	1,421	80	6.0
	Other	144	144	80	(64)	(44.2)
Operating profit by business segment	Automobile	1,721	1,849	2,003	282	16.4
	Aerospace	60	60	51	(10)	(15.9)
	Other	33	38	36	3	8.8
	Elimination & Corporate	3	7	14	11	329.8

The Company has voluntarily adopted International Financial Reporting Standards (IFRS) from FYE2020 in place of the Japanese generally accepted accounting principles (JGAAP) previously adopted. The previous year (FYE2019) result figures have been recalculated according to IFRS for comparison purposes.

*1. "R&D expenditures" indicate R&D activity related costs incurred during the reporting period. Under IFRS, a part of these costs that meets capitalization criteria is recognized as an intangible asset and amortized over its estimated useful life; thus, the amount of "R&D expenditures" stated here does not match that of "R&D expenses" stated on the Consolidated Statement of Income.

*2. Stated as "R&D expenses" under JGAAP in the original reports.

*3. Under IFRS, sales recognition timing for unit sales in Japan is on a delivery-to-customer basis, whereas it is on a vehicle registration basis under JGAAP. ("Consolidated unit sales" include retail sales of Japanese consolidated dealers, wholesale sales of overseas consolidated distributors, and deliveries from Subaru Corp. to non-consolidated distributors/dealers.)

< 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. >