Consolidated Financial Results for the 1st Quarter of FYE 2027

SUBARU CORPORATION
Shinsuke Toda, Director, Managing Executive Officer & CFO

August 5th, 2026

Key Points

Operating profit reached 42.6 billion yen (exchange rate: 159 yen/USD; unit sales: 220 thousand units), making steady progress toward the full-year forecast of 150.0 billion yen.

Main factors behind 1Q results (year-on-year)

- The impact of U.S. tariffs decreased by 32.9 billion yen, mainly due to the reduction in automobile tariff rates.
- Higher raw material costs and unfavorable market conditions reduced earnings by 17.0 billion yen.

Future Initiatives and Outlook

- Mixed-model production of BEVs and ICE vehicles at the Yajima Plant will begin shortly, maximizing unit sales.
- Further strengthen vehicle sales profit, advance cost innovation, and expand value chain profits to grow earnings.
- Although raw material costs and market conditions softened around June, signs of reversal have recently emerged. Geopolitical uncertainty remains elevated, and risks persist.

Consolidated Financial Results for the 1st Quarter (3 months) of FYE 2027

1st Quarter (3 months) :

Complete Cars Production

(Thousand Units)

	FYE 2026 1Q Results	FYE 2027 1Q Results	Variance
Production in U.S.	94	**95**	+0
Production in Japan	152	**118**	-35
Production* Total	247	**213**	-34

* Production figures include Toyota GR86 units but exclude jointly developed BEVs with Toyota Motor Corporation, as they are manufactured under a contract manufacturing arrangement.

1st Quarter (3 months) :

Consolidated Unit Sales (by market)

:

(Thousand Units)

	FYE 2026 1Q Results	FYE 2027 1Q Results	Variance
Passenger cars	20	**20**	+0
Minicars	4	**3**	-1
Domestic total	24	**23**	-0
U.S.	171	**150**	-21
Canada	19	**19**	+0
Europe	5	**8**	+2
Australia	15	**11**	-4
Others	10	**9**	-0
Overseas total	220	**197**	-23
Total	244	**220**	-23

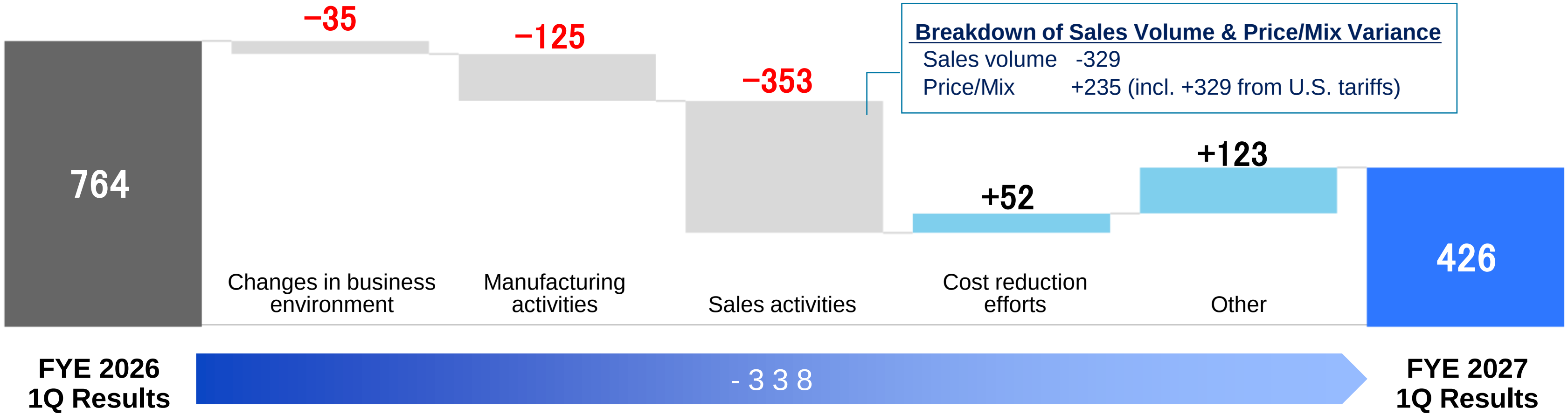
Consolidated Profit Results

(100 Million Yen)

		FYE 2026 1Q Results	FYE 2027 1Q Results	Variance
Revenue		12,141	**12,509**	+368
Domestic		1,551	**1,873**	+322
Overseas		10,590	**10,635**	+46
Operating profit		764	**426**	-338
Profit before tax		785	**614**	-170
Profit for the period attributable to owners of parent		548	**492**	-57
Exchange rate	**US$**	¥146	**¥159**	+¥13
	EURO	¥162	**¥184**	+¥22
	CAN$	¥104	**¥116**	+¥12

Analysis of Variance in Operating Profit (Consolidated)

(100 Million Yen)



Changes in business environment	-35	Manufacturing activities	-125	Sales activities	-353	Cost reduction efforts	+52	Other	+123
Curerncy exchange *	+135	Fixed manufacturing cost	-180	Sales volume & mix, etc.	-94	Cost reduction	+52	Warranty claims	+156
▪ Sales and purchase exchange rate difference	+397	R&D expenses	-29	Sales incentives	-249			Expenses related to environmental regulatory credits and associated losses	+102
▪ Unrealized gain	-164	Others	+84	Sales related cost	-9				
▪ End-of-period exchange rate difference	-98							Others	-135
Material cost, etc.	-170								

* “Sales-purchase exchange rate difference” and “Unrealized gain” are variance affected by exchange rate fluctuations in overseas sales. “End-of-period exchange rate difference” is variance which arises from revaluing foreign currency-denominated provisions in yen.

Consolidated Statement of Cash Flows / Cash and cash equivalents

(100 Million Yen)

	FYE 2026 1Q Results	FYE 2027 1Q Results
Net cash provided by (used in) operating activities	1,472	**555**
Net cash provided by (used in) investing activities	-1,020	**-317**
Free cash flows	452	**238**
Net cash provided by (used in) financing activities	-665	**-1,040**
Effect of exchange rate change on cash and cash equivalents	-106	**73**

	As of March 2026	As of June 2026	Variance
Cash and cash equivalents including time deposits(A)	14,534	**13,577**	-957
Cash and cash equivalents	10,053	**9,324**	-730
Time deposits	4,480	**4,253**	-227
Interest-bearing debts Balance at end of period*(B)	3,845	**3,645**	-200
Net cash including time deposits(A-B)	10,689	**9,932**	-757

* Lease liabilities are not included in the results above.

Capex / Depreciation / R&D

(100 Million Yen)

	FYE 2026 1Q Results	FYE 2027 1Q Results	Variance
Capex *1	351	**211**	-140
Depreciation *1	231	**289**	+58
R&D expenditures *2	346	**351**	+5

*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)

Subaru to Enter the Auto Financing Business in North America

Subaru to enter the auto financing business in North America with operations targeted to begin in 2030
to further strengthen its relationships with customers and retailers

Business scope includes retail loans and leases for customers,
floorplan financing for retailers

Aiming to expand value chain profits as part of efforts to strengthen
the business foundation, as set out in the SUBARU Management Policy 2025

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 2026 and FYE 2027 Results (by Quarter)
- Complete Cars Production / Retail Sales Units
- Forecast for FYE 2027

1st Quarter (3 months) :

Revenue and Operating Profit by Business Segment (Consolidated)

(100 Million Yen)

	Revenue			Operating profit		
	FYE 2026 1Q Results	FYE 2027 1Q Results	Variance	FYE 2026 1Q Results	FYE 2027 1Q Results	Variance
Automobile	11,839	**12,109**	+270	741	**401**	-340
Aerospace	288	**387**	+99	3	**6**	+3
Other	14	**12**	-2	18	**17**	-2
Elimination & Corporate	-	**-**	-	1	**2**	+1
Total	12,141	**12,509**	+368	764	**426**	-338

1st Quarter (3 months) :

Operating Profit of Automotive business unit

(100 Million Yen)

	FYE 2026 1Q Results	FYE 2027 1Q Results	Variance
New vehicle	355	**-55**	-409
Value Chain*	386	**456**	+69
Total	741	**401**	-340

* “Value Chain" includes profits from Parts & Accessories, Sales Finance, Connected Services, Used Vehicle Sales, and Maintenance.

Revenue and Operating Profit by Geographic Area (Consolidated)

(100 Million Yen)

	Revenue			Operating profit		
	FYE 2026 1Q Results	FYE 2027 1Q Results	Variance	FYE 2026 1Q Results	FYE 2027 1Q Results	Variance
Japan	2,586	**2,793**	+207	355	**554**	+199
North America	9,279	**9,362**	+84	187	**-132**	-319
Other	276	**353**	+77	11	**11**	+0
Elimination & Corporate	-	**-**	-	211	**-8**	-219
Total	12,141	**12,509**	+368	764	**426**	-338

Overseas Revenue (Consolidated)

(100 Million Yen)

	FYE 2026 1Q Results	FYE 2027 1Q Results	Variance
North America	9,610	**9,586**	-25
Europe	235	**372**	+137
Asia	82	**76**	-6
Other	663	**602**	-61
Total	10,590	**10,635**	+46

Consolidated Statement of Financial Position

(100 Million Yen)

	As of March 2026	As of June 2026	Variance
Total assets	54,923	**54,114**	-809
Current assets	33,744	**33,080**	-664
Non-current assets	21,179	**21,034**	-145
Total liabilities	27,106	**26,374**	-732
Interest bearing debts	3,845	**3,645**	-200
Total equity	27,817	**27,740**	-77
Retained earnings	20,673	**20,745**	+72
Equity attributable to owners of parent	27,804	**27,727**	-77
Ratio of equity attributable to owners of parent to total assets	50.6%	**51.2%**	+0.6%
D/E ratio	0.14	**0.13**	-0.01

1st Quarter (3 months) :

Non-consolidated Unit Sales

(Thousand Units)

	FYE 2026 1Q Results	FYE 2027 1Q Results	Variance
Domestic production*	152	**118**	-35
Domestic sales	24	**23**	-1
Passenger cars	19	**20**	+1
Minicars	4	**3**	-2
Export total	128	**108**	-20
Components for overseas production	82	**100**	+18
Total	234	**231**	-3

* Production figures include Toyota GR86 units but exclude jointly developed BEVs with Toyota Motor Corporation, as they are manufactured under a contract manufacturing arrangement.

1st Quarter (3 months) :

Operating Results of Subsidiaries in U.S.

(Million US$)

SOA *1	FYE 2026 1Q Results	FYE 2027 1Q Results	Variance
Net sales	5,929	**5,354**	-575
Operating income	80	**-115**	-195
Net income	100	**-43**	-143
Retail sales (Thousand units)	154	**165**	+11

SIA *2	FYE 2026 1Q Results	FYE 2027 1Q Results	Variance
Net sales	2,733	**2,674**	-60
Operating income	50	**-35**	-85
Net income	52	**31**	-22
Production (Thousand units)	94	**95**	+0

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

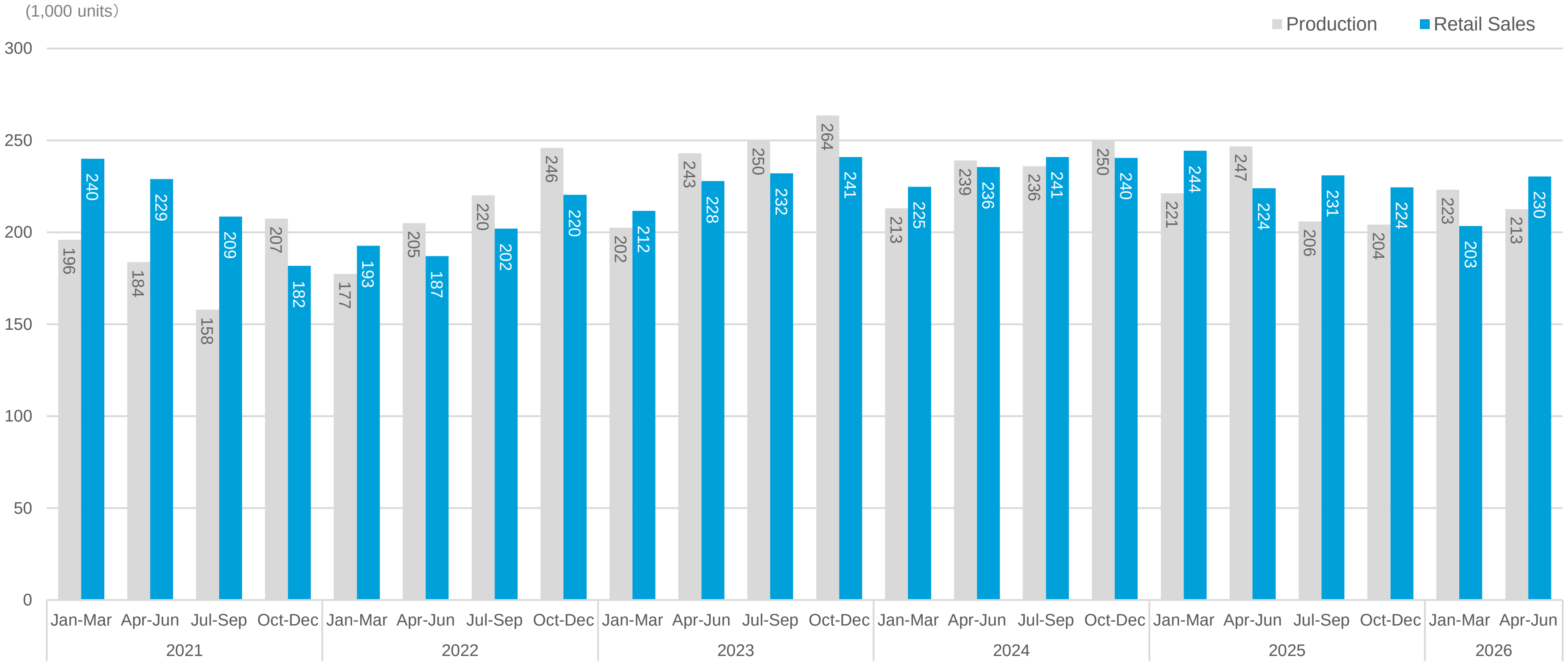
FYE 2026 and FYE 2027 Results (by Quarter)

(Thousand Units, 100 Million Yen)

	FYE 2026 Results				FYE 2027 Results
	1Q	2Q	3Q	4Q	1Q
Consolidated Unit Sales	244	229	203	220	220
Production *	247	206	204	223	213
Revenue	12,141	11,716	11,333	12,660	12,509
Operating profit	764	263	-364	-262	426
Profit for the period attributable to owners of parent	548	356	-73	78	492
SUBARU exchange rate US$	¥146	¥146	¥152	¥156	¥159

* Production figures include Toyota GR86 units but exclude jointly developed BEVs with Toyota Motor Corporation, as they are manufactured under a contract manufacturing arrangement.

Complete Cars Production / Retail Sales Units



* Production figures include Toyota GR86 units but exclude jointly developed BEVs with Toyota Motor Corporation, as they are manufactured under a contract manufacturing arrangement.

Forecast for FYE 2027 (unchanged from the previous forecast)

Production / Consolidated Unit Sales

- Production : 900,000 units
- Consolidated Unit Sales : 940,000 units

Revenue / Profit

(100 Million Yen)

- Revenue : 52,000
- Operating Profit : 1,500
- Profit before tax : 1,800
- Profit for the period attributable to owners of parent : 1,300

※ Exchange rate ¥155 / US$

Capex / Depreciation / R&D

(100 Million Yen)

- Capex*1 : 1,600
- Depreciation*1 : 1,250
- R&D expenditures*2 : 1,450

*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)

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.