



Consolidated Financial Results for the 1st Half of FYE 2021

SUBARU CORPORATION

Tomomi Nakamura
Representative Director, President and CEO
November 4th, 2020

<https://www.subaru.co.jp/en/ir/>

1

NOTE)

This document is an English translation of the original Japanese document. If there are any discrepancies between this document and the original Japanese document, the original Japanese document prevails.

Thank you for taking time out of your busy schedule to join us today for Subaru Corporation's 1st Half FYE 2021 financial results briefing.

I would also like to take this opportunity to thank you again for your ongoing understanding and support for our business activities.

1st Half :

Consolidated Profit Results

Yen in 100 millions, Units in thousands

	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance	
Consolidated unit sales	503.8	363.3	-140.5	
Revenue	16,057	12,184	-3,873	
Operating profit	948	306	-642	
Profit for the period attributable to owners of parent	683	237	-446	
SUBARU exchange rate	US\$	¥109	¥107	-¥2
	EURO	¥123	¥120	-¥2
	CAN\$	¥82	¥79	-¥3

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2

First, the financial results for the first half are as you see here.

CFO Toshiaki Okada will be providing details later, but consolidated unit sales were down 28% year on year to 363 thousand units, and revenue was down 24% to 1,218.4 billion yen due to COVID-19.

As a result, operating profit was down 64.2 billion yen year on year to 30.6 billion yen.

Profit for the period was down 44.6 billion yen to 23.7 billion yen.

The figures we reported for the first quarter in August were dire, but we have seen a faster-than-anticipated recovery in our main market of North America.

In particular, Subaru retail sales surpassed those of the previous year for two months in a row in September and October in both the U.S. and Canada. Additionally, the inventory at local dealers that was low due to the temporary suspension of production in response to COVID-19, primarily in April, has been gradually recovering. By the end of the year, we expect inventory to return to appropriate levels.

As a result, during the first half, we were able to post both operating profit and profit for the period.

Revised Plan FYE 2021 :
Consolidated Profit Plan

Yen in 100 millions, Units in thousands

	Results FYE 2020 (a)	Previous Plan FYE 2021 (as of Aug. 4 th) (b)	Revised Plan FYE 2021 (c)	Variance (c)-(a)	Variance (c)-(b)	
Consolidated unit sales	1,033.9	900.0	910.6	-123.2	+10.6	
Revenue	33,441	29,000	29,500	-3,941	+500	
Operating profit	2,103	800	1,100	-1,003	+300	
Profit for the period attributable to owners of parent	1,526	600	800	-726	+200	
SUBARU exchange rate	US\$	¥109	¥105	¥106	-¥3	+¥1
	EURO	¥121	¥120	¥120	-¥1	+¥0
	CAN\$	¥82	¥80	¥79	-¥3	-¥1

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3

Next, let's look at full-year plans.

As mentioned above, the second quarter (3 months) results and sales (primarily in North America) showed a relatively steady recovery. In light of this, we have revised revenue upward by 50.0 billion yen to 2,950.0 billion yen and operating profit by 30.0 billion yen to 110.0 billion yen compared to the plan announced with the first quarter results.

On the other hand, as you are aware, the number of new COVID-19 cases is rising sharply in the U.S.

In fact, the most recent weekly average was more than 80,000 new cases per day, which is the highest level yet.

There are increasingly more restrictions again on interstate travel, restaurant operations, and other economic activities across the country including New Jersey where Subaru of America (SOA), our U.S. sales subsidiary, is located.

Economic activity is still very constrained, so at this point in time it remains unclear when the situation will allow for a full-scale recovery of new car sales. I'm sure you are also aware of the situation in Europe.

For this reason, I believe there is still some risk in predicting this year's results.

We will continue taking thorough steps to prevent the spread of the virus at our production and sales facilities not only in Japan but also around the world, placing top priority on the safety of our customers, our employees and their families, and our stakeholders, including our business partners, as we, the Subaru Group, come together to work on achieving the full-year plan announced today.

Thank you in advance for your continued understanding and support.



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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Next, CFO Toshiaki Okada will go over the details of financial results.



Consolidated Financial Results for the 1st Half of FYE 2021

SUBARU CORPORATION

Toshiaki Okada
Corporate Executive Vice President & CFO
November 4th, 2020

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5

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**Consolidated Financial Results
for the 1st Half of FYE 2021**

1st Half :

Consolidated Unit Sales (by market)

(Thousand Units)

	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance
Passenger cars	55.1	32.7	-22.5
Minicars	12.8	9.9	-3.0
Domestic total	68.0	42.5	-25.5
U.S.	336.3	260.9	-75.5
Canada	27.7	23.3	-4.4
Russia	4.6	1.2	-3.5
Europe	12.3	5.7	-6.7
Australia	24.6	10.5	-14.1
China	10.8	13.1	+2.3
Others	19.5	6.2	-13.3
Overseas total	435.8	320.8	-115.0
Total	503.8	363.3	-140.5

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7

Let's start with the results for the first half.

First is consolidated unit sales. The spread of COVID-19 had a significant impact on results.

Globally, consolidated unit sales were down 140.5 thousand units year on year to 363.3 thousand units.

Our main market of North America is recovering faster than anticipated, but the impact during the 1st quarter was severe. Moreover, the impact on sales in other markets, including Australia and Europe, is ongoing although we see signs of recovery in some markets. As such, in overseas markets, consolidated unit sales dropped 115.0 thousand units year on year to 320.8 thousand units.

In Japan, consolidated unit sales fell 25.5 thousand units year on year to 42.5 thousand units, due in part to the model change timing on top of the impact of COVID-19.

1st Half :

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance
Consolidated Unit Sales Total	503.8	363.3	-140.5

(Thousand Units)

	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance
Production in U.S.	172.2	133.1	-39.1
Production in Japan	325.8	220.9	-104.9
Total	497.9	353.9	-144.0

* Production figures include Toyota 86.

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8

Production was temporarily suspended at SIA (U.S.) from late March and at the Gunma Plant (Japan) from early April due to the COVID-19 pandemic.

Operations resumed in early May, but the continued impact on the supply chain and sales activities resulted in production adjustments at SIA until the end of May and at the Gunma Plant until late June.

During the 2nd quarter, operations returned mostly to normal to bring inventory levels back to an appropriate level in North America, but the impact of suspending operations and adjusting production in the 1st quarter was so significant that the total production volume was down 144.0 thousand units year on year to 353.9 thousand units.

1st Half:**Consolidated Profit Results**

(100 Million Yen)

		Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance
Revenue		16,057	12,184	-3,873
Domestic		2,975	2,102	-873
Overseas		13,082	10,082	-3,000
Operating profit		948	306	-642
Profit before tax		931	361	-570
Profit for the period attributable to owners of parent		683	237	-446
SUBARU exchange rate	US\$	¥109	¥107	-¥2
	EURO	¥123	¥120	-¥2
	CAN\$	¥82	¥79	-¥3

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9

Profit was down substantially compared to the previous year due to COVID-19, but we were able to get back into the black for the cumulative total for the first six months.

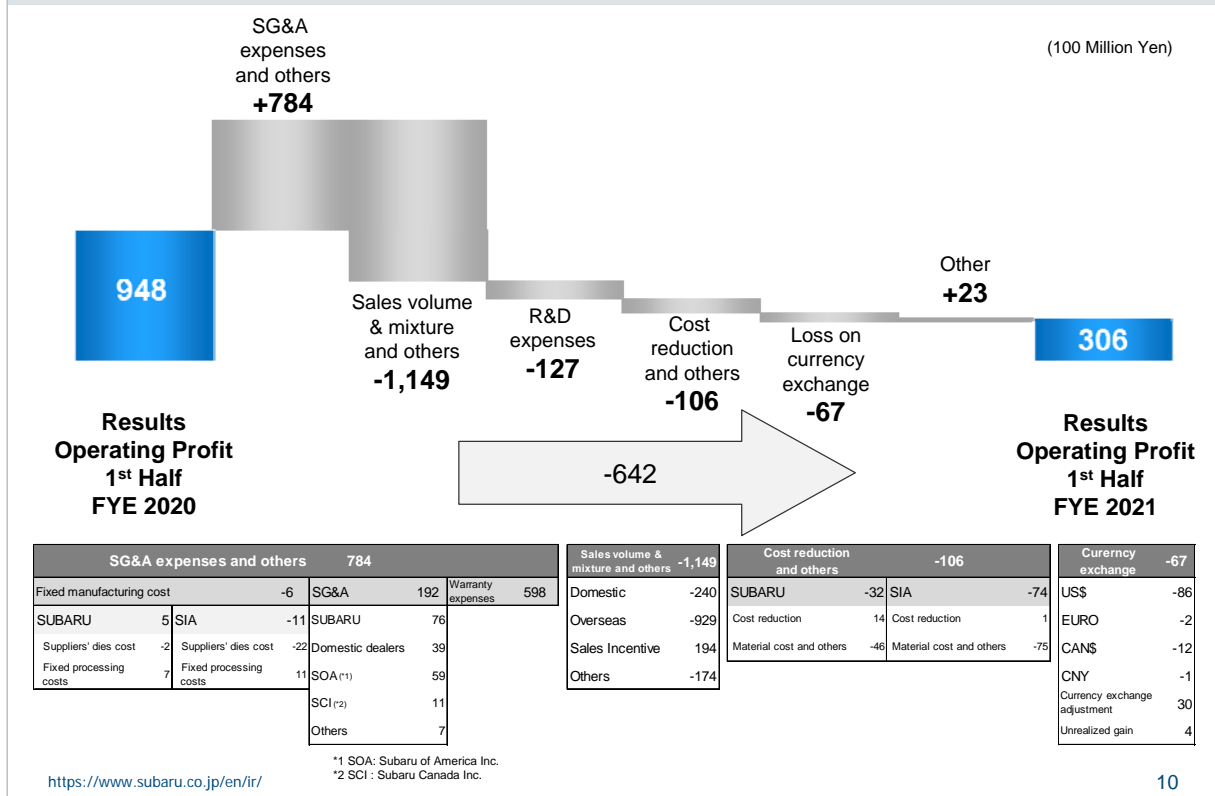
Revenue was down 387.3 billion yen year on year to 1,218.4 billion yen due primarily to deterioration of the sales volume & mixture and others of -344.4 billion yen resulting mostly from a decrease in automobile unit sales.

Operating profit was also down 64.2 billion yen year on year to 30.6 billion yen due primarily to deterioration of the sales volume & mixture and others resulting mostly from a decrease in automobile unit sales.

Profit before tax was down 57.0 billion yen to 36.1 billion yen, and profit for the period attributable to owners of parent fell 44.6 billion yen to 23.7 billion yen.

1st Half :

Analysis of Variance in Operating Profit (Consolidated)



Factors working to increase operating profit included the decrease in warranty expenses, including expenses related to recalls, service campaigns and so on, decreased sales incentive, and reduced SG&A expenses, including advertising costs. On the other hand, the decrease in new car sales in Japan and overseas pushed profit downward. As a result, operating profit was down 64.2 billion yen year on year.

U.S. sales incentives per unit were down 150 dollars from 1,550 dollars in the same period of the previous year to 1,400 dollars, bringing the total amount of U.S. sales incentives down 19.0 billion yen.

1st Half :

Consolidated Statement of Cash Flows / Cash and cash equivalents

(100 Million Yen)

	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021
Net cash provided by (used in) operating activities	792	684
Net cash provided by (used in) investing activities	226	-862
Free cash flows	1,018	-178
Net cash provided by (used in) financing activities	-470	581

	As of March 2020	As of September 2020	Variance
Cash and cash equivalents at end of period	8,590	8,881	+292
Interest bearing debts Balance at end of period (*)	2,392	3,353	+961
Net cash	6,198	5,528	-670

* Lease liabilities are not included in the results above.
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11

As a result of COVID-19 and other factors, free cash flows were -17.8 billion yen.

Cash and cash equivalents at end of period were up 29.2 billion yen from the end of the previous fiscal year to 888.1 billion yen due to raising of funds.

Interest bearing debts at the end of September were up 96.1 billion yen year on year to 335.3 billion yen. Net cash came to 552.8 billion yen.

Capex / Depreciation / R&D

(100 Million Yen)

	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance
Capex (*1)	732	334	-398
Depreciation (*1)	457	471	+14
R&D expenditures (*2)	548	506	-42

*1 : Leases, capex & amortization for intangible assets are not included in the results above.

*2 : Research and development activity related costs incurred during the reporting period are written.

In accordance with IFRS, as a part of research and development expenditures is recorded as an intangible asset and amortized over its estimated useful life, this amount is different from "Research and development expenses" on Consolidated Statements of Income on IFRS.
(It matches with R&D expenses in consolidated statement of income on JGAAP)

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12

The results for capital expenditures and so on are as shown in this slide.

Capex expenditures were lower than the previous year, but this was due to controls placed on the plan in preparation for the impact of COVID-19, as well as a shift in timing of occurrence.

As I will explain later, the annual plan remains unchanged.

| Forecast for FYE 2021

Consolidated Unit Sales (by market)

(Thousand Units)

	Results FYE 2020	Revised Plan FYE 2021	Variance
Passenger cars	101.9	95.3	-6.6
Minicars	23.9	22.1	-1.8
Domestic total	125.8	117.4	-8.4
U.S.	701.6	635.7	-65.9
Canada	60.4	51.4	-9.0
Russia	8.7	4.7	-3.9
Europe	37.0	18.4	-18.6
Australia	43.1	31.5	-11.6
China	20.6	28.5	+7.9
Others	36.7	23.1	-13.6
Overseas total	908.0	793.2	-114.8
Total	1,033.9	910.6	-123.2

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14

Now, let's look at the full-year plan for FYE 2021.

With no end in sight to the COVID-19 pandemic, there are still many uncertainties in the environment affecting the second half, but we have made these calculations based on information currently available.

First, let's look at the consolidated unit sales.

In our main market of North America, demand has recovered more than anticipated, and we expect consolidated unit sales to be on par with those of the previous year in the second half. Nevertheless, the impact of COVID-19 on first half results was significant, so globally, we forecast a 123.2 thousand unit decrease year on year to 910.6 thousand units.

In Japan, the model change for flagship products coincided with the impact of COVID-19 in the first half, so unit sales were down substantially. However, the new LEVORG announced on October 15 will help get sales back on track, so we forecast an 8.4 thousand unit decrease year on year to 117.4 thousand units.

Revised Plan FYE 2021 :

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	Results FYE 2020 (a)	Previous Plan FYE 2021 (as of Aug. 4 th) (b)	Revised Plan FYE 2021 (c)	Variance (c)-(a)	Variance (c)-(b)
Consolidated Unit Sales Total	1,033.9	900.0	910.6	-123.2	+10.6

(Thousand Units)

	Results FYE 2020 (a)	Previous Plan FYE 2021 (as of Aug. 4 th) (b)	Revised Plan FYE 2021 (c)	Variance (c)-(a)	Variance (c)-(b)
Production in U.S.	367.3	-	325.2	-42.1	-
Production in Japan	663.6	-	556.1	-107.5	-
Total	1,030.9	880.0	881.3	-150.0	+1.3

* Production figures include Toyota 86.

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15

Next, let's look at the production plan.

The production volume will fall 150.0 thousand units from the previous year to 881.3 thousand units, a 1.3 thousand unit increase from the previous plan.

We plan to return to appropriate inventory levels in the North American market within the year. Going forward, we will work on production while keeping a close eye on the COVID-19 situation and sales/inventory in each market.

Revised Plan FYE 2021 :
Consolidated Profit Plan

(100 Million Yen)

	Results FYE 2020 (a)	Previous Plan FYE 2021 (as of Aug. 4 th) (b)	Revised Plan FYE 2021 (c)	Variance (c)-(a)	Variance (c)-(b)	
Revenue	33,441	29,000	29,500	-3,941	+500	
Domestic	5,727	-	5,397	-330	-	
Overseas	27,714	-	24,103	-3,611	-	
Operating profit	2,103	800	1,100	-1,003	+300	
Profit before tax	2,077	870	1,170	-907	+300	
Profit for the period attributable to owners of parent	1,526	600	800	-726	+200	
SUBARU exchange rate	US\$	¥109	¥105	¥106	-¥3	+¥1
	EURO	¥121	¥120	¥120	-¥1	+¥0
	CAN\$	¥82	¥80	¥79	-¥3	-¥1

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16

The impact of COVID-19 is significant, so we still expect a decline in profit compared to the previous year.

However, in light of recent trends in operating results, including the faster-than-anticipated sales recovery in our main market of North America, we are revising the previously announced forecasts (August 4) upward.

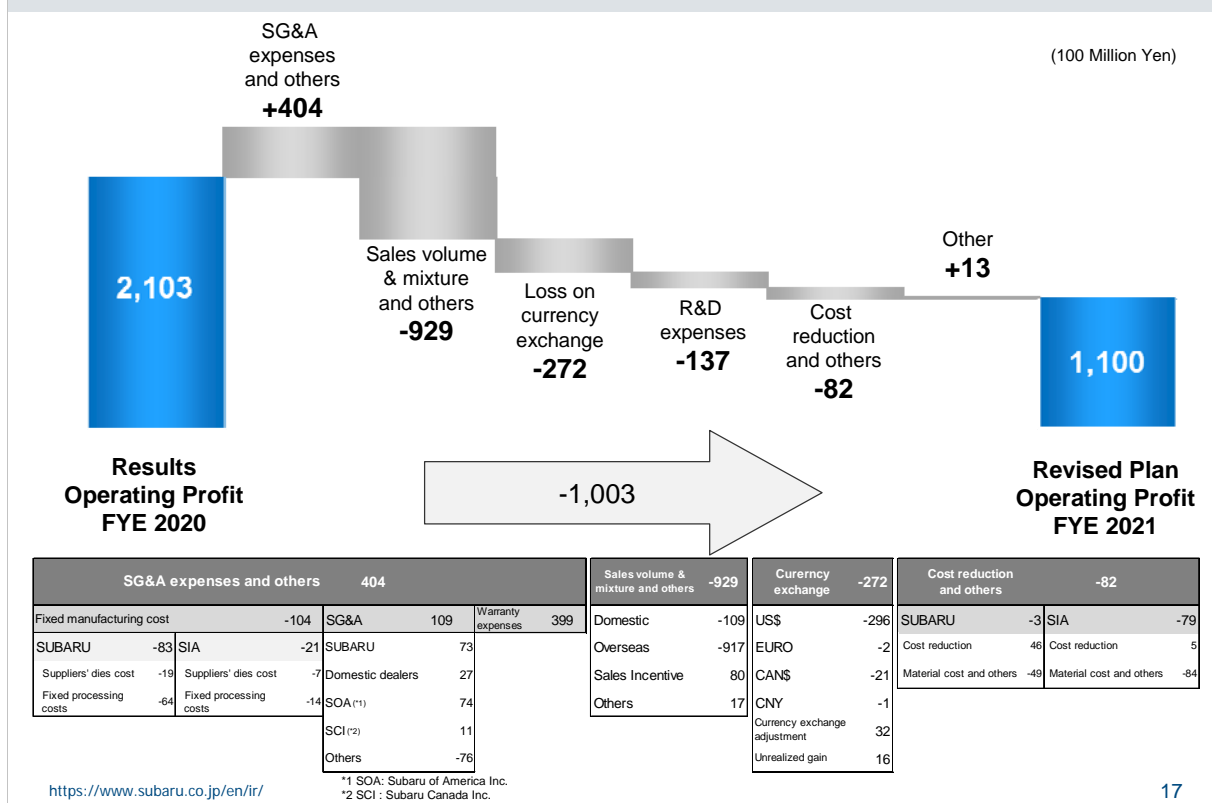
The forecast for revenue has been revised upward by 50.0 billion yen compared to the previous forecast announced on August 4 to 2,950.0 billion yen.

The forecast for operating profit has been revised upward by 30.0 billion yen to 110.0 billion yen.

The forecast for profit for the period attributable to owners of parent has been revised upward by 20.0 billion yen to 80.0 billion yen.

These forecasts are based on the present situation and do not take into account the risk of a further spread of COVID-19.

Analysis of Variance in Operating Profit (Consolidated)



This is the analysis of variance in operating profit compared to the previous year's results.

The main factor working to increase operating profit is expected to be a 40.4 billion yen improvement in SG&A expenses and others resulting from a decrease in warranty expenses, including expenses related to recalls, service campaigns and so on, and a decrease in SG&A.

The main factors working to decrease operating profit are expected to be a deterioration of the sales volume & mixture and others, and an increase in loss on currency exchange and R&D expenses.

We expect a substantial deterioration of the sales volume & mixture and others despite a decrease in sales incentives, due to the decrease in new car sales as a result of COVID-19.

We expect loss on currency exchange to deteriorate by 27.2 billion yen, with the yen appreciating by around 3 yen against the U.S. dollar, 1 yen against the Canadian dollar, and 3 yen against the euro.

The increase in R&D expenses will push operating profit down 13.7 billion yen.

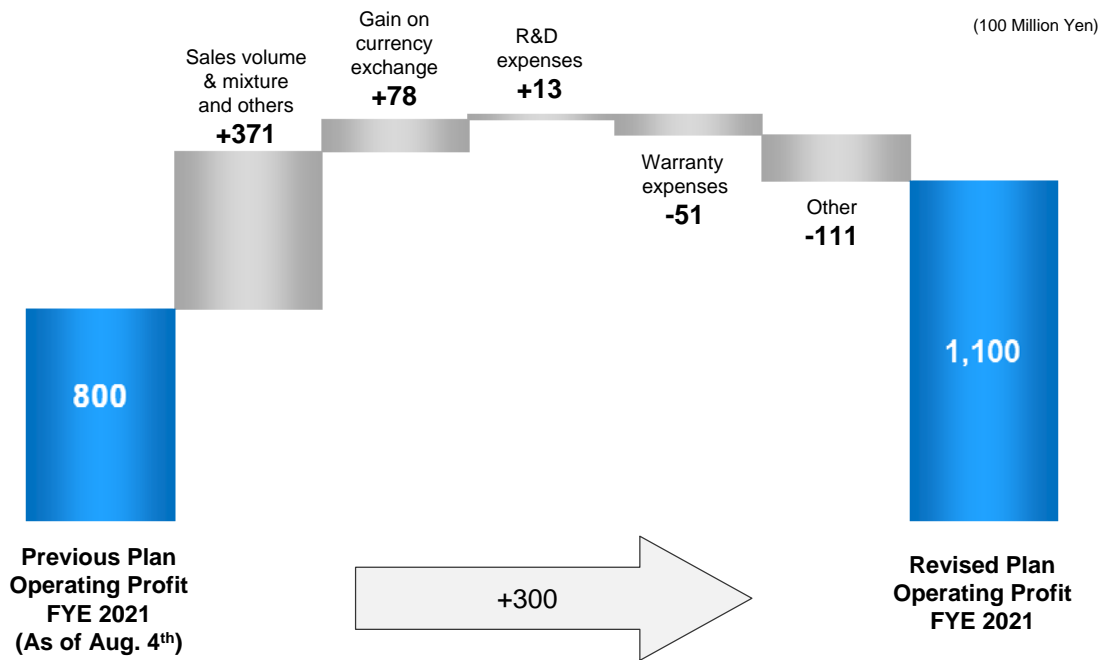
This is a result of decreased capitalized R&D expenditures compared to the previous year and increased depreciation of previously recorded assets.

U.S. sales incentives per unit are planned at 1,650 dollars.

This is a 50 dollar increase over the 1,600 dollar incentive of the same period of the previous year, but due to the decrease in the unit sales forecast, the total amount of incentives is expected to drop by 9.6 billion yen.

Our thinking concerning expenses related to recalls, service campaigns and so on included in warranty expenses is unchanged. We have incorporated the equivalent of 1.5% of normal annual revenue into the forecast.

Previous Plan FYE 2021 (as of August 4th) vs. Revised Plan :
Analysis of Variance in Operating Profit (Consolidated)



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18

This is an analysis of variance in operating profit compared to the previous forecast.

We expect a 30.0 billion yen increase resulting primarily from improvement in the sales volume & mixture and the exchange rate.

Capex / Depreciation / R&D

(100 Million Yen)

	Results FYE 2020 (a)	Previous Plan FYE 2021 (as of Aug. 4 th) (b)	Revised Plan FYE 2021 (c)	Variance (c)-(a)	Variance (c)-(b)
Capex (*1)	1,260	1,000	1,000	-260	±0
Depreciation (*1)	961	1,000	1,000	+39	±0
R&D expenditures (*2)	1,187	1,000	1,000	-187	±0

*1 : Leases, capex & amortization for intangible assets are not included in the results above.

*2 : Research and development activity related costs incurred during the reporting period are written.

In accordance with IFRS, as a part of research and development expenditures is recorded as an intangible asset and amortized over its estimated useful life, this amount is different from "Research and development expenses" on Consolidated Statements of Income on IFRS.
(It matches with R&D expenses in consolidated statement of income on JGAAP)

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19

Finally, we have the full-year forecast for capex, depreciation, and R&D expenditures.

There are no changes to the previous forecasts.

We will continue to work on ensuring efficiency in capex and R&D expenditures, continuing to promote the necessary investment and R&D activities while carefully reviewing and controlling nonessential and nonurgent projects based on the management environment under COVID-19.

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

This concludes the briefing on our financial results for the 1st Half of fiscal year ended March 31, 2021. Thank you.

Appendix (1)

- Segment information by Business & Geographic (1st Half)
- Overseas Revenue (1st Half)
- Consolidated Statement of Financial Position
- Non-consolidated Unit Sales (1st Half)
- Operating Results of Subsidiaries in U.S. (1st Half)
- Consolidated Financial Results for 2nd Quarter (3 months)
- Forecast for 2nd Half FYE 2021
- Complete Cars Production / Retail Sales Units

1st Half :

Revenue and Operating Profit by Business Segment (Consolidated)

(100 Million Yen)

	Revenue			Operating profit		
	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance
Automobile	15,303	11,688	-3,615	874	316	-558
Aerospace	710	472	-238	51	-30	-81
Other	44	24	-20	24	20	-4
Elimination & Corporate				0	1	+1
Total	16,057	12,184	-3,873	948	306	-642

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21

1st Half :

Revenue and Operating Profit by Geographic Area (Consolidated)

(100 Million Yen)

	Revenue			Operating profit		
	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance
Japan	4,545	2,788	-1,757	439	-192	-630
North America	10,833	8,791	-2,041	479	323	-156
Other	678	605	-74	9	19	+10
Elimination& Corporate				21	155	+134
Total	16,057	12,184	-3,873	948	306	-642

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22

1st Half :

Overseas Revenue (Consolidated)

(100 Million Yen)

	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance
North America	11,350	9,088	-2,261
Europe	421	209	-212
Asia	558	470	-88
Other	753	314	-439
Total	13,082	10,082	-3,000

Consolidated Statement of Financial Position

(100 Million Yen)

	As of March 2020	As of September 2020	Variance
Total assets	32,939	32,880	-60
Current assets	19,788	19,852	+65
Non-current assets	13,151	13,027	-124
Total liabilities	15,738	15,768	+30
Interest bearing debts	2,392	3,353	+961
Total equity	17,201	17,112	-89
Retained earnings	13,972	13,995	+23
Equity attributable to owners of parent	17,129	17,032	-97
Ratio of equity attributable to owners of parent to total assets	52.0%	51.8%	-
D/E ratio	0.14	0.20	-

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24

1st Half :

Non-consolidated Unit Sales

(Thousand Units)

	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance
Domestic production	325.8	220.9	-104.9
Domestic sales	68.0	40.9	-27.1
Passenger cars	53.9	30.7	-23.2
Minicars	14.1	10.2	-3.9
Number of exported vehicles	266.1	188.7	-77.4
Components for overseas production	178.3	108.7	-69.6
Total	512.4	338.3	-174.1

* Production figures include Toyota 86.

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25

1st Half :

Operating Results of Subsidiaries in U.S.

(Million US\$)

SOA	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance
Net sales	9,391	8,079	-1,312
Operating income	382	424	+42
Net income	304	377	+73
Retail sales (Thousand units)	367.5	305.1	-62.4

SIA	Results 1 st Half FYE 2020	Results 1 st Half FYE 2021	Variance
Net sales	4,148	3,349	-799
Operating income	50	-117	-167
Net income	48	-92	-140
Production (Thousand units)	172.2	133.1	-39.1

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26

2nd Quarter (3 months) :

Consolidated Unit Sales (by market)

(Thousand Units)

	Results 2 nd Quarter (3 months) FYE 2020	Results 2 nd Quarter (3 months) FYE 2021	Variance
Passenger cars	27.7	18.4	-9.3
Minicars	7.0	5.6	-1.4
Domestic total	34.7	24.0	-10.7
U.S.	157.0	169.8	+12.8
Canada	12.1	17.0	+4.9
Russia	2.4	1.0	-1.5
Europe	6.4	2.5	-4.0
Australia	12.9	5.6	-7.3
China	5.0	7.1	+2.1
Others	10.6	3.3	-7.3
Overseas total	206.6	206.3	-0.3
Total	241.3	230.3	-11.0

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27

2nd Quarter (3 months) :

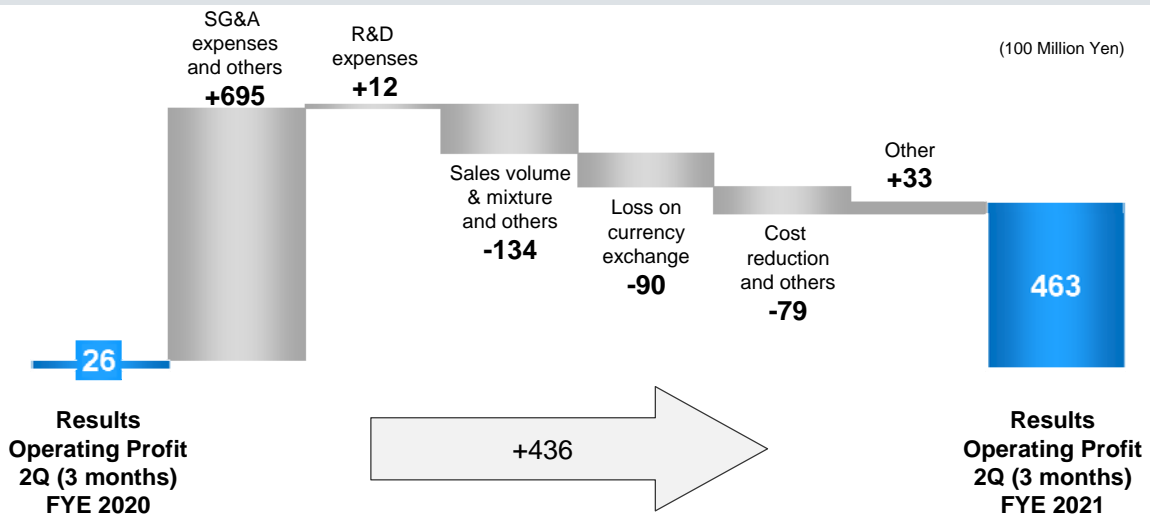
Consolidated Profit Results

(100 Million Yen)

		Results 2 nd Quarter (3 months) FYE 2020	Results 2 nd Quarter (3 months) FYE 2021	Variance
Revenue		7,723	7,614	-109
Domestic		1,553	1,156	-397
Overseas		6,170	6,458	+288
Operating profit		26	463	+436
Profit before tax		38	468	+431
Profit for the period attributable to owners of parent		18	314	+296
SUBARU exchange rate	US\$	¥108	¥107	-¥1
	EURO	¥120	¥123	+¥2
	CAN\$	¥81	¥80	-¥2

2nd Quarter (3 months) :

Analysis of Variance in Operating Profit (Consolidated)



SG&A expenses and others 695				Sales volume & mixture and others -134		Currency exchange -90		Cost reduction and others -79			
Fixed manufacturing cost -26		SG&A 61		Domestic -115		US\$ -60		SUBARU -40		SIA -39	
SUBARU -28		SIA 2		Overseas 366		EURO 1		Cost reduction 4		Cost reduction -2	
Suppliers' dies cost -3		Suppliers' dies cost -7		Sales Incentive -16		CAN\$ -6		Material cost and others -44		Material cost and others -37	
Fixed processing costs -25		Fixed processing costs 9		Others -369		CNY -					
		SOA ⁽¹⁾ 19				Currency exchange adjustment 3					
		SCI ⁽²⁾ 2				Unrealized gain -28					
		Others -9									

*1 SOA: Subaru of America Inc.
*2 SCI : Subaru Canada Inc.

<https://www.subaru.co.jp/en/ir/>

29

Plan for 2nd Half:

Consolidated Unit Sales (by market)

(Thousand Units)

	Results 2 nd Half FYE 2020	Plan 2 nd Half FYE 2021	Variance
Passenger cars	46.8	62.6	+15.8
Minicars	11.0	12.2	+1.2
Domestic total	57.8	74.8	+17.0
U.S.	365.3	374.8	+9.5
Canada	32.7	28.1	-4.6
Russia	4.0	3.5	-0.5
Europe	24.6	12.7	-11.9
Australia	18.5	21.0	+2.5
China	9.8	15.5	+5.6
Others	17.2	16.9	-0.4
Overseas total	472.2	472.4	+0.2
Total	530.0	547.3	+17.2

<https://www.subaru.co.jp/en/ir/>

30

Plan for 2nd Half:
Consolidated Profit

(100 Million Yen)

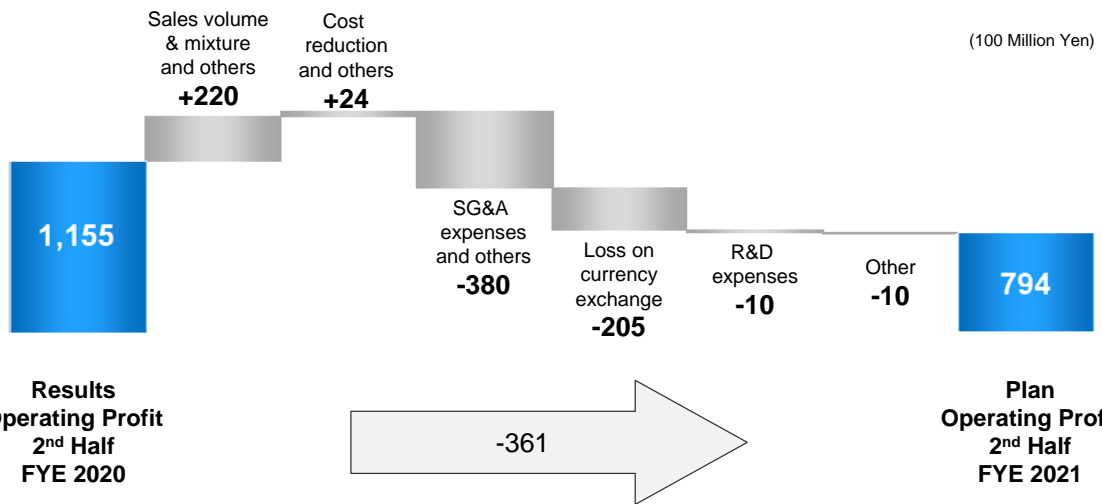
		Results 2 nd Half FYE 2020	Plan 2 nd Half FYE 2021	Variance
Revenue		17,384	17,316	-68
Domestic		2,752	3,294	+543
Overseas		14,633	14,022	-611
Operating profit		1,155	794	-361
Profit before tax		1,146	809	-337
Profit for the period attributable to owners of parent		843	563	-280
SUBARU exchange rate	US\$	¥109	¥105	-¥4
	EURO	¥120	¥120	-¥0
	CAN\$	¥82	¥80	-¥2

<https://www.subaru.co.jp/en/ir/>

31

Plan for 2nd Half:

Analysis of Variance in Operating Profit (Consolidated)



Sales volume & mixture and others	220
Domestic	131
Overseas	12
Sales Incentive	-114
Others	191

Cost reduction and others		24	
SUBARU	29	SIA	-5
Cost reduction	32	Cost reduction	4
Material cost and others	-3	Material cost and others	-9

SG&A expenses and others				-380		
Fixed manufacturing cost		-98	SG&A	-83	Warranty expenses	-199
SUBARU	-88	SIA	-10	SUBARU	-3	
Suppliers' dies cost	-17	Suppliers' dies cost	15	Domestic dealers	-12	
Fixed processing costs	-71	Fixed processing costs	-25	SOA ⁽¹⁾	15	
				SCI ⁽²⁾	0	
				Others	-83	

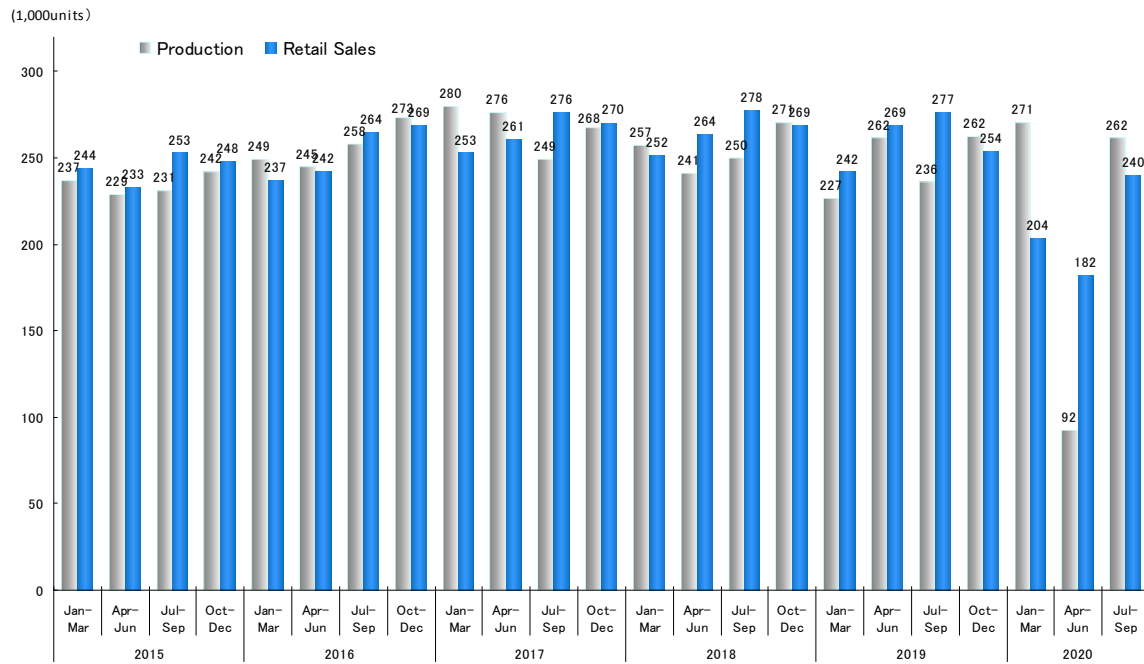
Currency exchange	-205
US\$	-210
EURO	0
CAN\$	-9
CNY	0
Currency exchange adjustment	2
Unrealized gain	12

<https://www.subaru.co.jp/en/ir/>

¹ SOA: Subaru of America Inc.
² SCI: Subaru Canada Inc.

32

Complete Cars Production / Retail Sales Units



* Production figures include Toyota 86.

<https://www.subaru.co.jp/en/ir/>



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.