



## **Consolidated Financial Results for the 1<sup>st</sup> Half of FYE 2024**

SUBARU CORPORATION  
Atsushi Osaki, Representative Director, President & CEO

November 2<sup>nd</sup>, 2023

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

Hello everyone.

My name is Atsushi Osaki, and I am President of Subaru Corporation.

Thank you very much for taking time out of your busy schedule to join us today for Subaru Corporation's financial results briefing for the first half of the fiscal year ending March 31, 2024.

I would also like to take this opportunity to thank you for your continued support for our business activities.

Today I will provide an explanation of the key points of financial results for the first half of the fiscal year, and an update on the progress of the New Management Policy announced on August 2, 2023.

## Key Points

### ■ Results for 1<sup>st</sup> Half of FYE 2024

- **Production: 493,000 units (up 16% y/y)**

Continuing from the 1st quarter, **global production increased year on year.**

- **Operating profit: 185.8 billion yen (up 68% y/y)**

Due to factors including sales volume growth and the effects of foreign exchange rates, **operating profit increased year on year.**

### ■ Forecast for FYE 2024

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

**The forecast for production volume remains unchanged from the original forecast,** reflecting that progress is generally in line with the plan.

- **Operating profit: 420 billion yen (up 57% y/y)**

The Company is **revising its operating profit forecast upward from the initial guidance** with positive factors such as an improvement in sales mix and the effects of foreign exchange rates expected to offset negative factors.

### ■ Revision of Annual Dividend Forecast

- Interim: 38 yen per share (ordinary dividend) + 10 yen per share (commemorative dividend)

- Year-end (plan): Same amount

- **The Company is revising the annual dividend forecast** to reflect the upward revision of the full-year earnings forecast and to commemorate the 70th anniversary of the Company's founding.

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

\*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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CFO Katsuyuki Mizuma will explain in more detail later, but I will briefly review the main points of the first-half financial results.

First, our performance in the six months ended September 30. Thanks to the continuation of various initiatives to ensure production, such as adjusting production schedules, cumulative production in the first six months exceeded the previous year's level, continuing the trend from the first quarter.

Despite increases in SG&A expenses, etc. and raw material costs, the support provided by higher production and strong sales momentum, particularly in North America, together with the positive effects of the weaker yen, led to an increase in operating profit compared with the same period last year.

Next, let us look at forecasts for FYE 2024. While potential supply risks remain, such as for components that use semiconductors, sales and production are generally progressing according to plan, as they did in the first quarter. Accordingly, we have made no changes to the originally announced production plan of 1.01 million units.

In terms of operating profit, despite the potential risk of rising SG&A expenses, etc. and logistics constraints, we have incorporated the positive impact of the weaker yen, in addition to assuming improvements in the sales mix and declines in market prices, especially for rare metals. Accordingly, we have revised up our initial forecast by 120 billion yen, from 300 billion yen to 420 billion yen.

As for shareholder returns, taking into account the upward revision of our earnings forecasts and the fact that we are celebrating the 70th anniversary of our founding this year, we plan to pay an additional commemorative dividend in addition to the ordinary dividend.

1<sup>st</sup> Half :

## Consolidated Profit Results

(Yen in 100 millions, Units in thousands)

|   | <u>FYE 2023</u><br>1 <sup>st</sup> Half Results | <u>FYE 2024</u><br>1 <sup>st</sup> Half Results | <u>Variance</u> |
|---|---|---|-----------------|
| <b>Production</b>   | 425   | <b>493</b>                                      | +68             |
| <b>Consolidated unit sales</b>                                | 398   | <b>469</b>                                      | +71             |
| <b>Revenue</b>  | 17,509  | <b>22,135</b>                                   | +4,626          |
| <b>Operating profit</b>                                       | 1,104   | <b>1,858</b>                                    | +754            |
| <b>Profit for the period attributable to owners of parent</b> | 779   | <b>1,509</b>                                    | +731            |
| <b>SUBARU exchange rate</b> <b>US\$</b>                       | ¥130  | <b>¥139</b>                                     | +¥9             |

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Here are results for the six months ended September 30, 2023.

Revised Plan FYE 2024 :  
Consolidated Profit Plan

(Yen in 100 millions, Units in thousands)

|   | FYE 2023<br>Results(a) | FYE 2024<br>Previous Plan(b)* | FYE 2024<br>Revised Plan(c) | Variance<br>(c)-(a) | Variance<br>(c)-(b) |
|---|------------------------|-------------------------------|-----------------------------|---------------------|---------------------|
| <b>Production</b>   | 874                    | 1,010                         | <b>1,010</b>                | +136                | ±0                  |
| <b>Consolidated unit sales</b>                                | 852                    | 1,010                         | <b>1,010</b>                | +158                | ±0                  |
| <b>Revenue</b>  | 37,745                 | 42,000                        | <b>46,500</b>               | +8,755              | +4,500              |
| <b>Operating profit</b>                                       | 2,675                  | 3,000                         | <b>4,200</b>                | +1,525              | +1,200              |
| <b>Profit for the period attributable to owners of parent</b> | 2,004                  | 2,100                         | <b>3,200</b>                | +1,196              | +1,100              |
| <b>SUBARU exchange rate</b> <b>US\$</b>                       | ¥135                   | ¥128                          | <b>¥140</b>                 | +¥5                 | +¥12                |

\* Announced on August 2, 2023

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

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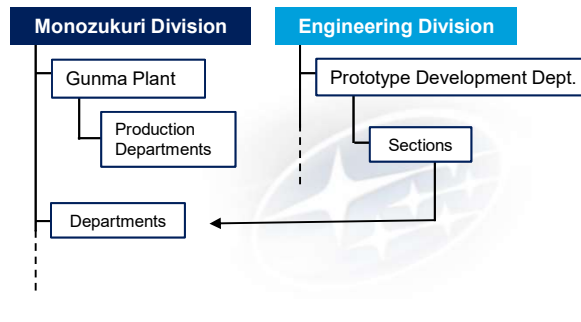
Next, we have plans for FYE 2024.

As you can see, we have revised up revenue and operating profit forecasts to 4,650 billion yen and 420 billion yen, respectively, and we are pushing forward with the aim of achieving these targets.

That concludes my discussion of the highlights of the first-half financial results.

### Establishment of the Monozukuri Division

As a first step toward the realization of “Monozukuri Innovation,” the Manufacturing Division has been renamed the Monozukuri Division, while the prototype development function has been transferred from the Engineering Division to the Monozukuri Division.



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

### All-New Facilities at Development Sites

All-new development facilities have been established with the aim of “Becoming One Subaru.”



New Development Facility in Ota, Gunma

(Scheduled to Open in Jan. 2024)

New Development Facility in Mitaka, Tokyo

(Opened in Mar. 2023)

Now I would like to talk about the progress of the New Management Policy that we announced on August 2, 2023.

In the New Management Policy briefing, I explained our goal of becoming the world's leading company in “Monozukuri Innovation” and “Value Creation” to prevail in this era of profound transformation.

I believe that this announcement has been a catalyst for a change in mindset that we have begun to see here and there within the company, and has resulted in a steady movement toward innovation. To further accelerate this movement, we are implementing the following initiatives.

First, the organizational aspect.

With the concept of manufacturing also undergoing a significant change during this era of profound transformation, we implemented a reorganization on October 1 as the first step toward “Monozukuri Innovation.”

In preparation for redefining our approach to monozukuri and pursuing related reforms, we have transferred some functions of the Prototype Development Department of the Engineering Division to the Manufacturing Division, with the aim of improving efficiency through “seamless development.

”At the same time, we have changed the name of the Manufacturing Division to “Monozukuri Division.”

Next, the facilities aspect.

We are revamping development sites as we move toward becoming “One Subaru.” The Mitaka development site began operations in March 2023, and the Gunma development site is scheduled to begin operations in January 2024.

■ The Name of the New Development Facility in Ota, Gunma



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The new development center at the Gunma Plant, which is designed to become Subaru's center of innovation, has been named the "Innovation Hub."

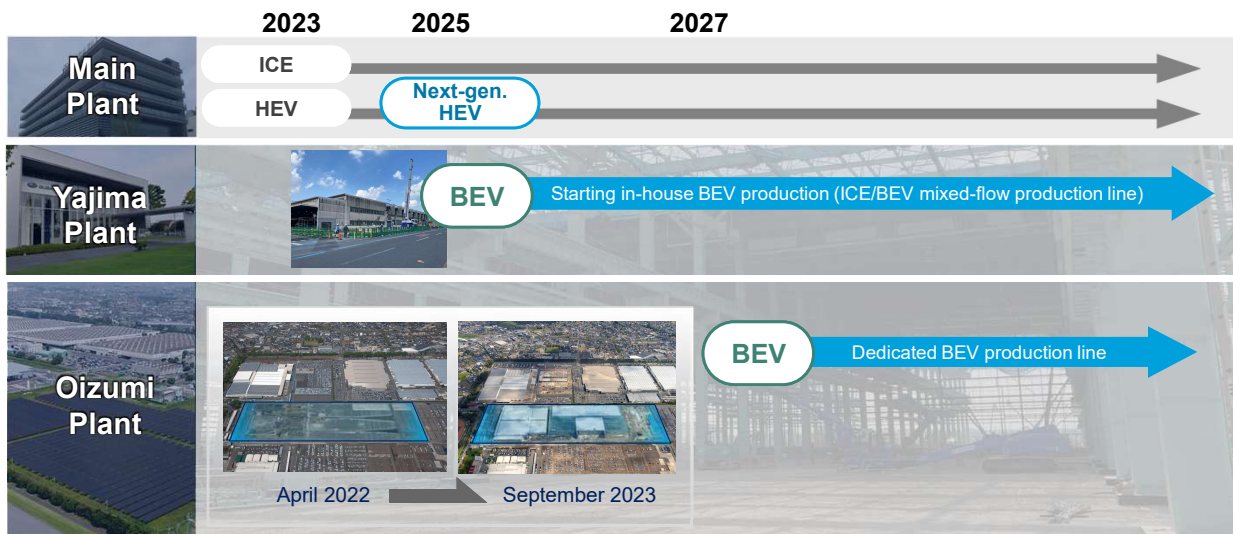
Previously, production, development, and suppliers had been finely segmented by function in accordance with the needs of the times. By bringing them back together in the Innovation Hub, we will create an environment for centralizing knowledge that creates new value.

In this once-in-a-century period of profound transformation, we must nurture innovation leaders, and continue to foster a culture that enables us to collaborate with those around us to create the future.

We will advance our own high-density monozukuri by becoming "One Subaru," encompassing all aspects from product development to production and the supply chain, which we intend to achieve by leveraging our corporate and operational scale.

## Progress on the New Management Policy

### ■ Construction Progress



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

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Finally, I would like to provide a brief update on the construction progress of the BEV production facilities.

Construction is progressing steadily at both the Yajima Plant, where an internal combustion engine line will be reconfigured as a mixed-flow production line for ICEs and BEVs, and at the Oizumi Plant, where we are planning a dedicated BEV line.

At the Oizumi Plant in particular, because we are building an entirely new facility on a vacant lot with no existing constraints, the high degree of freedom allows us to make a fresh start, and we are incorporating a variety of new ideas as we move forward.

Currently, we are targeting the launch of the mixed-flow production line at the Yajima Plant in 2025, while we are working on the dedicated BEV production line at the Oizumi Plant, with a target launch in 2027 or later.

We will continue to provide updates as they become available.

Thank you very much.

CFO Katsuyuki Mizuma will now explain the financial results for the first half in more detail.



## **| Consolidated Financial Results for the 1<sup>st</sup> Half of FYE 2024**

SUBARU CORPORATION  
Katsuyuki Mizuma, Director, Executive Vice President & CFO

November 2<sup>nd</sup>, 2023

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



## **Consolidated Financial Results for the 1<sup>st</sup> Half of FYE 2024**

1<sup>st</sup> Half :

## Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

|                         | <u>FYE 2023</u><br><u>1<sup>st</sup> Half Results</u> | <u>FYE 2024</u><br><u>1<sup>st</sup> Half Results</u> | <u>Variance</u> |
|-------------------------|---|---|-----------------|
| Production in U.S.      | 143   | 173   | +30             |
| Production in Japan     | 283   | 320   | +37             |
| <b>Production Total</b> | 425   | <b>493</b>  | +68             |

|                                      | <u>FYE 2023</u><br><u>1<sup>st</sup> Half Results</u> | <u>FYE 2024</u><br><u>1<sup>st</sup> Half Results</u> | <u>Variance</u> |
|--------------------------------------|---|---|-----------------|
| <b>Consolidated Unit Sales Total</b> | 398   | <b>469</b>  | +71             |

\* Production figures include Toyota GR86.

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

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I will now explain consolidated results for the first half of the fiscal year ending March 31, 2024.

I will begin with production.

As a result of continuing with various production and procurement initiatives, production rose 68 thousand units year on year to 493 thousand units.

Next, we have consolidated unit sales.

Although shipments for overseas markets were affected by logistics constraints, we switched methods of transportation and took other measures that resulted in sales recording a year-on-year increase of 71 thousand units, to 469 thousand units.

1<sup>st</sup> Half :

## Consolidated Unit Sales (by market)

(Thousand Units)

|                       | <u>FYE 2023</u><br><u>1<sup>st</sup> Half Results</u> | <u>FYE 2024</u><br><u>1<sup>st</sup> Half Results</u> | <u>Variance</u> |
|-----------------------|---|---|-----------------|
| Passenger cars        | 40  | 38  | -2              |
| Minicars              | 9   | 7   | -2              |
| <b>Domestic total</b> | 49  | 45  | -4              |
| U.S.                  | 279   | 327   | +48             |
| Canada                | 22  | 31  | +9              |
| Europe                | 8   | 15  | +7              |
| Australia             | 18  | 27  | +9              |
| China                 | 6   | 4   | -2              |
| Others                | 17  | 21  | +4              |
| <b>Overseas total</b> | 350   | 424   | +75             |
| <b>Total</b>          | 398   | 469   | +71             |

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

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Consolidated unit sales by market are as shown on this slide.

Retail sales in the U.S. market were strong, and as we work to achieve units in excess of our calendar 2023 target of 630 thousand units, we are increasing shipments to the U.S. market in particular.

1<sup>st</sup> Half :

## Consolidated Profit Results

(100 Million Yen)

|   | FYE 2023<br>1 <sup>st</sup> Half Results | FYE 2024<br>1 <sup>st</sup> Half Results | Variance |
|---|--|--|----------|
| <b>Revenue</b>  | 17,509                                   | <b>22,135</b>                            | +4,626   |
| Domestic  | 2,816                                    | <b>2,886</b>                             | +70      |
| Overseas  | 14,693                                   | <b>19,248</b>                            | +4,555   |
| <b>Operating profit</b>                                       | 1,104                                    | <b>1,858</b>                             | +754     |
| <b>Profit before tax</b>                                      | 1,204                                    | <b>2,265</b>                             | +1,061   |
| <b>Profit for the period attributable to owners of parent</b> | 779                                      | <b>1,509</b>                             | +731     |
| <b>SUBARU exchange rate</b>                                   |  |  |          |
| <b>US\$</b>   | ¥130                                     | <b>¥139</b>                              | +¥9      |
| <b>EURO</b>   | ¥137                                     | <b>¥151</b>                              | +¥14     |
| <b>CAN\$</b>  | ¥101                                     | <b>¥103</b>                              | +¥2      |

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

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Let's move on to consolidated results.

Revenue was up 462.6 billion yen year on year to 2,213.5 billion yen, owing to an improvement in sales volume & mixture, etc. of 364.7 billion yen from increased unit sales and selling price revisions, among other factors, and a gain on currency exchange of 86.8 billion yen.

Operating profit was up 75.4 billion yen year on year to 185.8 billion yen.

Profit before tax was up 106.1 billion yen to 226.5 billion yen, and profit for the period attributable to owners of parent was up 73.1 billion yen to 150.9 billion yen.



1<sup>st</sup> Half :

Consolidated Statement of Cash Flows / Cash and cash equivalents

(100 Million Yen)

|   | FYE 2023<br>1 <sup>st</sup> Half Results | FYE 2024<br>1 <sup>st</sup> Half Results |          |
|---|--|--|----------|
| Net cash provided by (used in) operating activities         | 2,123                                    | 2,674                                    |          |
| Net cash provided by (used in) investing activities         | -1,100                                   | -3,191                                   |          |
| Free cash flows   | 1,023                                    | -517                                     |          |
| Net cash provided by (used in) financing activities         | -460                                     | -840                                     |          |
| Effect of exchange rate change on cash and cash equivalents | 1,024                                    | 619                                      |          |
|   | As of March 2023                         | As of September 2023                     | Variance |
| Cash and cash equivalents at end of period                  | 9,795                                    | 9,058                                    | -737     |
| Interest bearing debts Balance at end of period *           | 3,126                                    | 3,232                                    | +106     |
| Net cash  | 6,669                                    | 5,826                                    | -843     |

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

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

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

Free cash flows were -51.7 billion yen.

Net cash used in investing activities includes -157.2 billion yen in payments to U.S. dollar-denominated time deposits.

The 40-billion-yen repurchase of shares that we announced at the time of the full-year results in May has been completed, and we plan to cancel these shares on November 15.

Cash and cash equivalents at the end of the period declined by 73.7 billion yen from the end of the previous year to 905.8 billion yen, and the balance of interest bearing debt was up 10.6 billion yen from the end of the previous year to 323.2 billion yen. As a result, net cash decreased by 84.3 billion yen from the end of the previous year to 582.6 billion yen.

## Capex / Depreciation / R&D

(100 Million Yen)

|                                | FYE 2023<br>1 <sup>st</sup> Half Results | FYE 2024<br>1 <sup>st</sup> Half Results | Variance |
|--------------------------------|--|--|----------|
| <b>Capex</b> *1                | 551                                      | <b>964</b>                               | +413     |
| <b>Depreciation</b> *1         | 495                                      | <b>483</b>                               | -12      |
| <b>R&amp;D expenditures</b> *2 | 519                                      | <b>621</b>                               | +102     |

\*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 see here.

## | Forecast for FYE 2024



Revised Plan FYE 2024 :

Consolidated Unit Sales / Complete Cars Production

(Thousand Units)

|                         | FYE 2023<br>Results(a) | FYE 2024<br>Previous Plan(b) | FYE 2024<br>Revised Plan(c) | Variance<br>(c)-(a) | Variance<br>(c)-(b) |
|-------------------------|------------------------|------------------------------|-----------------------------|---------------------|---------------------|
| Production in U.S.      | 299                    | -                            | -                           | -                   | -                   |
| Production in Japan     | 575                    | -                            | -                           | -                   | -                   |
| <b>Production Total</b> | 874                    | 1,010                        | <b>1,010</b>                | +136                | ±0                  |

|                                      | FYE 2023<br>Results(a) | FYE 2024<br>Previous Plan(b) | FYE 2024<br>Revised Plan(c) | Variance<br>(c)-(a) | Variance<br>(c)-(b) |
|--------------------------------------|------------------------|------------------------------|-----------------------------|---------------------|---------------------|
| <b>Consolidated Unit Sales Total</b> | 852                    | 1,010                        | <b>1,010</b>                | +158                | ±0                  |

\* Production figures include Toyota GR86.

Next, let's look at the full-year plans for FYE 2024.

Although risks associated with parts supply and logistics remain, demand for Subaru vehicles remains strong, primarily in the U.S., and production and sales are generally progressing according to plan. For these reasons, we have not changed our targets of 1,010 thousand units for production and 1,010 thousand units for consolidated unit sales.

Revised Plan FYE 2024 :

Consolidated Unit Sales (by market)

(Thousand Units)

|                       | <u>FYE 2023</u><br>Results(a) | <u>FYE 2024</u><br>Previous Plan(b) | <u>FYE 2024</u><br>Revised Plan(c) | <u>Variance</u><br>(c)-(a) | <u>Variance</u><br>(c)-(b) |
|-----------------------|-------------------------------|-------------------------------------|------------------------------------|----------------------------|----------------------------|
| Passenger cars        | 81                            | 107                                 | <b>100</b>                         | +19                        | -7                         |
| Minicars              | 19                            | 19                                  | <b>16</b>                          | -2                         | -3                         |
| <b>Domestic total</b> | 100                           | 126                                 | <b>116</b>                         | +17                        | -10                        |
| U.S.                  | 592                           | 664                                 | <b>686</b>                         | +94                        | +22                        |
| Canada                | 43                            | 65                                  | <b>72</b>                          | +29                        | +7                         |
| China                 | 10                            | 14                                  | <b>12</b>                          | +1                         | -2                         |
| Others                | 108                           | 141                                 | <b>123</b>                         | +16                        | -17                        |
| <b>Overseas total</b> | 753                           | 884                                 | <b>894</b>                         | +141                       | +10                        |
| <b>Total</b>          | 852                           | 1,010                               | <b>1,010</b>                       | +158                       | ±0                         |

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

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

We have revised these to incorporate an increase in shipments to the strong U.S. market.

In the Japanese market we are aiming for sales of 100 thousand passenger cars, based on the LEVORG LAYBACK announced at the end of October.

## Consolidated Profit Plan

(Yen in 100 millions)

|   | FYE 2023<br>Results(a) | FYE 2024<br>Previous Plan(b) | FYE 2024<br>Revised Plan(c) | Variance<br>(c)-(a) | Variance<br>(c)-(b) |
|---|------------------------|------------------------------|-----------------------------|---------------------|---------------------|
| Revenue   | 37,745                 | 42,000                       | 46,500                      | +8,755              | +4,500              |
| Operating profit  | 2,675                  | 3,000                        | 4,200                       | +1,525              | +1,200              |
| Profit before tax   | 2,784                  | 3,000                        | 4,600                       | +1,816              | +1,600              |
| Profit for the period attributable<br>to owners of parent | 2,004                  | 2,100                        | 3,200                       | +1,196              | +1,100              |
| SUBARU<br>exchange  |                        |                              |                             |                     |                     |
| US\$  | ¥135                   | ¥128                         | ¥140                        | +¥5                 | +¥12                |
| EURO  | ¥141                   | ¥138                         | ¥150                        | +¥9                 | +¥12                |
| CAN\$   | ¥102                   | ¥94                          | ¥102                        | -¥0                 | +¥8                 |

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

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Let's move on to consolidated results.

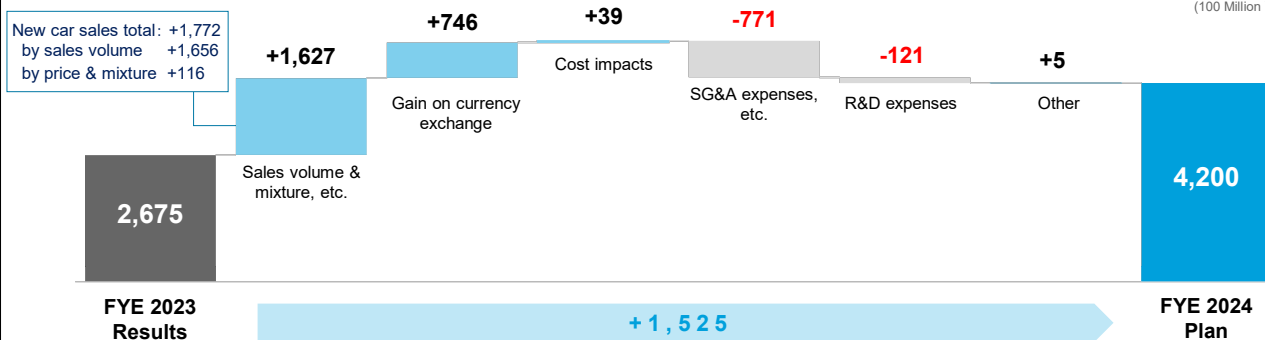
Although we anticipate increases in SG&A expenses, etc., we have incorporated the positive impact on profits from the weaker yen, and revised up our revenue and profit forecasts from the levels of the previous plan.

Based on the recent currency situation, we are assuming 140 yen to the U.S. dollar. Accordingly, we have raised our forecasts for revenue by 450.0 billion yen from the previous plan to 4,650.0 billion yen, and operating profit by 120.0 billion yen to 420.0 billion yen, and we are aiming for profit before tax of 460.0 billion yen and profit for the period attributable to owners of parent of 320.0 billion yen.

Revised Plan FYE 2024 :

## Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



| Sales volume & mix., etc. |                              | Currency exchange |  | Cost reduction, etc. |      |                     |      | SG&A expenses, etc.      |     |                       |      |                  |      |
|---------------------------|------------------------------|-------------------|--|----------------------|------|---------------------|------|--------------------------|-----|-----------------------|------|------------------|------|
| +1,627                    |                              | +746              |  | +39                  |      | -771                |      |                          |     |                       |      |                  |      |
| Domestic                  | +78 US \$                    | +554              |  | SUBARU               | -193 | SIA*1               | +232 | Fixed manufacturing cost | +30 | SG&A                  | -440 | Warranty claims  | -361 |
| Overseas                  | +1,694 EURO                  | +40               |  | Cost reduction       | +92  | Cost reduction      | +58  | SUBARU                   | +24 | SIA*1                 | +6   | SUBARU           | -229 |
| Sales Incentive           | -526 CAN \$                  | -5                |  | Material cost, etc.  | -285 | Material cost, etc. | +174 | Suppliers' dies cost     | +82 | Suppliers' dies cost  | +51  | Domestic dealers | -17  |
| Others                    | +381 CNY                     | -                 |  |                      |      |                     |      | Fixed processing cost    | -58 | Fixed processing cost | -45  | SOA *2           | -121 |
|                           | Currency exchange adjustment | -8                |  |                      |      |                     |      |                          |     |                       |      | SCI *3           | -24  |
|                           | Unrealized gain              | +165              |  |                      |      |                     |      |                          |     |                       |      | Others           | -49  |

\*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.

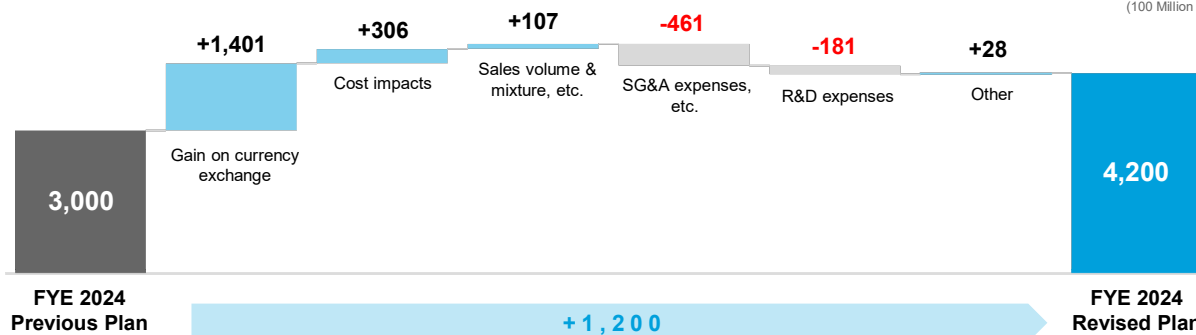
The main drivers of higher profit are expected to be an improvement in sales volume & mixture, etc. of 162.7 billion yen arising from an increase in consolidated unit sales of 158 thousand units, and the assumption that the yen will depreciate by approximately 5 yen to 140 yen, from 135 yen in the previous fiscal year, generating a gain on currency exchange of 74.6 billion yen.

The main factors working to reduce profit are expected to be an increase in SG&A expenses, etc. of 77.1 billion yen, caused by higher SG&A expenses and warranty claims, and R&D expenses of 12.1 billion yen.

In addition, U.S. sales incentives per unit are likely to rise by 300 dollars from the 900 dollars of the previous year to 1,200 dollars, which is expected to raise the total amount of U.S. sales incentives by 42.4 billion yen.

Previous Plan FYE 2024 (as of August 2<sup>nd</sup>) vs Revised Plan :  
Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



| Currency exchange            | +1,401 | Cost reduction, etc.     | +306                    | Sales volume & mix, etc.  | +107                         | SG&A expenses, etc.      | -461                 |
|------------------------------|--------|--------------------------|-------------------------|---------------------------|------------------------------|--------------------------|----------------------|
| US \$                        | +1,322 | SUBARU +192              | SIA*1 +114              | Domestic -77              | Fixed manufacturing cost +53 | SG&A -157                | Warranty claims -357 |
| EURO                         | +44    | Cost reduction +64       | Cost reduction +40      | Overseas +326             | SUBARU +16                   | SIA*1 +37                | SUBARU -120          |
| CAN \$                       | +91    | Material cost, etc. +128 | Material cost, etc. +74 | Sales Incentive -181      | Suppliers' dies cost +26     | Suppliers' dies cost +14 | Domestic dealers +13 |
| CNY                          | -1     |                          | Others +39              | Fixed processing cost -10 | Fixed processing cost +23    | SOA *2 -45               | SCI *3 -6            |
| Currency exchange adjustment | +117   |                          |                         |                           |                              | Others +1                |                      |
| Unrealized gain              | -172   |                          |                         |                           |                              |                          |                      |

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

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

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

The main driver of higher profit is expected to be the adjustment of the assumed currency exchange rate from 128 yen to the U.S. dollar to 140 yen, a depreciation of approximately 12 yen that generates a gain on currency exchange of 140.1 billion yen. In addition, we project a positive impact from lower market prices for rare metals and other materials of 30.6 billion yen, and 10.7 billion yen coming from better sales volume & mixture, etc., derived from improvements in market mix and revised selling prices.

The main factors working to reduce profit are expected to be higher warranty claims of 35.7 billion yen, and an increase in SG&A expenses of 15.7 billion yen, for a total negative impact of 46.1 billion yen in SG&A expenses, etc.

For warranty claims, the adjusted currency assumption in the direction of a weaker yen has a negative impact of approximately 20.0 billion yen, and we expect a continuation of increases in wage rates.

## Capex / Depreciation / R&D

(100 Million Yen)

|                                | FYE 2023<br>Results(a) | FYE 2024<br>Previous Plan(b) | FYE 2024<br>Revised Plan(c) | Variance<br>(c)-(a) | Variance<br>(c)-(b) |
|--------------------------------|------------------------|------------------------------|-----------------------------|---------------------|---------------------|
| <b>Capex</b> *1                | 1,228                  | 1,800                        | <b>1,800</b>                | +572                | ±0                  |
| <b>Depreciation</b> *1         | 1,030                  | 1,000                        | <b>1,000</b>                | -30                 | ±0                  |
| <b>R&amp;D expenditures</b> *2 | 1,078                  | 1,200                        | <b>1,350</b>                | +272                | +150                |

\*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)

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

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

There have been no changes in capex and depreciation, but with the acceleration of our electrification strategy, R&D expenditures have been revised up by 15.0 billion yen to 135.0 billion yen.

|                          | FYE2023<br>Results | FYE2024<br>Previous Forecast | FYE2024<br>Revised Forecast             |
|--------------------------|--------------------|------------------------------|---|
| <b>Interim Dividend</b>  | 38                 | 38                           | <b>48</b> Ordinary: 38+Commemorative:10 |
| <b>Year-end Dividend</b> | 38                 | 38                           | <b>48</b> Ordinary: 38+Commemorative:10 |
| <b>Total</b>             | 76                 | 76                           | <b>96</b> Ordinary: 76+Commemorative:20 |

Finally, we come to returns to shareholders.

Taking into consideration performance in the first half, the upward revision to full-year plans, and the marking of our 70th anniversary in July 2023, we have made the decision to pay a 10-yen commemorative dividend in addition to the ordinary dividend of 38 yen at the interim, for a combined dividend per share of 48 yen.

Because we also plan to pay a year-end dividend identical to the interim dividend of 48 yen, the result will be an annual dividend of 96 yen.

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

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

Thank you.

## Appendix

- Segment information by Business & Geographic (1<sup>st</sup> Half)
- Overseas Revenue (1<sup>st</sup> Half)
- Consolidated Statement of Financial Position
- Non-consolidated Unit Sales (1<sup>st</sup> Half)
- Operating Results of Subsidiaries in U.S. (1<sup>st</sup> Half)
- Consolidated Financial Results for 2<sup>nd</sup> Quarter (3 months)
- Forecast for 2<sup>nd</sup> Half FYE 2024
- FYE 2023 and FYE 2024 Results (by Quarter)
- Complete Cars Production / Retail Sales Units



1<sup>st</sup> Half :

Revenue and Operating Profit by Business Segment (Consolidated)

(100 Million Yen)

|                                    | Revenue                                  |  |          |                  | Operating profit                         |  |          |                  |
|------------------------------------|--|--|----------|------------------|--|--|----------|------------------|
|                                    | FYE 2023<br>1 <sup>st</sup> Half Results | FYE 2024<br>1 <sup>st</sup> Half Results | Variance | FYE 2024<br>Plan | FYE 2023<br>1 <sup>st</sup> Half Results | FYE 2024<br>1 <sup>st</sup> Half Results | Variance | FYE 2024<br>Plan |
| <b>Automobile</b>                  | 17,134                                   | <b>21,635</b>                            | +4,500   | <b>45,394</b>    | 1,100                                    | <b>1,837</b>                             | +737     | <b>4,140</b>     |
| <b>Aerospace</b>                   | 351                                      | <b>474</b>                               | +123     | <b>1,057</b>     | -32                                      | <b>-11</b>                               | +21      | <b>20</b>        |
| <b>Other</b>                       | 24                                       | <b>26</b>                                | +2       | <b>49</b>        | 36                                       | <b>30</b>                                | -7       | <b>40</b>        |
| <b>Elimination &amp; Corporate</b> | -  | -  | -        | -                | 0  | <b>3</b>                                 | +3       | -                |
| <b>Total</b>                       | 17,509                                   | <b>22,135</b>                            | +4,626   | <b>46,500</b>    | 1,104                                    | <b>1,858</b>                             | +754     | <b>4,200</b>     |

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

1<sup>st</sup> Half :

Revenue and Operating Profit by Geographic Area (Consolidated)

(100 Million Yen)

|                         | Revenue                                  |  |          | Operating profit                         |  |          |
|-------------------------|--|--|----------|--|--|----------|
|                         | FYE 2023<br>1 <sup>st</sup> Half Results | FYE 2024<br>1 <sup>st</sup> Half Results | Variance | FYE 2023<br>1 <sup>st</sup> Half Results | FYE 2024<br>1 <sup>st</sup> Half Results | Variance |
| Japan                   | 3,876                                    | 4,495                                    | +618     | 778                                      | 1,080                                    | +302     |
| North America           | 13,053                                   | 16,911                                   | +3,859   | 862                                      | 1,177                                    | +315     |
| Other                   | 580                                      | 729                                      | +149     | 12                                       | -15                                      | -27      |
| Elimination & Corporate | -  | -  | -        | -548                                     | -383                                     | +164     |
| <b>Total</b>            | 17,509                                   | 22,135                                   | +4,626   | 1,104                                    | 1,858                                    | +754     |

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

1<sup>st</sup> Half :

## Overseas Revenue (Consolidated)

(100 Million Yen)

|                      | <u>FYE 2023</u><br>1 <sup>st</sup> Half Results | <u>FYE 2024</u><br>1 <sup>st</sup> Half Results | <u>Variance</u> |
|----------------------|---|---|-----------------|
| <b>North America</b> | 13,235  | <b>17,200</b>                                   | +3,965          |
| <b>Europe</b>        | 303   | <b>594</b>                                      | +291            |
| <b>Asia</b>          | 467   | <b>339</b>                                      | -128            |
| <b>Other</b>         | 688   | <b>1,115</b>                                    | +427            |
| <b>Total</b>         | 14,693  | <b>19,248</b>                                   | +4,555          |

## Consolidated Statement of Financial Position

(100 Million Yen)

|   | As of March<br>2023 | As of September<br>2023 | Variance |
|---|---------------------|-------------------------|----------|
| <b>Total assets</b>   | 39,442              | <b>43,665</b>           | +4,224   |
| Current assets  | 24,298              | <b>27,284</b>           | +2,986   |
| Non-current assets  | 15,144              | <b>16,382</b>           | +1,238   |
| <b>Total liabilities</b>  | 18,342              | <b>20,620</b>           | +2,278   |
| Interest bearing debts  | 3,126               | <b>3,232</b>            | +106     |
| <b>Total equity</b>   | 21,099              | <b>23,045</b>           | +1,946   |
| Retained earnings   | 16,237              | <b>17,454</b>           | +1,217   |
| Equity attributable to owners of parent                             | 21,010              | <b>23,024</b>           | +2,014   |
| Ratio of equity attributable to owners<br>of parent to total assets | 53.3%               | <b>52.7%</b>            | -0.5%    |
| D/E ratio   | 0.15                | <b>0.14</b>             | -0.01    |

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

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1<sup>st</sup> Half :

## Non-consolidated Unit Sales

(Thousand Units)

|   | <b>FYE 2023</b><br>1 <sup>st</sup> Half Results | <b>FYE 2024</b><br>1 <sup>st</sup> Half Results | <b>Variance</b> |
|---|---|---|-----------------|
| <b>Domestic production*</b>               | 283   | <b>320</b>                                      | +37             |
| <b>Domestic sales</b>                     | 50  | <b>46</b>                                       | -4              |
| Passenger cars                            | 40  | <b>39</b>                                       | -1              |
| Minicars                                  | 10  | <b>7</b>  | -3              |
| <b>Export total</b>                       | 228   | <b>273</b>                                      | +45             |
| <b>Components for overseas production</b> | 153   | <b>164</b>                                      | +11             |
| <b>Total</b>                              | 431   | <b>483</b>                                      | +52             |

\* Production figures include Toyota GR86.

1<sup>st</sup> Half :

Operating Results of Subsidiaries in U.S.

(Million US\$)

| SOA *1                               | FYE 2023<br>1 <sup>st</sup> Half Results | FYE 2024<br>1 <sup>st</sup> Half Results | Variance |
|--------------------------------------|--|--|----------|
| <b>Net sales</b>                     | 9,125                                    | <b>11,066</b>                            | +1,941   |
| <b>Operating income</b>              | 521                                      | <b>597</b>                               | +76      |
| <b>Net income</b>                    | 354                                      | <b>501</b>                               | +147     |
| <b>Retail sales</b> (Thousand units) | 267                                      | <b>322</b>                               | +55      |

| SIA *2                             | FYE 2023<br>1 <sup>st</sup> Half Results | FYE 2024<br>1 <sup>st</sup> Half Results | Variance |
|------------------------------------|--|--|----------|
| <b>Net sales</b>                   | 3,939                                    | <b>5,061</b>                             | +1,123   |
| <b>Operating income</b>            | -38                                      | <b>107</b>                               | +145     |
| <b>Net income</b>                  | -26                                      | <b>98</b>                                | +124     |
| <b>Production</b> (Thousand units) | 143                                      | <b>173</b>                               | +30      |

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

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

2<sup>nd</sup> Quarter (3 months) :

## Consolidated Unit Sales (by market)

(Thousand Units)

|                       | <u>FYE 2023</u><br>2Q Results | <u>FYE 2024</u><br>2Q Results | <u>Variance</u> |
|-----------------------|-------------------------------|-------------------------------|-----------------|
| Passenger cars        | 23                            | 21                            | -3              |
| Minicars              | 5                             | 3                             | -2              |
| <b>Domestic total</b> | 28                            | 24                            | -4              |
| U.S.                  | 140                           | 164                           | +24             |
| Canada                | 11                            | 15                            | +4              |
| Europe                | 3                             | 8                             | +5              |
| Australia             | 9                             | 12                            | +3              |
| China                 | 3                             | 2                             | -2              |
| Others                | 8                             | 9                             | +1              |
| <b>Overseas total</b> | 174                           | 210                           | +35             |
| <b>Total</b>          | 203                           | 234                           | +31             |

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

2<sup>nd</sup> Quarter (3 months) :

## Consolidated Profit Results

(100 Million Yen)

|   | FYE 2023<br>2Q Results | FYE 2024<br>2Q Results | Variance |
|---|------------------------|------------------------|----------|
| <b>Revenue</b>  | 9,168                  | <b>11,313</b>          | +2,145   |
| Domestic  | 1,546                  | <b>1,476</b>           | -69      |
| Overseas  | 7,622                  | <b>9,837</b>           | +2,214   |
| <b>Operating profit</b>                                       | 735                    | <b>1,014</b>           | +279     |
| <b>Profit before tax</b>                                      | 819                    | <b>1,111</b>           | +291     |
| <b>Profit for the period attributable to owners of parent</b> | 506                    | <b>777</b>             | +271     |
| <b>SUBARU exchange rate</b>                                   |                        |                        |          |
| <b>US\$</b>   | ¥135                   | <b>¥143</b>            | +¥7      |
| <b>EURO</b>   | ¥140                   | <b>¥155</b>            | +¥16     |
| <b>CAN\$</b>  | ¥105                   | <b>¥107</b>            | +¥2      |

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

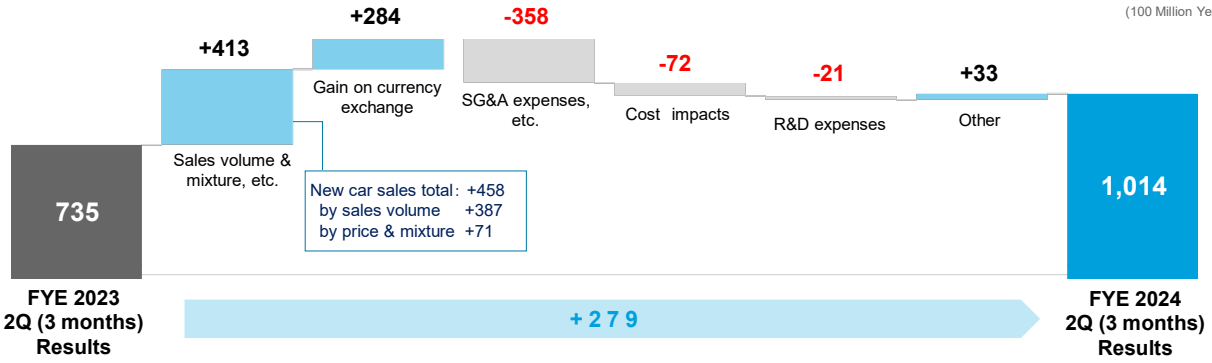
32



2<sup>nd</sup> Quarter (3 months) :

## Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



| Sales volume & mix, etc. |      | Currency exchange            |      | SG&A expenses, etc.      |      | Cost impacts          |      |                  |      |  |     |                     |     |                |    |
|--------------------------|------|------------------------------|------|--------------------------|------|-----------------------|------|------------------|------|--|-----|---------------------|-----|----------------|----|
|                          | +413 |                              | +284 |                          | -358 |                       | -72  |                  |      |  |     |                     |     |                |    |
| Domestic                 | -74  | US \$                        | +228 | Fixed manufacturing cost | +13  | SG&A                  | -192 | Warranty claims  | -179 | SUBARU   | -42 | SIA*1               | -30 |                |    |
| Overseas                 | +532 | EURO                         | +18  | SUBARU                   | +20  | SIA*1                 | -7   | SUBARU           | -117 | (including impact of foreign currency translation) |     | Cost reduction      | +18 | Cost reduction | +8 |
| Sales Incentive          | -104 | CAN \$                       | +3   | Suppliers' dies cost     | +35  | Suppliers' dies cost  | +5   | Domestic dealers | -2   | Material cost, etc.                                | -60 | Material cost, etc. | -38 |                |    |
| Others                   | +59  | CNY                          | -    | Fixed processing cost    | -15  | Fixed processing cost | -12  | SOA *2           | -66  |  |     |                     |     |                |    |
|                          |      | Currency exchange adjustment | -16  |                          |      |                       |      | SCI *3           | -2   |  |     |                     |     |                |    |
|                          |      | Unrealized gain              | +51  |                          |      |                       |      | Others           | -5   |  |     |                     |     |                |    |

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

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

Plan for 2<sup>nd</sup> Half :

## Consolidated Unit Sales (by market)

(Thousand Units)

|                       | <u>FYE 2023</u><br><u>2<sup>nd</sup> Half Results</u> | <u>FYE 2024</u><br><u>2<sup>nd</sup> Half Plan</u> | <u>Variance</u> |
|-----------------------|---|--|-----------------|
| Passenger cars        | 42  | 63   | +21             |
| Minicars              | 9   | 9  | -1              |
| <b>Domestic total</b> | 51  | 71   | +20             |
| U.S.                  | 313   | 359  | +46             |
| Canada                | 21  | 41   | +21             |
| China                 | 4   | 8  | +4              |
| Others                | 65  | 61   | -4              |
| <b>Overseas total</b> | 403   | 469  | +66             |
| <b>Total</b>          | 454   | 541  | +87             |

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

## Consolidated Profit Results

(100 Million Yen)

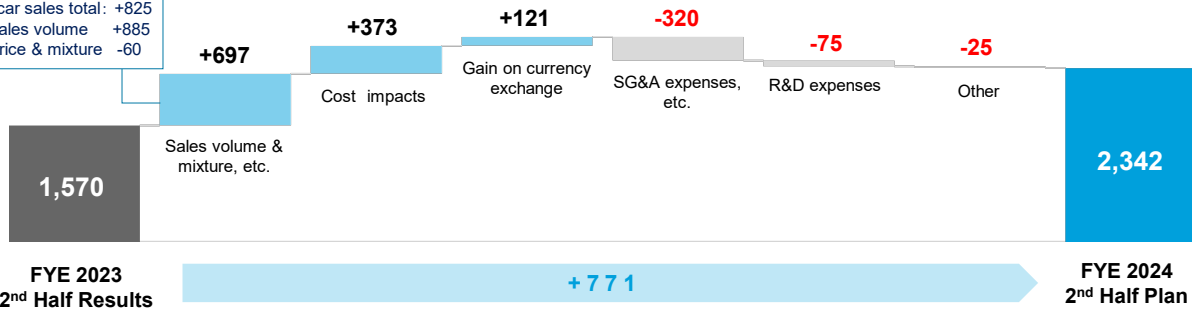
|   |              | FYE 2023<br>2 <sup>nd</sup> Half Results | FYE 2024<br>2 <sup>nd</sup> Half Plan | Variance |
|---|--------------|--|---------------------------------------|----------|
| <b>Revenue</b>  |              | 20,236                                   | <b>24,365</b>                         | +4,130   |
| <b>Operating profit</b>                                       |              | 1,570                                    | <b>2,342</b>                          | +771     |
| <b>Profit before tax</b>                                      |              | 1,580                                    | <b>2,335</b>                          | +755     |
| <b>Profit for the period attributable to owners of parent</b> |              | 1,226                                    | <b>1,691</b>                          | +465     |
| <b>SUBARU exchange rate</b>                                   | <b>US\$</b>  | ¥140                                     | <b>¥140</b>                           | +¥0      |
|   | <b>EURO</b>  | ¥143                                     | <b>¥150</b>                           | +¥7      |
|   | <b>CAN\$</b> | ¥103                                     | <b>¥100</b>                           | -¥3      |

Plan for 2<sup>nd</sup> Half :

## Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)

New car sales total: +825  
by sales volume +885  
by price & mixture -60



| Sales volume & mix, etc. | +697 | Cost impacts            | +373                     | Currency exchange                | +121                        | SG&A expenses, etc.       | -320                 |
|--------------------------|------|-------------------------|--------------------------|----------------------------------|-----------------------------|---------------------------|----------------------|
| Domestic                 | +126 | SUBARU +69              | SIA*1 +304               | US \$ +46                        | Fixed manufacturing cost +5 | SG&A -163                 | Warranty claims -162 |
| Overseas                 | +699 | Cost reduction +56      | Cost reduction +44       | EURO +12                         | SUBARU -14                  | SIA*1 +19                 | SUBARU -84           |
| Sales Incentive          | -401 | Material cost, etc. +13 | Material cost, etc. +260 | CAN \$ -16                       | Suppliers' dies cost +37    | Suppliers' dies cost +56  | Domestic dealers -11 |
| Others                   | +273 |                         |                          | CNY -                            | Fixed processing cost -51   | Fixed processing cost -37 | SOA *2 -36           |
|                          |      |                         |                          | Currency exchange adjustment +63 |                             |                           | SCI *3 -11           |
|                          |      |                         |                          | Unrealized gain +16              |                             |                           | Others -21           |

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

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

## FYE 2023 and FYE 2024 Results (by Quarter)

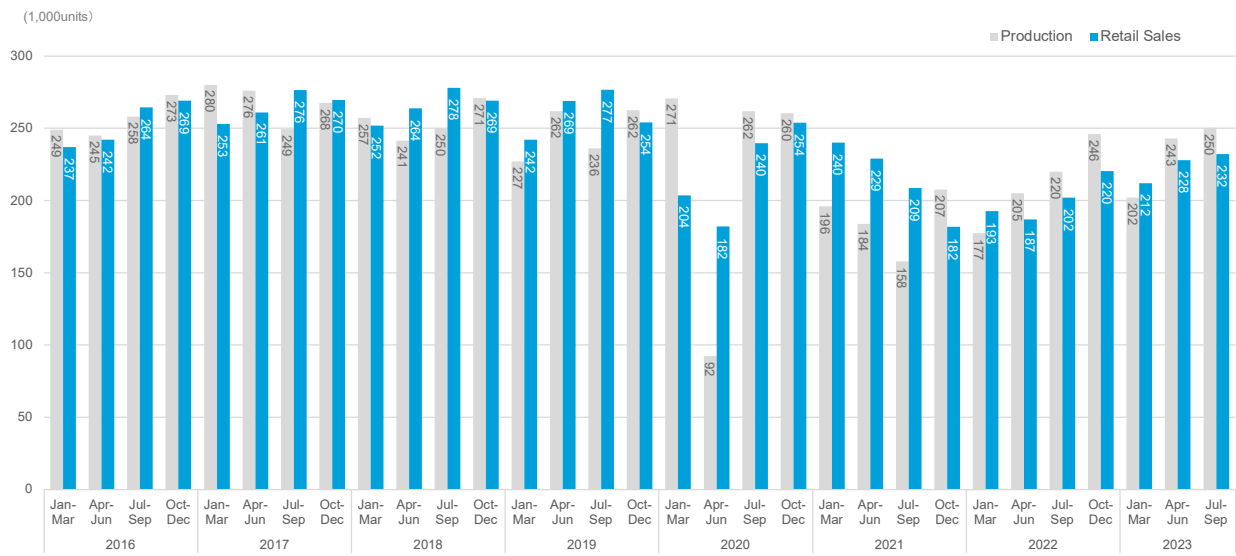
(Yen in 100 millions, Units in thousands)

|   | FYE 2023<br>Results |       |        |       | FYE 2024<br>Results |        |
|---|---------------------|-------|--------|-------|---------------------|--------|
|   | 1Q                  | 2Q    | 3Q     | 4Q    | 1Q                  | 2Q     |
| <b>Consolidated Unit Sales</b>                                    | 196                 | 203   | 237    | 217   | 236                 | 234    |
| <b>Production *</b>   | 205                 | 220   | 246    | 202   | 243                 | 250    |
| <b>Revenue</b>  | 8,341               | 9,168 | 10,571 | 9,665 | 10,821              | 11,313 |
| <b>Operating profit</b>   | 370                 | 735   | 1,032  | 538   | 845                 | 1,014  |
| <b>Profit for the period<br/>attributable to owners of parent</b> | 272                 | 506   | 766    | 460   | 732                 | 777    |
| <b>SUBARU exchange rate<br/>US\$</b>                              | ¥125                | ¥135  | ¥144   | ¥133  | ¥135                | ¥143   |

\* Production figures include Toyota GR86.

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

## Complete Cars Production / Retail Sales Units



\* Production figures include Toyota GR86.

<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.