



| Consolidated Financial Results for the 1st Quarter of FYE 2024

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

Key Points

■ Results for 1st Quarter of FYE 2024

- **Production: 243,000 units (up 18% y/y)**

While production constraints due to the semiconductor shortage continued, **global production increased year on year**.

- **Operating profit: 84.5 billion yen (up 128% y/y)**

As sales volume growth and the positive effects of the weak yen more than offset the impact of increases in raw material costs and SG&A expenses, **operating profit increased significantly year on year**.

■ Forecast for FYE 2024

- **Production: 1,010,000 units (up 16% y/y)**

While production constraints due to the semiconductor shortage are expected to continue, the Company maintains its **production forecast unchanged** as sales and production are generally progressing according to plan.

- **Operating profit: 300 billion yen (up 12% y/y)**

Although the yen is weakening, the Company maintains its **operating profit forecast unchanged** due to wide fluctuations in the yen exchange rate and uncertainties such as semiconductor supply and logistics constraints.

Notes on figures in the results: Vehicle volume figures are rounded to the nearest thousand. Yen figures are rounded to the nearest hundred million.

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I will begin by explaining the key points of the financial results for the first three months of the fiscal year ending March 31, 2024.

First, we have performance for the first quarter.

Production and operating profit both exceeded previous-year levels.

While the effects of production constraints caused by semiconductor shortages remain, we worked to minimize the impact and achieved growth in production of 18% year on year.

There was some impact from higher material costs and increases in SG&A expenses, but continued steady sales momentum, primarily in the North American market, together with the positive impact of the weaker yen resulted in a very significant year-on-year growth of 128% in operating profit.

Next, we have the outlook for the full year.

With regard to production, we expect issues with semiconductor supply to continue, but given that actual production and sales in the first quarter were in line with plans we have left our initial production forecast of 1,010 thousand units unchanged.

We have left the initial operating profit forecast unchanged because although the currency is moving further in the direction of the weaker yen than we initially expected, volatility is high and there are still elements of uncertainty, such as semiconductor supply issues and logistics constraints.

Consolidated Financial Results for the 1st Quarter (3 months) of FYE 2024

1st Quarter (3 months) :

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	<u>FYE 2023</u> 1Q Results	<u>FYE 2024</u> 1Q Results	<u>Variance</u>
Production in U.S.	70	84	+13
Production in Japan	135	159	+24
Production Total	205	243	+38

	<u>FYE 2023</u> 1Q Results	<u>FYE 2024</u> 1Q Results	<u>Variance</u>
Consolidated Unit Sales Total	196	236	+40

* Production figures include Toyota GR86.

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I will now cover the results for the first quarter of FYE 2024.

I will begin with production.

The impact of production constraints caused by semiconductor shortages remains, but production has progressed in accordance with plans, rising 38 thousand units year on year to 243 thousand units.

Next we have consolidated unit sales.

Primarily in the main market of the U.S., sales were strong and rose 40 thousand units year on year to 236 thousand units.

1st Quarter (3 months) :

Consolidated Unit Sales (by market)

(Thousand Units)

	<u>FYE 2023</u> 1Q Results	<u>FYE 2024</u> 1Q Results	<u>Variance</u>
Passenger cars	16	17	+1
Minicars	4	4	-0
Domestic total	20	21	+1
U.S.	139	163	+24
Canada	11	16	+5
Europe	5	7	+2
Australia	9	15	+6
China	3	2	-1
Others	9	12	+3
Overseas total	175	215	+39
Total	196	236	+40

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Consolidated unit sales by market are as you see on this slide.

As I mentioned to you at the time of the initial announcement, overall global demand is strong, which of course includes our main market of the U.S., but we also achieved growth in shipments to Canada and Australia.

The global order backlog still exceeds 90 thousand units.

We will strive to return this to normal levels and deliver vehicles to our customers as quickly as we can.

1st Quarter (3 months) :
Consolidated Profit Results

(100 Million Yen)

	FYE 2023 1Q Results	FYE 2024 1Q Results	Variance
Revenue	8,341	10,821	+2,480
Domestic	1,271	1,410	+139
Overseas	7,070	9,412	+2,341
Operating profit	370	845	+475
Profit before tax	384	1,154	+770
Profit for the period attributable to owners of parent	272	732	+460
SUBARU exchange rate			
US\$	¥125	¥135	+¥11
EURO	¥134	¥145	+¥11
CAN\$	¥97	¥100	+¥2

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Let's move on to consolidated results.

Revenue was up 248.0 billion yen year on year to 1,082.1 billion yen, owing to an improvement in sales volume & mixture, etc. of 197.8 billion yen from increased unit sales and selling price revisions, among other factors, and a gain on currency exchange of 46.7 billion yen.

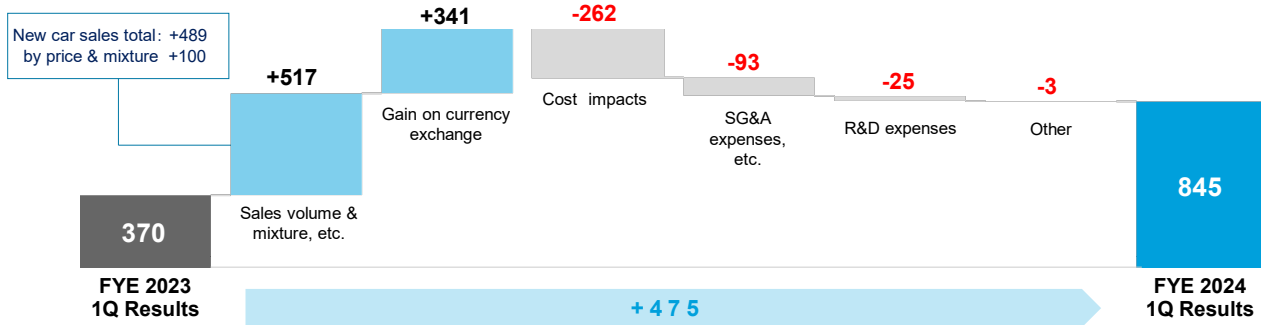
Operating profit was up 47.5 billion yen year on year to 84.5 billion yen.

Profit before tax was up 77.0 billion yen to 115.4 billion yen, and profit for the period attributable to owners of parent was up 46.0 billion yen to 73.2 billion yen.

1st Quarter (3 months) :

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



Sales volume & mix., etc.	+517	Currency exchange	+341	Cost impacts	-262	SG&A expenses, etc.	-93
Domestic	+26	US \$	+280	SUBARU	-220	SIA*1	-42
Overseas	+463	EURO	+10	Cost reduction	+18	Cost reduction	+6
Sales Incentive	-21	CAN \$	+8	Material cost, etc.	-238	Material cost, etc.	-48
Others	+49	CNY	-			Suppliers' dies cost	+10
		Currency exchange adjustment	-55			Suppliers' dies cost	-10
		Unrealized gain	+98			Fixed processing cost	+8
						Fixed processing cost	+4
						Domestic dealers	-4
						SOA *2	-19
						SCI *3	-11
						Others	-23
						Warranty claims	-20

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

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Next, I will look at the factors driving that increase in operating profit of 47.5 billion yen.

The main drivers of higher profit were an improvement in sales volume & mixture, etc., and gain on currency exchange.

Sales volume & mixture, etc. rose 51.7 billion yen due mainly to an increase in unit sales and revised selling prices.

The gain on currency exchange was 34.1 billion yen, caused mainly by the approximately 11-yen depreciation of the yen against the U.S. dollar.

In terms of the main drivers of lower profits, the positive impacts of lower market prices for rare metals and other materials were surpassed by the negative impact of higher raw material prices, including measures to mitigate the impact on suppliers, leading to negative cost impacts of 26.2 billion yen.

The increase in SG&A expenses, etc. generated by the increase in unit sales had a negative impact of 9.3 billion yen.

U.S. sales incentives per unit were down 100 dollars from 900 dollars in the previous year to 800 dollars, but the total amount of U.S. sales incentives rose by 0.8 billion yen.

1st Quarter (3 months) :

Consolidated Statement of Cash Flows / Cash and cash equivalents

(100 Million Yen)

	FYE 2023 1Q Results	FYE 2024 1Q Results	
Net cash provided by (used in) operating activities	1,323	1,296	
Net cash provided by (used in) investing activities	-578	-1,406	
Free cash flows	746	-109	
Net cash provided by (used in) financing activities	-351	-677	
Effect of exchange rate change on cash and cash equivalents	688	497	
	As of March 2023	As of June 2023	Variance
Cash and cash equivalents at end of period	9,795	9,506	-290
Interest bearing debts Balance at end of period *	3,126	3,102	-23
Net cash	6,669	6,403	-266

* Lease liabilities are not included in the results above.

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This is the consolidated statement of cash flows and cash and cash equivalents.

Free cash flows were -10.9 billion yen.

Net cash used in investing activities has increased because it includes -76.2 billion yen in payments to U.S. dollar-denominated deposits with maturities of over three months.

Cash and cash equivalents at the end of the period declined by 29.0 billion yen from the end of the previous year to 950.6 billion yen, and the balance of interest bearing debt was down 2.3 billion yen from the end of the previous year to 310.2 billion yen.

As a result, net cash decreased by 26.6 billion yen from the end of the previous year to 640.3 billion yen.

Capex / Depreciation / R&D

(100 Million Yen)

	FYE 2023 1Q Results	FYE 2024 1Q Results	Variance
Capex *1	280	321	+41
Depreciation *1	238	250	+12
R&D expenditures *2	231	280	+49

*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)

Actual capex and related figures are as you see on this slide.

Forecast for FYE 2024

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

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	FYE 2023 Results	FYE 2024 Plan	Variance
Production in U.S.	299	-	-
Production in Japan	575	-	-
Production*1 Total	874	1,010	+136

	FYE 2023 Results	FYE 2024 Plan	Variance
Consolidated Unit Sales Total	852	1,010	+158

*1:Production figures include Toyota GR86.

Next, we have the full-year plans for FYE 2024.

The issues with semiconductor supply have not been completely resolved, but are trending towards improvement. Given that demand for Subaru vehicles is still strong and that progress in volume terms is in line with initial plans, we have made no changes to the production and consolidated unit sales targets of 1,010 thousand units each.

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

	FYE 2023 Results	FYE 2024 Plan	Variance
Passenger cars	81	107	+26
Minicars	19	19	+1
Domestic total	100	126	+27
U.S.	592	664	+73
Canada	43	65	+22
China	10	14	+4
Others	108	141	+33
Overseas total	753	884	+131
Total	852	1,010	+158

Consolidated unit sales plans by market are unchanged from those announced at the beginning of the fiscal year.

In the U.S. market, demand for Subaru products remains robust.

FYE 2024 Plan :
Consolidated Profit Plan

(Yen in 100 millions)

		FYE 2023 Results	FYE 2024 Plan	Variance
Revenue		37,745	42,000	+4,255
Operating profit		2,675	3,000	+325
Profit before tax		2,784	3,000	+216
Profit for the period attributable to owners of parent		2,004	2,100	+96
SUBARU exchange rate	US\$	¥135	¥128	-¥7
	EURO	¥141	¥138	-¥3
	CAN\$	¥102	¥94	-¥8

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Let's move on to consolidated profit plans.

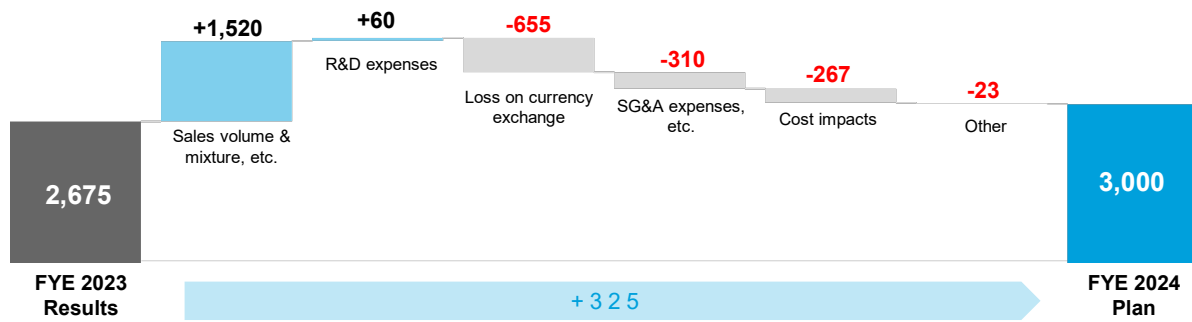
Revenue and profit plans are also unchanged from those announced at the beginning of the fiscal year.

Recently there has been further weakness in the yen, but currencies are extremely volatile, so at this point in time we have not revised exchange rates used.

FYE 2024 :

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



Sales volume & mix, etc.		Currency exchange		SG&A expenses, etc.				Cost reduction, etc.				
+1,520		-655		-310				-267				
Domestic	+155 US \$	-768	Fixed manufacturing cost	-23	SG&A	-283	Warranty claims	-4	SUBARU	-385	SIA*1	+118
Overseas	+1,368 EURO	-4	SUBARU	+8	SIA*1	-31	SUBARU	-109	Cost reduction	+28	Cost reduction	+18
Sales Incentive	-345 CAN \$	-96	Suppliers' dies cost	+56	Suppliers' dies cost	+37	Domestic dealers	-30	Material cost, etc.	-413	Material cost, etc.	+100
Others	+342 CNY	+1	Fixed processing cost	-48	Fixed processing cost	-68	SOA *2	-76				
	Currency exchange adjustment	-125					SCI*3	-18				
	Unrealized gain	+337					Others	-50				

*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.

There has been no change here either.

There are elements of uncertainty such as semiconductor supply issues and logistics constraints, but we will strive to achieve operating profit of 300.0 billion yen.

Capex / Depreciation / R&D

(100 Million Yen)

	FYE 2023 Results	FYE 2024 Plan	Variance
Capex *1	1,228	1,800	+572
Depreciation *1	1,030	1,000	-30
R&D expenditures *2	1,078	1,200	+122

*1 : Leases, capex & amortization for intangible assets 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)

Finally, capex, depreciation, and R&D expenditures are as you see here.
All three are unchanged from the figures in the previous announcement.

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

This concludes the briefing on our financial results for the first quarter of the fiscal year ending March 31, 2024. Thank you.

Appendix

- Segment information by Business & Geographic
- Overseas Revenue
- Consolidated Statement of Financial Position
- Non-consolidated Unit Sales

- Operating Results of Subsidiaries in U.S.
- FYE 2023 and FYE 2024 Results (by Quarter)
- Complete Cars Production / Retail Sales Units

1st Quarter (3 months) :

Revenue and Operating Profit by Business Segment (Consolidated)

(100 Million Yen)

	Revenue				Operating profit			
	FYE 2023 1Q Results	FYE 2024 1Q Results	Variance	FYE 2024 Plan	FYE 2023 1Q Results	FYE 2024 1Q Results	Variance	FYE 2024 Plan
Automobile	8,181	10,620	+2,439	40,907	364	841	+477	2,962
Aerospace	148	189	+41	1,045	-21	-11	+10	17
Other	12	12	+0	48	26	13	-13	21
Elimination & Corporate	-	-	-	-	0	1	+1	-
Total	8,341	10,821	+2,480	42,000	370	845	+475	3,000

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

1st Quarter (3 months) :

Revenue and Operating Profit by Geographic Area (Consolidated)

(100 Million Yen)

	Revenue			Operating profit		
	FYE 2023 1Q Results	FYE 2024 1Q Results	Variance	FYE 2023 1Q Results	FYE 2024 1Q Results	Variance
Japan	1,799	2,239	+440	149	419	+269
North America	6,230	8,236	+2,006	451	538	+87
Other	312	346	+34	21	-5	-26
Elimination & Corporate	-	-	-	-251	-107	+145
Total	8,341	10,821	+2,480	370	845	+475

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

1st Quarter (3 months) :

Overseas Revenue (Consolidated)

(100 Million Yen)

	<u>FYE 2023</u> 1Q Results	<u>FYE 2024</u> 1Q Results	<u>Variance</u>
North America	6,301	8,344	+2,043
Europe	188	272	+84
Asia	239	197	-42
Other	343	598	+255
Total	7,070	9,412	+2,341

Consolidated Statement of Financial Position

(100 Million Yen)

	As of March 2023	As of June 2023	Variance
Total assets	39,442	41,084	+1,642
Current assets	24,298	25,524	+1,227
Non-current assets	15,144	15,559	+416
Total liabilities	18,342	18,987	+645
Interest bearing debts	3,126	3,102	-23
Total equity	21,099	22,097	+997
Retained earnings	16,237	16,677	+440
Equity attributable to owners of parent	21,010	22,075	+1,066
Ratio of equity attributable to owners of parent to total assets	53.3%	53.7%	+0.5%
D/E ratio	0.15	0.14	-0.01

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1st Quarter (3 months) :

Non-consolidated Unit Sales

(Thousand Units)

	FYE 2023 1Q Results	FYE 2024 1Q Results	Variance
Domestic production*	135	159	+24
Domestic sales	20	20	-1
Passenger cars	16	16	-0
Minicars	4	3	-1
Export total	107	131	+24
Components for overseas production	70	77	+8
Total	197	227	+30

* Production figures include Toyota GR86.

1st Quarter (3 months) :

Operating Results of Subsidiaries in U.S.

(Million US\$)

SOA *1	FYE 2023 1Q Results	FYE 2024 1Q Results	Variance
Net sales	4,484	5,531	+1,047
Operating income	280	286	+6
Net income	174	249	+75
Retail sales (Thousand units)	131	160	+29
SIA *2	FYE 2023 1Q Results	FYE 2024 1Q Results	Variance
Net sales	1,916	2,450	+534
Operating income	-45	28	+73
Net income	-33	30	+63
Production (Thousand units)	70	84	+13

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

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

FYE 2023 and FYE 2024 Results (by Quarter)

(Yen in 100 millions, Units in thousands)

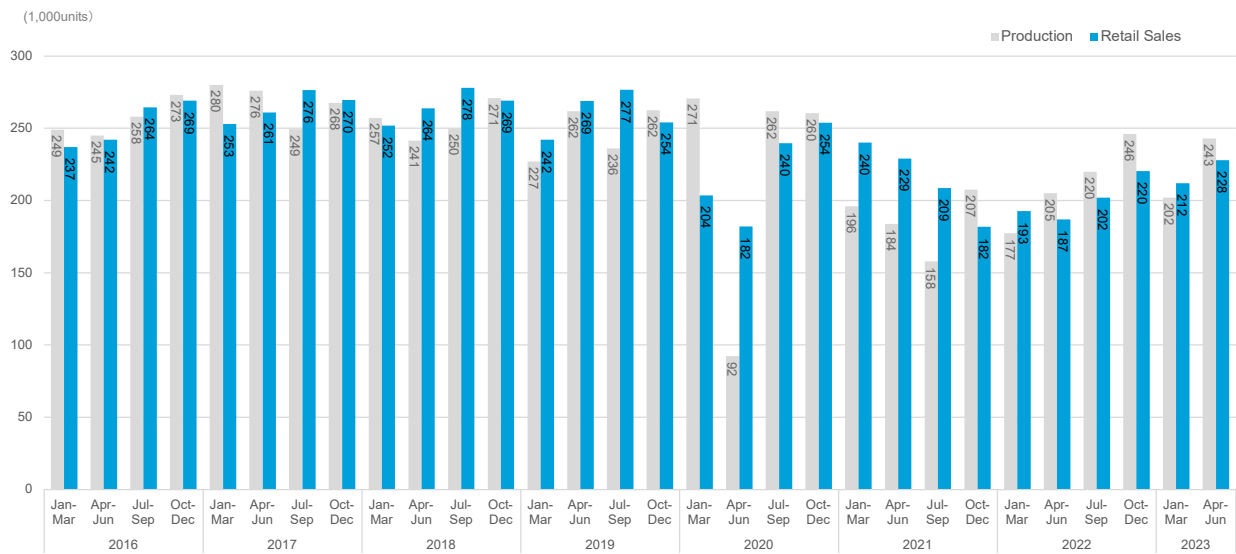
	FYE 2023 Results				FYE 2024 Results
	1Q	2Q	3Q	4Q	1Q
Consolidated Unit Sales	196	203	237	217	236
Production *	205	220	246	202	243
Revenue	8,341	9,168	10,571	9,665	10,821
Operating profit	370	735	1,032	538	845
Profit for the period attributable to owners of parent	272	506	766	460	732
SUBARU exchange rate US\$	¥125	¥135	¥144	¥133	¥135

* Production figures include Toyota GR86.

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Complete Cars Production / Retail Sales Units



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