

Consolidated Financial Summary for the First Six Months Ended 30 September 2018

[Japanese GAAP]

1 November 2018

Company name : SUZUKI MOTOR CORPORATION

Code No. : 7269

Listings : The First Section of Tokyo Stock Exchange

Representative : Toshihiro Suzuki, President

URL : <http://www.globalsuzuki.com>Contact Person : Seiji Kobayashi, General Manager, Corporate Management/IR Dept. Corporate Planning Office
TEL 053-440-2030

Date of Filing Quarterly Securities Report : 13 November 2018

Start of Payment of Cash Dividends : 30 November 2018

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

(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 2018 first six months	1,929,434	5.4	198,454	14.8	232,304	24.3	136,183	30.7
FY 2017 first six months	1,831,097	22.2	172,881	49.7	186,879	53.4	104,208	4.3

[Note] Comprehensive Income FY2018 first six months 120,630 Million Yen (-30.6%)
FY2017 first six months 173,913 Million Yen (986.3%)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY 2018 first six months	306.35	305.18
FY 2017 first six months	236.18	236.14

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
FY 2018 second quarter	3,222,754	1,675,728	42.8
FY 2017	3,340,828	1,595,227	38.8

[Reference] Shareholders' equity : FY2018 second quarter 1,380,856 Million Yen
(Net assets excluding non-controlling interests and subscription rights to shares) FY2017 1,297,536 Million Yen

2. Cash dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2017	-	30.00	-	44.00	74.00
FY2018	-	37.00			
FY2018 (Forecast)			-	37.00	74.00

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

3. Forecasts for Consolidated Operating Results of FY2018(1 April 2018–31 March 2019)

(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	3,800,000	1.1	350,000	-6.5	390,000	1.9	220,000	2.0
								486.81

* 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)

FY2018 Q2	491,049,100	FY2017	491,018,100
FY2018 Q2	30,501,682	FY2017	49,280,675
FY2018 Q2	444,532,052	FY2017 Q2	441,222,899

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 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 1 November 2018.

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Quarterly Consolidated Financial Statement and Significant Notes

(1) Quarterly Consolidated Balance Sheets

(Amount: Millions of yen)

	FY2017 (As of 31 March 2018)	FY2018 second quarter (As of 30 September 2018)
Assets		
Current assets		
Cash and deposits	690,418	533,831
Notes and accounts receivables-trade	388,973	387,929
Short-term investment securities	256,695	206,432
Merchandise and finished goods	253,999	251,554
Work in process	48,954	54,259
Raw materials and supplies	49,962	55,994
Other	135,237	138,210
Allowance for doubtful accounts	(5,252)	(4,689)
Total current assets	1,818,988	1,623,523
Noncurrent assets		
Property, plant and equipment	804,265	852,541
Intangible assets	2,556	2,330
Investments and other assets		
Investment securities	543,485	570,172
Other	172,058	174,785
Allowance for doubtful accounts	(402)	(405)
Allowance for investment loss	(124)	(193)
Total investments and other assets	715,017	744,358
Total noncurrent assets	1,521,839	1,599,231
Total assets	3,340,828	3,222,754
Liabilities		
Current liabilities		
Accounts payable-trade	443,916	420,655
Electronically recorded obligations	68,322	69,484
Short-term loans payable	190,756	157,283
Income taxes payable	40,598	54,663
Provision for product warranties	105,106	123,158
Other	392,640	389,660
Total current liabilities	1,241,341	1,214,905
Noncurrent liabilities		
Bonds with subscription rights to shares	194,211	19,964
Long-term loans payable	192,943	204,280
Other provision	15,410	15,975
Liabilities for retirement benefits	65,224	65,923
Other	36,469	25,977
Total noncurrent liabilities	504,259	332,120
Total liabilities	1,745,601	1,547,026

	FY2017 (As of 31 March 2018)	FY2018 second quarter (As of 30 September 2018)
Net assets		
Shareholders' equity		
Capital stock	138,064	138,161
Capital surplus	143,868	143,965
Retained earnings	1,247,242	1,292,069
Treasury stock	(189,126)	(116,980)
Total shareholders' equity	1,340,047	1,457,215
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	108,528	103,292
Deferred gains or losses on hedges	22	(379)
Foreign currency translation adjustment	(140,136)	(168,481)
Accumulated adjustment for retirement benefits	(10,925)	(10,791)
Total accumulated other comprehensive income	(42,511)	(76,358)
Subscription rights to shares	126	115
Non-controlling interests	297,564	294,756
Total net assets	1,595,227	1,675,728
Total liabilities and net assets	3,340,828	3,222,754

**(2) Quarterly Consolidated Statement of Income and
Quarterly Consolidated Statement of Comprehensive Income
(First six months ended 30 September 2018)
【Quarterly Consolidated Statement of Income】**

(Amount: Millions of yen)

	FY2017 first six months (1 April – 30 September 2017)	FY2018 first six months (1 April – 30 September 2018)
Net sales	1,831,097	1,929,434
Cost of sales	1,303,130	1,353,655
Gross profit	527,966	575,778
Selling, general and administrative expenses	355,085	377,324
Operating income	172,881	198,454
Non-operating income		
Interest income	14,218	25,240
Dividends income	1,764	2,114
Equity in earnings of affiliates	-	1,752
Other	8,264	11,975
Total non-operating income	24,247	41,082
Non-operating expenses		
Interest expenses	1,890	2,046
Loss on valuation of securities	44	-
Foreign exchange losses	1,962	712
Equity in losses of affiliates	1,854	-
Other	4,497	4,474
Total non-operating expenses	10,249	7,232
Ordinary income	186,879	232,304
Extraordinary income		
Gain on sales of noncurrent assets	1,329	1,349
Gain on sales of investment securities	1,281	83
Total extraordinary income	2,610	1,433
Extraordinary loss		
Loss on sales of noncurrent assets	92	109
Impairment loss	2,516	609
Total extraordinary loss	2,608	718
Income before income taxes	186,881	233,018
Income taxes	52,576	62,120
Net income	134,305	170,898
Net income attributable to non-controlling interests	30,097	34,714
Net income attributable to owners of the parent	104,208	136,183

【Quarterly Consolidated Statement of Comprehensive Income】

(Amount: Millions of yen)

	FY2017 first six months (1 April – 30 September 2017)	FY2018 first six months (1 April – 30 September 2018)
Net income	134,305	170,898
Other comprehensive income		
Valuation difference on available-for-sale securities	22,126	(9,205)
Deferred gains or losses on hedges	(1,816)	(745)
Foreign currency translation adjustment	19,607	(33,774)
Adjustment for retirement benefits	(161)	153
Share of other comprehensive income of associates accounted for using equity method	(147)	(6,694)
Total other comprehensive income	39,608	(50,267)
Comprehensive income	173,913	120,630
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	135,910	102,335
Comprehensive income attributable to non-controlling interests	38,003	18,295

(3) Quarterly Consolidated Statement of Cash Flows

(Amount: Millions of yen)

	FY2017 first six months (1 April – 30 September 2017)	FY2018 first six months (1 April – 30 September 2018)
Net cash provided by (used in) operating activities		
Income before income taxes	186,881	233,018
Depreciation and amortization	74,319	64,155
Impairment loss	2,516	609
Increase (decrease) in allowance for doubtful accounts	(194)	(531)
Interest and dividends income	(15,983)	(27,354)
Interest expenses	1,890	2,046
Foreign exchange losses (gains)	(5)	(1,056)
Equity in (earnings) losses of affiliates	1,854	(1,752)
Loss (gain) on sales of property, plant and equipment	(1,236)	(1,240)
Loss (gain) on sales of investment securities	(1,281)	(83)
Decrease (increase) in notes and accounts receivable-trade	(17,082)	(1,128)
Decrease (increase) in inventories	14,876	(9,856)
Increase (decrease) in notes and accounts payable-trade	(13,120)	(17,229)
Increase (decrease) in accrued expenses	12,553	2,927
Other, net	22,177	(3,231)
Subtotal	268,166	239,291
Interest and dividends income received	15,610	27,023
Interest expenses paid	(2,235)	(1,801)
Income taxes paid	(55,576)	(40,402)
Net cash provided by (used in) operating activities	225,964	224,110
Net cash provided by (used in) investing activities		
Payments into time deposits	(63,758)	(79,466)
Proceeds from withdrawal of time deposits	65,845	84,455
Purchase of short-term investment securities	(318,105)	(324,338)
Proceeds from sales and redemption of securities	328,889	265,428
Purchases of property, plant and equipment	(86,560)	(130,568)
Other, net	(60,973)	24,233
Net cash provided by (used in) investing activities	(134,663)	(160,256)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,589)	(7,469)
Proceeds from long-term loans payable	31,500	34,196
Repayment of long-term loans payable	(24,511)	(54,801)
Redemption of bonds	-	(173,980)
Purchase of treasury stock	(1)	(3)
Cash dividends paid	(11,910)	(19,431)
Cash dividends paid to non-controlling interests	(20,909)	(21,034)
Other, net	(477)	11
Net cash provided by (used in) financing activities	(27,900)	(242,512)
Effect of exchange rate changes on cash and cash equivalents	5,020	1,364
Net increase (decrease) in cash and cash equivalents	68,421	(177,294)
Cash and cash equivalents at beginning of period	614,031	600,846
Cash and cash equivalents at end of period	682,453	423,552

(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. FY2017 first six months (1 April – 30 September 2017)

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

(Amount: Millions of yen)

	Reportable Segments			
	Automobile business	Motorcycle business	Marine business, etc.	Total
Net Sales	1,669,112	124,347	37,637	1,831,097
Segment profit ^{*1}	162,388	3,739	6,753	172,881

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 business” segment, by ¥17 million in “Motorcycle business” segment, and by ¥201 million in “Marine business, etc.” segment respectively.

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

2. FY2018 first six months (1 April – 30 September 2018)

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

(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

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

(Significant Impairment Losses on Noncurrent Assets)

This information is not provided due to its low materiality.

[Notes] ^{*1} 1. Segment profit 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 business	Mini vehicles, Sub-compact vehicles, Standard-sized vehicles
Motorcycle business	Motorcycles, All terrain vehicles
Marine business, etc.	Outboard motors, Motorized wheelchairs, Electro senior vehicles, Houses

(Reference)

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

[Operating Results by Geographic Region]

FY2017 first six months (1 April - 30 September 2017)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	662,370	213,653	876,832	78,240	1,831,097	—	1,831,097
2) Internal net sales or transfer among geographical regions	311,676	96,658	56,975	338	465,650	(465,650)	—
Total	974,047	310,311	933,808	78,579	2,296,747	(465,650)	1,831,097
Operating income	74,745	9,141	90,629	2,141	176,657	(3,776)	172,881

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

[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, 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.