

Consolidated Financial Summary for the First Six Months Ended 30 September 2019

[Japanese GAAP]

5 November 2019

Company name : SUZUKI MOTOR CORPORATION
 Code No. : 7269 Listings : The First Section of Tokyo Stock Exchange
 Representative : Toshihiro Suzuki, President URL : https://www.globalsuzuki.com
 Contact Person : Seiji Kobayashi, General Manager, Corporate Management/IR/ Cost Management Dept. Corporate Planning Office
 TEL 053-440-2030

Date of Filing Quarterly Securities Report : 13 November 2019

Start of Payment of Cash Dividends : 29 November 2019

Preparation of Supplementary Explanatory Materials : Yes

Holding of Presentation Meeting on Quarterly Financial Results : Yes

(Amounts less than one million yen are rounded down)

1. Consolidated Operating Results for FY2019 first six months (1 April – 30 September 2019)

(1) Consolidated management results

(Percentage indicates change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY 2019 first six months	1,755,446	-9.0	118,606	-40.2	139,487	-40.0	79,303	-41.8
FY 2018 first six months	1,929,434	5.4	198,454	14.8	232,304	24.3	136,183	30.7

[Note] Comprehensive Income
 FY2019 first six months 43,252 Million Yen (-64.1%)
 FY2018 first six months 120,630 Million Yen (-30.6%)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY 2019 first six months	171.90	171.88
FY 2018 first six months	306.35	305.18

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
FY 2019 second quarter	3,278,578	1,722,231	43.2
FY 2018	3,401,970	1,715,914	40.9

[Reference] Shareholders' equity :
 (Net assets excluding non-controlling interests and subscription rights to shares)
 FY2019 second quarter 1,416,999 Million Yen
 FY2018 1,392,490 Million Yen

2. Cash dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2018	-	37.00	-	37.00	74.00
FY2019	-	37.00	-	-	-
FY2019 (Forecast)	-	-	-	37.00	74.00

[Note] Revision of the latest forecasts of cash dividends announced: None

3. Forecasts of Consolidated Operating Results for FY2019 (1 April 2019 – 31 March 2020)

(Percentage indicates change from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full Year	3,500,000	-9.6	200,000	-38.3	220,000	-42.0	140,000	-21.7	303.47

[Note] Revisions of the latest forecasts for consolidated operating results announced: None

* Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries that accompany with a change in the scope of consolidation): Yes

New - (Name) Exclusion 1 (Name) Suzuki Finance Europe B.V.

(2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements: Yes

(3) Changes in Accounting Principles, Changes in Accounting Estimates, and Retrospective Restatements

1) Changes in accounting principles due to the revision of the accounting standards : None

2) Changes in accounting principles other than 1) : None

3) Changes in accounting estimates : None

4) Retrospective restatement : None

(4) Number of outstanding shares (common stock)

(Shares)

1) Number of outstanding shares at end of period
(including treasury stock)

FY2019 Q2	491,067,800	FY2018	491,049,100
FY2019 Q2	29,732,499	FY2018	29,716,090
FY2019 Q2	461,328,998	FY2018 Q2	444,532,052

2) Number of treasury stock at end of period

3) Average number of outstanding shares during period
(First six months)

* **This quarterly financial report is not required to be audited by certified public accountants or audit firm.**

* **Explanation regarding the appropriate use of forecasts for operating results, other information**

(Caution with respect to forward-looking statements)

The forward-looking statements are based on currently available information and assumptions, contain risks and uncertainty, and do not constitute guarantees of future achievement. Please note that the future results may greatly vary by the changes of various factors.

Those factors, which may influence the future results, include economic conditions and the trend of demand in major markets and the fluctuations of foreign exchange rates (mainly US dollar/Yen rate, Euro/Yen rate and Indian Rupee/Yen rate).

(Quarterly Results Supplementary Explanatory Materials)

Quarterly Results Supplementary Explanatory Materials will be available on our website

(<https://www.globalsuzuki.com>) on 5 November 2019.

Table of Contents

Quarterly Consolidated Financial Statements and Significant Notes	2
(1) Quarterly Consolidated Balance Sheet	2
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income	4
(3) Quarterly Consolidated Statement of Cash Flows	6
(4) Notes to Quarterly Consolidated Financial Statements	7
(Assumption for Going Concern)	7
(Significant Changes in the Amount of Shareholders' Equity)	7
(Application of Accounting Treatment Specific to Preparation of Quarterly Consolidated Financial Statements)	7
(Segment Information)	7

Quarterly Consolidated Financial Statements and Significant Notes

(1) Quarterly Consolidated Balance Sheet

(Amount: Millions of yen)

	FY2018 (As of 31 March 2019)	FY2019 second quarter (As of 30 September 2019)
Assets		
Current assets		
Cash and deposits	509,717	504,357
Notes and accounts receivables-trade	445,700	422,390
Short-term investment securities	189,046	119,427
Merchandise and finished goods	238,013	227,549
Work in process	54,033	48,928
Raw materials and supplies	59,850	59,535
Other	131,075	133,535
Allowance for doubtful accounts	(5,120)	(2,728)
Total current assets	1,622,317	1,512,995
Noncurrent assets		
Property, plant and equipment	904,276	914,110
Intangible assets	2,288	1,716
Investments and other assets		
Investment securities	635,184	617,459
Other	238,476	232,853
Allowance for doubtful accounts	(379)	(408)
Allowance for investment loss	(193)	(150)
Total investments and other assets	873,088	849,754
Total noncurrent assets	1,779,653	1,765,582
Total assets	3,401,970	3,278,578
Liabilities		
Current liabilities		
Accounts payable-trade	327,373	271,333
Electronically recorded obligations	71,532	60,388
Short-term loans payable	157,653	149,595
Income taxes payable	34,661	36,321
Provision for product warranties	248,199	257,996
Other	500,241	441,388
Total current liabilities	1,339,662	1,217,022
Noncurrent liabilities		
Bonds with subscription rights to shares	11,535	11,534
Long-term loans payable	206,250	211,204
Other provision	16,744	17,145
Liabilities for retirement benefits	82,813	69,711
Other	29,049	29,728
Total noncurrent liabilities	346,393	339,324
Total liabilities	1,686,055	1,556,347

(Amount: Millions of yen)

	FY2018 (As of 31 March 2019)	FY2019 second quarter (As of 30 September 2019)
Net assets		
Shareholders' equity		
Capital stock	138,161	138,202
Capital surplus	143,965	144,006
Retained earnings	1,314,587	1,376,819
Treasury stock	(113,963)	(113,973)
Total shareholders' equity	1,482,750	1,545,054
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	95,873	100,327
Deferred gains or losses on hedges	(219)	(97)
Foreign currency translation adjustment	(164,544)	(207,892)
Accumulated adjustment for retirement benefits	(21,369)	(20,391)
Total accumulated other comprehensive income	(90,260)	(128,054)
Subscription rights to shares	115	115
Non-controlling interests	323,309	305,116
Total net assets	1,715,914	1,722,231
Total liabilities and net assets	3,401,970	3,278,578

**(2) Quarterly Consolidated Statement of Income and
Quarterly Consolidated Statement of Comprehensive Income
(First six months ended 30 September 2019)
【Quarterly Consolidated Statement of Income】**

(Amount: Millions of yen)

	FY2018 first six months (1 April – 30 September 2018)	FY2019 first six months (1 April – 30 September 2019)
Net sales	1,929,434	1,755,446
Cost of sales	1,353,655	1,251,558
Gross profit	575,778	503,888
Selling, general and administrative expenses	377,324	385,282
Operating income	198,454	118,606
Non-operating income		
Interest income	25,240	19,735
Dividends income	2,114	1,931
Equity in earnings of affiliates	1,752	2,898
Other	11,975	4,764
Total non-operating income	41,082	29,329
Non-operating expenses		
Interest expenses	2,046	2,424
Foreign exchange losses	712	4,011
Other	4,474	2,013
Total non-operating expenses	7,232	8,448
Ordinary income	232,304	139,487
Extraordinary income		
Gain on sales of noncurrent assets	1,349	516
Gain on sales of investment securities	83	6
Total extraordinary income	1,433	523
Extraordinary loss		
Loss on sales of noncurrent assets	109	109
Impairment loss	609	565
Total extraordinary loss	718	674
Income before income taxes	233,018	139,335
Income taxes	62,120	44,478
Net income	170,898	94,857
Net income attributable to non-controlling interests	34,714	15,554
Net income attributable to owners of the parent	136,183	79,303

【Quarterly Consolidated Statement of Comprehensive Income】

(Amount: Millions of yen)

	FY2018 first six months (1 April – 30 September 2018)	FY2019 first six months (1 April – 30 September 2019)
Net income	170,898	94,857
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,205)	4,869
Deferred gains or losses on hedges	(745)	8
Foreign currency translation adjustment	(33,774)	(56,028)
Adjustment for retirement benefits	153	605
Share of other comprehensive income of affiliates accounted for using equity method	(6,694)	(1,059)
Total other comprehensive income	(50,267)	(51,604)
Comprehensive income	120,630	43,252
Comprehensive income attributable to:		
owners of the parent	102,335	41,477
non-controlling interests	18,295	1,775

(3) Quarterly Consolidated Statement of Cash Flows

(Amount: Millions of yen)

	FY2018 first six months (1 April – 30 September 2018)	FY2019 first six months (1 April-30 September 2019)
Net cash provided by (used in) operating activities		
Income before income taxes	233,018	139,335
Depreciation and amortization	64,155	78,397
Impairment loss	609	565
Increase (decrease) in allowance for doubtful accounts	(531)	(2,265)
Increase (decrease) in provision for product warranties	17,999	10,252
Interest and dividends income	(27,354)	(21,666)
Interest expenses	2,046	2,424
Foreign exchange losses (gains)	(1,056)	2,509
Equity in losses (earnings) of affiliates	(1,752)	(2,898)
Loss (gain) on sales of property, plant and equipment	(1,240)	(406)
Decrease (increase) in notes and accounts receivable-trade	(1,128)	15,489
Decrease (increase) in inventories	(9,856)	2,291
Increase (decrease) in notes and accounts payable-trade	(17,229)	(57,981)
Increase (decrease) in accrued expenses	2,927	(25,296)
Other, net	(21,315)	(16,424)
Subtotal	239,291	124,326
Interest and dividends income received	27,023	20,935
Interest expenses paid	(1,801)	(2,322)
Income taxes paid	(40,402)	(36,267)
Net cash provided by (used in) operating activities	224,110	106,672
Net cash provided by (used in) investing activities		
Payments into time deposits	(79,466)	(59,807)
Proceeds from withdrawal of time deposits	84,455	51,480
Purchase of short-term investment securities	(324,338)	(400,548)
Proceeds from sales and redemption of securities	265,428	421,843
Purchases of property, plant and equipment	(130,568)	(128,663)
Other, net	24,233	16,605
Net cash provided by (used in) investing activities	(160,256)	(99,088)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(7,469)	(11,303)
Proceeds from long-term loans payable	34,196	35,013
Repayment of long-term loans payable	(54,801)	(27,537)
Purchase of convertible bond with stock acquisition rights	(173,980)	-
Purchase of treasury stock	(3)	(1)
Cash dividends paid	(19,431)	(17,068)
Cash dividends paid to non-controlling interests	(21,034)	(20,104)
Other, net	11	(5)
Net cash provided by (used in) financing activities	(242,512)	(41,009)
Effect of exchange rate changes on cash and cash equivalents	1,364	(7,704)
Net increase (decrease) in cash and cash equivalents	(177,294)	(41,130)
Cash and cash equivalents at beginning of period	600,846	473,097
Cash and cash equivalents at end of period	423,552	431,966

(4) Notes to Quarterly Consolidated Financial Statements

(Assumption for Going Concern)

None

(Significant Changes in the Amount of Shareholders' Equity)

None

(Application of Accounting Treatment Specific to Preparation of Quarterly Consolidated Financial Statements)

[Calculation of income taxes]

With respect to income taxes, the effective tax rates were reasonably estimated after applying the tax effect accounting to the income before income taxes of the consolidated fiscal year. And income tax was calculated by multiplying the income before income taxes by this estimated effective tax rate.

(Segment Information)

Net sales and Profit (Loss) of Each Reportable Segment

FY2018 first six months (1 April - 30 September 2018)

(Amount: Millions of yen)

	Reportable Segments			
	Automobile business	Motorcycle business	Marine business, etc.	Total
Net Sales	1,761,345	126,268	41,819	1,929,434
Segment profit *1	185,478	4,017	8,957	198,454

FY2019 first six months (1 April - 30 September 2019)

(Amount: Millions of yen)

	Reportable Segments			
	Automobile business	Motorcycle business	Marine business, etc.	Total
Net Sales	1,581,453	126,471	47,521	1,755,446
Segment profit *1	106,105	1,734	10,766	118,606

[Notes] *1. Segment profit is an operating income in the quarterly consolidated statement of income.

2. Main products and services of each segment are as follows.

Segment	Main products and services
Automobile business	Mini vehicles, Sub-compact vehicles, Standard-sized vehicles
Motorcycle business	Motorcycles, All-terrain vehicles
Marine business, etc.	Outboard motors, Motorized wheelchairs, Houses

(Reference)

As reference information, operating results by geographical region are as follows;

[Operating Results by Geographic Region]

FY2018 first six months (1 April - 30 September 2018)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	713,944	201,149	927,932	86,408	1,929,434	—	1,929,434
2) Internal net sales or transfer among geographical regions	298,388	72,937	52,967	227	424,521	(424,521)	—
Total	1,012,333	274,086	980,899	86,635	2,353,955	(424,521)	1,929,434
Operating income	85,710	9,168	94,962	3,366	193,207	5,247	198,454

FY2019 first six months (1 April - 30 September 2019)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	696,546	212,225	755,093	91,581	1,755,446	—	1,755,446
2) Internal net sales or transfer among geographical regions	290,686	85,462	59,792	74	436,016	(436,016)	—
Total	987,232	297,688	814,885	91,656	2,191,463	(436,016)	1,755,446
Operating income	66,282	13,507	26,330	4,313	110,434	8,171	118,606

[Notes] 1. Classification of countries or regions is based on a geographical adjacency.

2. The major countries or regions belonging to classifications other than Japan:

(1) Europe..... Hungary, Germany, United Kingdom and France

(2) Asia..... India, Pakistan, Indonesia and Thailand

(3) Other..... United States, Australia, Mexico and Colombia

3. Classification is based on the location of the Company and its consolidated subsidiaries.