



| Consolidated Financial Results for FYE 2021

SUBARU CORPORATION
Katsuyuki Mizuma, Executive Vice President & CFO

May 11th, 2021

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

Summary

(Yen in 100 millions, Units in thousands)

	Results					Plan	
	FYE 2020 Results(a)	FYE 2021 Previous Plan(b)*	FYE 2021 Results(c)	Variance (c)-(a)	Variance (c)-(b)	FYE 2022 Plan(d)	Variance (d)-(c)
Consolidated Unit Sales	1,033.9	867.9	860.2	-173.7	-7.7	1,000.0	+139.8
Production	1,030.9	823.4	809.9	-221.0	-13.5	1,030.0	+220.1
Revenue	33,441	28,500	28,302	-5,139	-198	33,000	+4,698
Operating profit	2,103	1,000	1,025	-1,079	+25	2,000	+975
Profit for the period attributable to owners of parent	1,526	750	765	-761	+15	1,400	+635
SUBARU exchange rate US\$	¥109	¥106	¥106	-¥3	+¥0	¥108	+¥2

* as of Feb. 5th, 2021

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First, let's look at the results for FYE 2021 and an overview of the full-year plans for FYE 2022.

Revenue and profits at each stage were down significantly year on year in FYE 2021. This was due to a decrease in both production volume and consolidated unit sales resulting primarily from the impacts of the spread of COVID-19 and the tightening of semiconductor supply.

In FYE 2022, we expect a recovery, driven by our main market of North America, and are planning consolidated unit sales of 1 million units. The risks related to semiconductor supply remain, but we forecast a year-on-year increase in both revenue and profit and will move forward boldly with the intent to return them to the level of FYE 2020.

Consolidated Financial Results for FYE 2021

FYE 2021 :
Consolidated Unit Sales (by market)

(Thousand Units)

	FYE 2020 Results(a)	FYE 2021 Previous Plan(b)	FYE 2021 Results(c)	Variance (c)-(a)	Variance (c)-(b)
Passenger cars	101.9	85.5	81.9	-20.0	-3.6
Minicars	23.9	20.7	19.9	-4.0	-0.8
Domestic total	125.8	106.2	101.8	-24.0	-4.4
U.S.	701.6	613.4	611.6	-90.0	-1.8
Canada	60.4	50.5	49.7	-10.6	-0.7
Russia	8.7	4.4	4.5	-4.1	+0.2
Europe	37.0	14.6	13.7	-23.3	-0.9
Australia	43.1	30.4	31.4	-11.8	+1.0
China	20.6	26.7	24.5	+3.9	-2.2
Others	36.7	21.7	22.9	-13.7	+1.2
Overseas total	908.0	761.7	758.4	-149.6	-3.3
Total	1,033.9	867.9	860.2	-173.7	-7.7

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Next, let's look at the full-year results for FYE 2021.

First is consolidated unit sales.

Globally, the total was down 173.7 thousand units to 860.2 thousand units.

Overseas, sales have been recovering since the second quarter, particularly in our main market of North America. In the third quarter, sales trended higher than the previous year.

However, in the fourth quarter, sales were affected primarily by the semiconductor supply issue. As a result, the total was down 149.6 thousand units year on year to 758.4 thousand units.

In Japan, sales of the new Levorg, which won the 2020-2021 Japan Car of the Year award, contributed to an extent, but on top of COVID-19 in the first half and the timing of the model change, the impact of the tightening of semiconductor supply resulted in a year-on-year decrease of 24.0 thousand units, bringing the number down to 101.8 thousand units.

FYE 2021 :

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	FYE 2020 Results(a)	FYE 2021 Previous Plan(b)	FYE 2021 Results(c)	Variance (c)-(a)	Variance (c)-(b)
Consolidated Unit Sales Total	1,033.9	867.9	860.2	-173.7	-7.7

	FYE 2020 Results(a)	FYE 2021 Previous Plan(b)	FYE 2021 Results(c)	Variance (c)-(a)	Variance (c)-(b)
Production in U.S.	367.3	303.7	285.2	-82.1	-18.5
Production in Japan	663.6	519.7	524.7	-138.9	+5.0
Production* Total	1,030.9	823.4	809.9	-221.0	-13.5

* Production figures include Toyota 86.

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Next, let's look at production.

Production was temporarily suspended at the Gunma Plant (Japan) and at SIA (U.S.) at the beginning of the fiscal year 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.

Since the second quarter, operations were returned mostly to normal for a time in order to bring dealer inventory level to an appropriate level in North America. However, shipment of parts for production in the United States started to experience delays in the latter part of the third quarter, and semiconductor supply tightened in the fourth quarter, resulting in production adjustments that contributed to a year-on-year decrease of 221.0 thousand units in total production volume to 809.9 thousand units.

FYE 2021 :

Consolidated Profit Results

(100 Million Yen)

	FYE 2020 Results(a)	FYE 2021 Previous Plan(b)	FYE 2021 Results(c)	Variance (c)-(a)	Variance (c)-(b)
Revenue	33,441	28,500	28,302	-5,139	-198
Domestic	5,727	5,115	4,983	-743	-132
Overseas	27,714	23,385	23,319	-4,396	-66
Operating profit	2,103	1,000	1,025	-1,079	+25
Profit before tax	2,077	1,090	1,140	-937	+50
Profit for the period attributable to owners of parent	1,526	750	765	-761	+15
SUBARU exchange rate					
US\$	¥109	¥106	¥106	-¥3	+¥0
EURO	¥121	¥123	¥123	+¥2	+¥1
CAN\$	¥82	¥80	¥80	-¥3	+¥0

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This is consolidated profit.

Revenue was down 513.9 billion yen year on year to 2,830.2 billion yen due primarily to deterioration of the sales volume & mixture, etc. to the tune of 405.5 billion yen resulting mostly from a decrease in automobile unit sales.

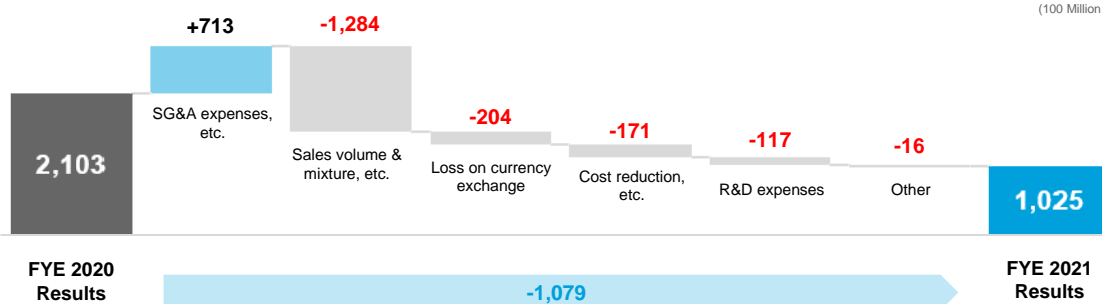
Operating profit was also down 107.9 billion yen year on year to 102.5 billion yen due primarily to deterioration of the sales volume & mixture, etc. resulting mostly from a decrease in automobile unit sales despite efforts to reduce SG&A expenses and others.

Profit before tax was down 93.7 billion yen to 114.0 billion yen, and profit for the period attributable to owners of parent fell 76.1 billion yen to 76.5 billion yen.

FYE 2021 :

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



SG&A expenses, etc.		+713		Sales volume & mix, etc.		-1,284		Currency exchange		-204		Cost reduction, etc.		-171	
Fixed manufacturing cost	-20	SG&A	+284	Warranty claims	+449	Domestic	-224	US \$	-298	SUBARU	-76	SIA*1	-95		
SUBARU	-51	SIA*1	+31	SUBARU	+148	Overseas	-1,387	EURO	+5	Cost reduction	+32	Cost reduction	+10		
Suppliers' dies cost	+1	Suppliers' dies cost	-4	Domestic dealers	+48	Sales Incentive	+347	CAN \$	-18	Material cost, etc.	-108	Material cost, etc.	-105		
Fixed processing cost	-52	Fixed processing cost	+35	SOA *2	+70	Others	-20	CNY	+0						
		SCI *3	+16	Others	+2			Currency exchange adjustment	+66						
								Unrealized gain	+41						

*1 SIA: Subaru of Indiana Automotive, Inc. *2 SOA: Subaru of America Inc. *3 SCI: Subaru Canada Inc.

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

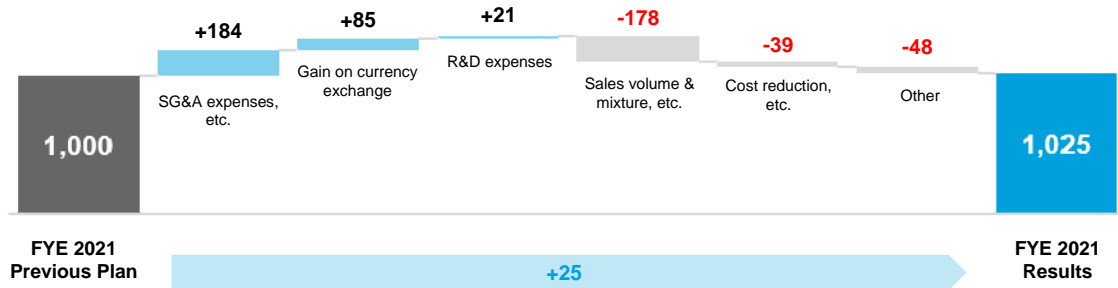
Factors working to increase operating profit included the decrease in warranty expenses, including expenses related to recalls, service campaigns and so on, decreased SG&A, and decreased sales incentives, primarily in the United States market. On the other hand, the decrease in new car sales in Japan and overseas and the sharp rise in the cost of materials, including precious metals, along with an appreciation of the yen of around 3 yen against the U.S. dollar pushed profit downward. As a result, operating profit was down 107.9 billion yen year on year.

U.S. sales incentives per unit were down 300 dollars from 1,600 dollars in the same period of the previous year to 1,300 dollars, bringing the total amount of U.S. sales incentives down 33.0 billion yen.

Previous Plan FYE 2021 (as of February 5th) vs Results :

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



SG&A expenses, etc.		+184		Currency exchange		+85		Sales volume & mix, etc.		-178		Cost reduction, etc.		-39	
Fixed manufacturing cost	+49	SG&A	+85	Warranty claims	+50	US \$	+8	Domestic	-53	SUBARU	-23	SIA*1	-16		
SUBARU	+12	SIA*1	+37	SUBARU	+19	EURO	+7	Overseas	-177	Cost reduction	-13	Cost reduction	+2		
Suppliers' dies cost	-1	Suppliers' dies cost	+2	Domestic dealers	+6	CAN \$	+3	Sales Incentive	+75	Material cost, etc.	-10	Material cost, etc.	-18		
Fixed processing cost	+13	Fixed processing cost	+35	SOA *2	-6	CNY	+1	Others	-23						
		SCI *3	+5	Others	+61	Currency exchange adjustment	+34								
						Unrealized gain	+32								

*1 SIA: Subaru of Indiana Automotive, Inc. *2 SOA: Subaru of America Inc. *3 SCI: Subaru Canada, Inc.

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

The sales volume & mixture deteriorated due to the decrease in unit sales associated with decreased production. This, along with the sharp rise in material cost, etc., pushed profit downward, but the decrease in SG&A, sales incentives, and warranty expenses contributed to a 2.5 billion yen improvement over the previous plan.

FYE 2021 :

Consolidated Statement of Cash Flows / Cash and cash equivalents

(100 Million Yen)

	FYE 2020 Results	FYE 2021 Results	
Net cash provided by (used in) operating activities	2,101	2,894	
Net cash provided by (used in) investing activities	-258	-2,722	
Free cash flows	1,843	172	
Net cash provided by (used in) financing activities	-158	140	
	As of March 2020	As of March 2021	Variance
Cash and cash equivalents at end of period	8,590	9,073	+484
Interest bearing debts Balance at end of period *	2,392	3,339	+947
Net cash	6,198	5,734	-463

* Lease liabilities are not included in the results above.

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This is the Consolidated Statement of Cash Flows / Cash and cash equivalents.

Free cash flows were 17.2 billion yen.

Cash and cash equivalents at end of period were up 48.4 billion yen from the end of the previous fiscal year to 907.3 billion yen, and interest bearing debts were up 94.7 billion yen to 333.9 billion yen as a result of raising funds.

As a result, net cash was down 46.3 billion yen from the end of the previous year to 573.4 billion yen. We expect funds to decrease for some time after the end of March 2021 due mainly to the impact of production adjustments.

Capex / Depreciation / R&D

(100 Million Yen)

	FYE 2020 Results(a)	FYE 2021 Previous Plan(b)	FYE 2021 Results(c)	Variance (c)-(a)	Variance (c)-(b)
Capex *1	1,260	900	862	-398	-38
Depreciation *1	961	1,000	950	-11	-50
R&D expenditures *2	1,187	1,000	1,016	-171	+16

*1 : Leases, capex & amortization for intangible assets and lease liabilities are not included in the results and forecast 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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The results for Capex and so on are as shown on this slide.

Capex were lower than the previous year, due to controls put in place in preparation for the impact of COVID-19, as well as a shift in timing of occurrence.

| Forecast for FYE 2022

FYE 2022 Plan :

Consolidated Profit Plan

(Yen in 100 millions, Units in thousands)

	FYE 2021 Results	FYE 2022 Plan	Variance
Consolidated Unit Sales	860.2	1,000.0	+139.8
Production *	809.9	1,030.0	+220.1
Revenue	28,302	33,000	+4,698
Operating profit	1,025	2,000	+975
Profit before tax	1,140	2,030	+890
Profit for the period attributable to owners of parent	765	1,400	+635
SUBARU exchange rate			
US\$	¥106	¥108	+¥2
EURO	¥123	¥128	+¥5
CAN\$	¥80	¥83	+¥3

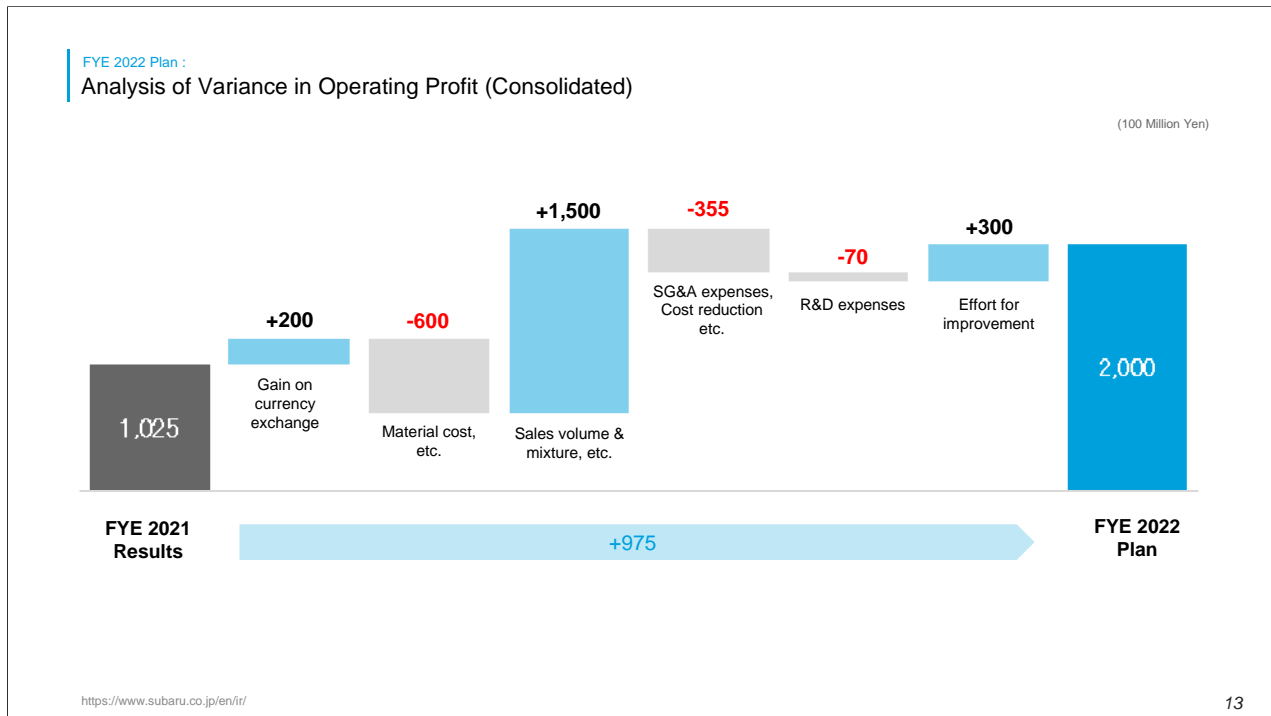
* Production figures include Toyota 86.

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Next, let's look at the full-year plans for FYE 2022.

Although the risks related to semiconductor supply will persist, we feel that demand is strong, so we expect a recovery, particularly in our main market of North America. As such, the plans are for consolidated unit sales of 1 million units, production of 1.03 million units, revenue of 3,300.0 billion yen, operating profit of 200.0 billion yen, profit before tax of 203.0 billion yen, and profit for the period attributable to owners of parent of 140.0 billion yen.



Next is the analysis of variance in the full-year plan for operating profit compared to the previous year's results.

We expect external environmental factors to include a gain of 20.0 billion yen on currency exchange and a 60.0 billion yen deterioration in material cost, etc.

We expect a gain of about 20.0 billion yen on currency exchange with the yen depreciating by around 2 yen against the U.S. dollar.

In regard to the sales volume & mixture, etc., we remain concerned about the risks related to semiconductor supply, but we expect sales to recover, particularly in the North American market, pushing profit up 150.0 billion yen. We also expect the increase in SG&A expenses, etc. associated with increased unit sales, activities to reduce costs, and so on to push profit down 35.5 billion yen and the increased R&D expenses to push profit down 7.0 billion yen.

There are many uncertainties, creating a difficult situation, but in addition to the above outlook, we have incorporated an additional improvement of 30.0 billion yen, primarily in items such as incentives and SG&A expenses, so in FYE 2022, we are aiming to improve full-year operating profit by 97.5 billion yen compared to the previous year, bringing it to 200.0 billion yen.

Capex / Depreciation / R&D

(100 Million Yen)

	FYE 2021 Results	FYE 2022 Plan	Variance
Capex *1	862	1,000	+138
Depreciation *1	950	1,000	+50
R&D expenditures *2	1,016	1,200	+184

*1 : Leases, capex & amortization for intangible assets and lease liabilities are not included in the results and forecast 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)

Capex, depreciation, and R&D expenditures are as you can see.

Further explanation of Capex and R&D expenditures will be provided in the progress report for the medium-term management vision later. We will continue to engage in the necessary investment and R&D activities, while also working to increase efficiency as we move forward.

Shareholder Returns

(Yen)

➤ Dividend per share

	FYE 2021	FYE 2022 Forecast *
Interim dividend	28	28
Year-end Dividend	28	28
Total	56	56
Payout ratio	56.1%	30.7%

* Payout ratio: Based on the number of shares in the previous term

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Last is our return to shareholders.

As already explained, COVID-19 and the shortage of semiconductors have had a very significant impact on our business performance. In addition, the business environment remains uncertain. We have conducted a comprehensive review that includes things like future funding demand, and as a result, we plan to provide an annual dividend per share of 56 yen for FYE 2021 as set forth in the most recent dividend forecast.

We also forecast to provide an annual dividend of 56 yen per share in FYE 2022.

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

This concludes the briefing on our financial results for the fiscal year ended March 31, 2021.

Thank you.



Appendix (1)

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

FYE 2021 :

Revenue and Operating Profit by Business Segment (Consolidated)

(100 Million Yen)

	Revenue			Operating profit		
	FYE 2020 Results	FYE 2021 Results	Variance	FYE 2020 Results	FYE 2021 Results	Variance
Automobile	31,939	27,375	-4,564	2,003	1,091	-912
Aerospace	1,421	877	-544	51	-98	-149
Other	80	50	-30	36	31	-5
Elimination & Corporate				14	1	-13
Total	33,441	28,302	-5,139	2,103	1,025	-1,079

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FYE 2021 :

Revenue and Operating Profit by Geographic Area (Consolidated)

(100 Million Yen)

	Revenue			Operating profit		
	FYE 2020 Results	FYE 2021 Results	Variance	FYE 2020 Results	FYE 2021 Results	Variance
Japan	8,707	6,752	-1,955	1,027	-356	-1,383
North America	23,118	20,302	-2,816	1,151	1,027	-124
Other	1,616	1,247	-369	21	31	+10
Elimination & Corporate				-95	322	+417
Total	33,441	28,302	-5,139	2,103	1,025	-1,079

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FYE 2021 :
Overseas Revenue (Consolidated)

(100 Million Yen)

	FYE 2020 Results	FYE 2021 Result	Variance
North America	24,131	20,830	-3,301
Europe	1,162	536	-627
Asia	1,064	940	-123
Other	1,357	1,012	-345
Total	27,714	23,319	-4,396

Consolidated Statement of Financial Position

(100 Million Yen)

	As of March 2020	As of March 2021	Variance
Total assets	32,939	34,117	+1,178
Current assets	19,788	19,828	+41
Non-current assets	13,151	14,289	+1,137
Total liabilities	15,738	16,253	+515
Interest bearing debts	2,392	3,339	+947
Total equity	17,201	17,864	+663
Retained earnings	13,972	14,353	+381
Equity attributable to owners of parent	17,129	17,777	+649
Ratio of equity attributable to owners of parent to total assets	52.0%	52.1%	-
D/E ratio	0.14	0.19	-

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FYE 2021 :

Non-consolidated Unit Sales

(Thousand Units)

	FYE 2020 Results	FYE 2021 Result	Variance
Domestic production*	663.6	524.7	-138.9
Domestic sales	128.5	105.7	-22.8
Passenger cars	103.8	84.5	-19.3
Minicars	24.7	21.2	-3.5
Number of exported vehicles	551.2	438.8	-112.3
Components for overseas production	381.2	275.7	-105.5
Total	1,060.8	820.2	-240.6

* Production figures include Toyota 86.

FYE 2021:

Operating Results of Subsidiaries in U.S.

(Million US\$)

SOA *1	Results FYE 2020	Results FYE 2021	Variance
Net sales	19,957	18,028	-1,929
Operating income	880	966	+85
Net income	681	831	+150
Retail sales (Thousand units)	671.3	639.7	-31.6
SIA *2	Results FYE 2020	Results FYE 2021	Variance
Net sales	9,050	7,252	-1,798
Operating income	87	-42	-129
Net income	92	-30	-121
Production sales (Thousand units)	367.3	285.2	-82.1

*1 SOA: Subaru of America Inc. *2 SIA: Subaru of Indiana Automotive, Inc.

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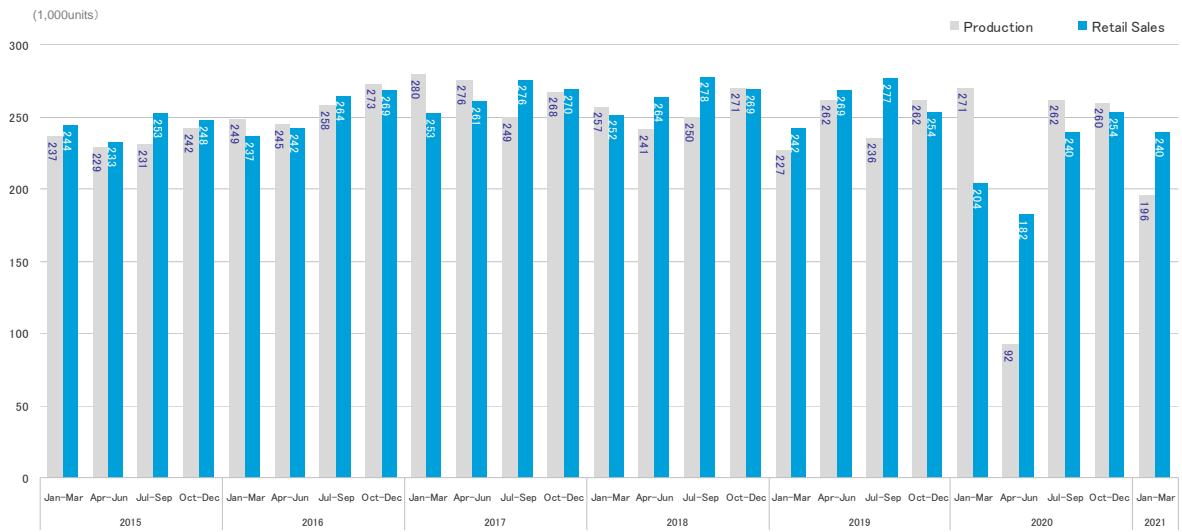
FYE 2021 Results (by Quarter)

(Yen in 100 millions, Units in thousands)

	FYE 2021 Results			
	1Q	2Q	3Q	4Q
Consolidated Unit Sales	133.1	230.3	267.8	229.1
Production *	92.2	261.7	260.4	195.6
Revenue	4,570	7,614	8,564	7,554
Operating profit	-157	463	676	42
Profit for the period attributable to owners of parent	-77	314	505	23
SUBARU exchange rate US\$	¥107	¥107	¥105	¥104

* Production figures include Toyota 86.

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.