

Consolidated Financial Summary for the First nine months Ended 31 December 2017

[Japanese GAAP]

5 February 2018

Company name : SUZUKI MOTOR CORPORATION

Code No. : 7269

Listings : The First Section of Tokyo Stock Exchange

Representative : Toshihiro Suzuki, President (CEO&COO)

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Date of Filing Quarterly Securities Report : 13 February 2018

Start of Payment of Cash Dividends : -

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 FY2017 first nine months (1 April – 31 December 2017)

(1) Consolidated management results

(Percentage indicates change from the same period of the previous 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 2017 first nine months	2,724,884	21.0	259,843	55.3	284,586	57.9	164,322	23.2
FY 2016 first nine months	2,251,966	-4.4	167,357	14.4	180,220	10.7	133,355	30.4

[Note] Comprehensive Income FY2017 first nine months 277,145 Million Yen (45.5%)
FY2016 first nine months 190,520 Million Yen (569.0%)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY 2017 first nine months	372.42	357.58
FY 2016 first nine months	302.25	302.20

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
FY 2017 third quarter	3,349,683	1,617,563	39.1
FY 2016	3,115,985	1,387,041	35.9

[Reference] Shareholders' equity: FY2017 third quarter 1,310,686 million yen
(Net assets excluding non-controlling interests and subscription rights to shares) FY2016 1,119,865 million yen

2. Cash dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2016	-	17.00	-	27.00	44.00
FY2017	-	30.00	-		
FY2017 (Forecast)				30.00	60.00

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

3. Forecasts for Consolidated Operating Results of FY 2017 (1 April 2017 –31 March 2018)

(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	3,600,000	13.6	300,000	12.5	320,000	11.6	180,000	12.5
								407.95

[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) : None

New - (Name) Exclusion - (Name)

(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)

FY2017 Q3	491,018,100	FY2016	491,000,000
FY2017 Q3	49,782,160	FY2016	49,782,105
FY2017 Q3	441,226,694	FY2016 Q3	441,205,920

2) Number of treasury stock at end of period

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

* This quarterly financial report is not required to be audited

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

(Caution with respect to forward-looking statement)

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
(<http://www.globalsuzuki.com>) on 5 February 2018.

Table of Contents

Quarterly Consolidated Financial Statements and Significant Notes	2
(1) Quarterly Consolidated Balance Sheets.....	2
(2) Quarterly Consolidated Statement of Income and 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 Sheets

(Amount: Millions of yen)

	FY2016 (As of 31 March 2017)	FY2017 third quarter (As of 31 December 2017)
Assets		
Current assets		
Cash and deposits	693,952	735,926
Notes and accounts receivables-trade	349,224	354,518
Short-term investment securities	338,756	296,474
Merchandise and finished goods	234,730	248,969
Work in process	40,537	58,713
Raw materials and supplies	56,847	52,980
Other	247,273	264,432
Allowance for doubtful accounts	(5,349)	(5,013)
Total current assets	1,955,973	2,007,002
Noncurrent assets		
Property, plant and equipment	756,344	774,153
Intangible assets	2,683	3,173
Investments and other assets		
Investment securities	335,787	501,589
Other	65,614	64,293
Allowance for doubtful accounts	(399)	(404)
Allowance for investment loss	(18)	(124)
Total investments and other assets	400,984	565,354
Total noncurrent assets	1,160,012	1,342,681
Total assets	3,115,985	3,349,683
Liabilities		
Current liabilities		
Accounts payable-trade	428,063	403,641
Electronically recorded obligations	83,070	72,418
Short-term loans payable	216,601	251,744
Income taxes payable	31,863	29,201
Provision for product warranties	76,995	86,601
Other	351,526	361,915
Total current liabilities	1,188,121	1,205,522
Noncurrent liabilities		
Bonds with subscription rights to shares	200,400	200,314
Long-term loans payable	222,870	204,043
Other provision	12,956	14,974
Liabilities for retirement benefits	63,099	65,044
Other	41,495	42,220
Total noncurrent liabilities	540,822	526,597
Total liabilities	1,728,943	1,732,120

	FY2016 (As of 31 March 2017)	FY2017 third quarter (As of 31 December 2017)
Net assets		
Shareholders' equity		
Capital stock	138,014	138,064
Capital surplus	144,035	143,868
Retained earnings	1,058,549	1,197,744
Treasury stock	(191,051)	(191,052)
Total shareholders' equity	1,149,548	1,288,623
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	98,827	119,060
Deferred gains or losses on hedges	1,269	(470)
Foreign currency translation adjustment	(119,236)	(86,126)
Accumulated adjustment for retirement benefits	(10,543)	(10,400)
Total accumulated other comprehensive income	(29,683)	22,062
Subscription rights to shares	126	126
Non-controlling interests	267,049	306,751
Total net assets	1,387,041	1,617,563
Total liabilities and net assets	3,115,985	3,349,683

**(2) Quarterly Consolidated Statements of Income and
Quarterly Consolidated Statements of Comprehensive Income
(First nine months ended 31 December 2017)
【Quarterly Consolidated Statements of Income】**

(Amount: Millions of yen)

	FY2016 first nine months (1 April – 31 December 2016)	FY2017 first nine months (1 April – 31 December 2017)
Net sales	2,251,966	2,724,884
Cost of sales	1,605,924	1,936,308
Gross profit	646,042	788,575
Selling, general and administrative expenses	478,684	528,732
Operating income	167,357	259,843
Non-operating income		
Interest income	7,596	23,869
Dividends income	3,487	2,955
Foreign exchange gains	671	-
Equity in earnings of affiliates	1,585	-
Other	6,820	9,896
Total non-operating income	20,161	36,720
Non-operating expenses		
Interest expenses	3,495	2,862
Loss on valuation of securities	0	53
Foreign exchange losses	-	2,559
Equity in losses of affiliates	-	166
Other	3,803	6,336
Total non-operating expenses	7,298	11,977
Ordinary income	180,220	284,586
Extraordinary income		
Gain on sales of noncurrent assets	784	2,290
Gain on sales of investment securities	46,761	1,281
Total extraordinary income	47,545	3,572
Extraordinary loss		
Loss on sales of noncurrent assets	154	136
Impairment loss	6,819	2,516
Total extraordinary loss	6,973	2,652
Income before income taxes	220,792	285,506
Income taxes	58,935	73,911
Net income	161,856	211,594
Net income attributable to non-controlling interests	28,501	47,271
Net income attributable to owners of the parent	133,355	164,322

【Quarterly Consolidated Statements of Comprehensive Income】

(Amount: Millions of yen)

	FY2016 first nine months (1 April – 31 December 2016)	FY2017 first nine months (1 April – 31 December 2017)
Net income	161,856	211,594
Other comprehensive income		
Valuation difference on available-for-sale securities	22,511	26,552
Deferred gains or losses on hedges	607	(1,741)
Foreign currency translation adjustment	9,643	40,130
Adjustment for retirement benefits	113	45
Share of other comprehensive income of associates accounted for using equity method	(4,211)	562
Total other comprehensive income	28,664	65,550
Comprehensive income	190,520	277,145
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	153,615	216,033
Comprehensive income attributable to non-controlling interests	36,904	61,111

(3) Quarterly Consolidated Statements of Cash Flows

(Amount: Millions of yen)

	FY2016 first nine months (1 April – 31 December 2016)	FY2017 first nine months (1 April-31 December 2017)
Net cash provided by (used in) operating activities		
Income before income taxes	220,792	285,506
Depreciation and amortization	117,070	114,440
Impairment loss	6,819	2,516
Increase (decrease) in allowance for doubtful accounts	(1,005)	(427)
Interest and dividends income	(11,084)	(26,824)
Interest expenses	3,495	2,862
Foreign exchange losses (gains)	954	(78)
Equity in (earnings) losses of affiliates	(1,585)	166
Loss (gain) on sales of property, plant and equipment	(629)	(2,154)
Loss (gain) on sales of investment securities	(46,761)	(1,281)
Decrease (increase) in notes and accounts receivable-trade	23,398	1,739
Decrease (increase) in inventories	(39,905)	(16,577)
Increase (decrease) in notes and accounts payable-trade	25,499	(42,955)
Increase (decrease) in accrued expenses	(22,532)	(10,295)
Other, net	21,542	16,185
Subtotal	296,069	322,821
Interest and dividends income received	10,610	28,055
Interest expenses paid	(3,370)	(3,239)
Income taxes paid	(68,085)	(86,412)
Net cash provided by (used in) operating activities	235,224	261,225
Net cash provided by (used in) investing activities		
Payments into time deposits	(38,059)	(109,609)
Proceeds from withdrawal of time deposits	5,662	113,585
Purchase of short-term investment securities	(194,352)	(587,877)
Proceeds from Sale of securities and stock redemption	164,543	597,974
Purchases of property, plant and equipment	(133,865)	(132,315)
Other, net	(27,724)	(73,068)
Net cash provided by (used in) investing activities	(223,795)	(191,312)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(84,893)	6,707
Proceeds from long-term loans payable	61,000	44,500
Repayment of long-term loans payable	(32,256)	(35,880)
Proceeds from issuance of bonds with subscription rights to shares	200,500	-
Redemption of bonds	-	(10)
Purchase of treasury stock	(2)	(4)
Cash dividends paid	(15,004)	(25,152)
Dividends paid to non-controlling interests	(9,244)	(20,911)
Other, net	(3,150)	(481)
Net cash provided by (used in) financing activities	116,947	(31,232)
Effect of exchange rate changes on cash and cash equivalents	(1,837)	5,103
Net increase (decrease) in cash and cash equivalents	126,538	43,784
Cash and cash equivalents at beginning of period	450,088	614,031
Cash and cash equivalents at end of period	576,627	657,815

(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)

1. FY2016 first nine months (1 April – 31 December 2016)

1. Net sales and Profit (Loss) of Each Reportable Segment

(Amount: Millions of yen)

	Reportable Segments			
	Automobile	Motorcycle	Marine & Power products, etc.	Total
Net Sales	2,059,098	143,174	49,693	2,251,966
Segment profit (loss) ^{*1}	162,072	(3,651)	8,935	167,357

2. Impairment Losses on Noncurrent Assets or Goodwill of Each Segment

(Significant Impairment Losses on Noncurrent Assets)

Impairment losses were recognized by ¥6,237 million in “Automobile” segment, by ¥224 million in “Motorcycle” segment, and by ¥357 million in “Marine and Power products, etc.” segment respectively.

The amount of the relevant impairment losses recognized were ¥6,819 million in this first nine months of consolidated fiscal year.

2. FY2017 first nine months (1 April – 31 December 2017)

1. Net sales and Profit (Loss) of Each Reportable Segment

(Amount: Millions of yen)

	Reportable Segments			
	Automobile	Motorcycle	Marine & Power products, etc.	Total
Net Sales	2,489,606	180,967	54,310	2,724,884
Segment profit ^{*1}	248,280	1,658	9,904	259,843

2. Impairment Losses on Noncurrent Assets or Goodwill of Each Segment

(Significant Impairment Losses on Noncurrent Assets)

Impairment losses were recognized by ¥2,296 million in “Automobile” segment, by ¥17 million in “Motorcycle” segment, and by ¥201 million in “Marine and Power products, etc.” segment respectively.

The amount of the relevant impairment losses recognized were ¥2,516 million in this first nine months of consolidated fiscal year.

[Notes] *1. Segment profit (loss) is an operating income in the quarterly consolidated statements of income.

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

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

(Reference)

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

[Operating Results by Geographical Areas]

FY2016 first nine months (1 April - 31 December 2016)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other areas	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	909,869	244,186	999,428	98,482	2,251,966	—	2,251,966
2) Internal net sales or transfer among geographical areas	415,487	164,141	84,425	384	664,439	(664,439)	—
Total	1,325,356	408,328	1,083,853	98,867	2,916,406	(664,439)	2,251,966
Operating income	61,259	10,472	91,498	2,477	165,707	1,649	167,357

FY2017 first nine months (1 April - 31 December 2017)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other areas	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	973,249	313,068	1,319,502	119,063	2,724,884	—	2,724,884
2) Internal net sales or transfer among geographical areas	508,879	143,367	88,623	493	741,363	(741,363)	—
Total	1,482,129	456,436	1,408,126	119,556	3,466,248	(741,363)	2,724,884
Operating income	111,466	12,594	140,575	3,422	268,059	(8,215)	259,843

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

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

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

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

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

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