

Consolidated Financial Summary for the First Six Months Ended 30 September 2017

[Japanese GAAP]

2 November 2017

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 November 2017

Start of Payment of Cash Dividends : 30 November 2017

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 six months (1 April – 30 September 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 six months	1,831,097	22.2	172,881	49.7	186,879	53.4	104,208	4.3
FY 2016 first six months	1,498,956	-3.6	115,503	14.3	121,823	8.7	99,927	26.4

[Note] Comprehensive Income FY2017 first six months 173,913 Million Yen (986.3%)
FY2016 first six months 16,009 Million Yen (—%)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY 2017 first six months	236.18	236.14
FY 2016 first six months	226.49	226.45

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
FY 2017 second quarter	3,284,539	1,527,552	37.9
FY 2016	3,115,985	1,387,041	35.9

[Reference] Shareholders' equity : FY2017 second quarter 1,243,775 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: Yes

3. Forecasts for Consolidated Operating Results of FY2017(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: Yes

* 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 Q2	491,018,100	FY2016	491,000,000
FY2017 Q2	49,782,461	FY2016	49,782,105
FY2017 Q2	441,222,899	FY2016 Q2	441,200,622

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

* 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 2 November 2017.

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Quarterly Consolidated Financial Statements and Significant Notes

(1) Quarterly Consolidated Balance Sheets

(Amount: Millions of yen)

	FY2016 (As of 31 March 2017)	FY2017 second quarter (As of 30 September 2017)
Assets		
Current assets		
Cash and deposits	693,952	760,285
Notes and accounts receivables-trade	349,224	371,218
Short-term investment securities	338,756	305,988
Merchandise and finished goods	234,730	223,387
Work in process	40,537	51,615
Raw materials and supplies	56,847	52,114
Other	247,273	248,242
Allowance for doubtful accounts	(5,349)	(5,244)
Total current assets	1,955,973	2,007,607
Noncurrent assets		
Property, plant and equipment	756,344	759,218
Intangible assets	2,683	2,849
Investments and other assets		
Investment securities	335,787	453,431
Other	65,614	61,950
Allowance for doubtful accounts	(399)	(395)
Allowance for investment loss	(18)	(123)
Total investments and other assets	400,984	514,864
Total noncurrent assets	1,160,012	1,276,931
Total assets	3,115,985	3,284,539
Liabilities		
Current liabilities		
Accounts payable-trade	428,063	425,751
Electronically recorded obligations	83,070	76,749
Short-term loans payable	216,601	239,034
Income taxes payable	31,863	34,947
Provision for product warranties	76,995	86,422
Other	351,526	370,603
Total current liabilities	1,188,121	1,233,508
Noncurrent liabilities		
Bonds with subscription rights to shares	200,400	200,350
Long-term loans payable	222,870	202,454
Other provision	12,956	14,972
Liabilities for retirement benefits	63,099	65,125
Other	41,495	40,576
Total noncurrent liabilities	540,822	523,478
Total liabilities	1,728,943	1,756,987

	FY2016 (As of 31 March 2017)	FY2017 second quarter (As of 30 September 2017)
Net assets		
Shareholders' equity		
Capital stock	138,014	138,064
Capital surplus	144,035	143,868
Retained earnings	1,058,549	1,150,843
Treasury stock	(191,051)	(191,052)
Total shareholders' equity	1,149,548	1,241,723
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	98,827	113,201
Deferred gains or losses on hedges	1,269	(541)
Foreign currency translation adjustment	(119,236)	(100,058)
Accumulated adjustment for retirement benefits	(10,543)	(10,549)
Total accumulated other comprehensive income	(29,683)	2,052
Subscription rights to shares	126	126
Non-controlling interests	267,049	283,650
Total net assets	1,387,041	1,527,552
Total liabilities and net assets	3,115,985	3,284,539

**(2) Quarterly Consolidated Statement of Income and
Quarterly Consolidated Statement of Comprehensive Income
(First six months ended 30 September 2017)
【Quarterly Consolidated Statements of Income】**

(Amount: Millions of yen)

	FY2016 first six months (1 April – 30 September 2016)	FY2017 first six months (1 April – 30 September 2017)
Net sales	1,498,956	1,831,097
Cost of sales	1,061,434	1,303,130
Gross profit	437,522	527,966
Selling, general and administrative expenses	322,018	355,085
Operating income	115,503	172,881
Non-operating income		
Interest income	4,929	14,218
Dividends income	2,479	1,764
Equity in earnings of affiliates	1,265	-
Other	5,194	8,264
Total non-operating income	13,869	24,247
Non-operating expenses		
Interest expenses	2,251	1,890
Loss on valuation of securities	0	44
Foreign exchange losses	2,819	1,962
Equity in losses of affiliates	-	1,854
Other	2,478	4,497
Total non-operating expenses	7,549	10,249
Ordinary income	121,823	186,879
Extraordinary income		
Gain on sales of noncurrent assets	496	1,329
Gain on sales of investment securities	46,761	1,281
Total extraordinary income	47,257	2,610
Extraordinary loss		
Loss on sales of noncurrent assets	85	92
Impairment loss	6,828	2,516
Total extraordinary loss	6,913	2,608
Income before income taxes	162,167	186,881
Income taxes	43,557	52,576
Net income	118,610	134,305
Net income attributable to non-controlling interests	18,682	30,097
Net income attributable to owners of the parent	99,927	104,208

【Quarterly Consolidated Statement of Comprehensive Income】

(Amount: Millions of yen)

	FY2016 first six months (1 April – 30 September 2016)	FY2017 first six months (1 April – 30 September 2017)
Net income	118,610	134,305
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,239)	22,126
Deferred gains or losses on hedges	(301)	(1,816)
Foreign currency translation adjustment	(92,190)	19,607
Adjustment for retirement benefits	(1)	(161)
Share of other comprehensive income of associates accounted for using equity method	(4,866)	(147)
Total other comprehensive income	(102,600)	39,608
Comprehensive income	16,009	173,913
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	21,052	135,910
Comprehensive income attributable to non-controlling interests	(5,042)	38,003

(3) Quarterly Consolidated Statement of Cash Flows

(Amount: Millions of yen)

	FY2016 first six months (1 April – 30 September 2016)	FY2017 first six months (1 April – 30 September 2017)
Net cash provided by (used in) operating activities		
Income before income taxes	162,167	186,881
Depreciation and amortization	76,476	74,319
Impairment loss	6,828	2,516
Increase (decrease) in allowance for doubtful accounts	(175)	(194)
Interest and dividends income	(7,409)	(15,983)
Interest expenses	2,251	1,890
Foreign exchange losses (gains)	3,454	(5)
Equity in (earnings) losses of affiliates	(1,265)	1,854
Loss (gain) on sales of property, plant and equipment	(410)	(1,236)
Loss (gain) on sales of investment securities	(46,761)	(1,281)
Decrease (increase) in notes and accounts receivable-trade	8,010	(17,082)
Decrease (increase) in inventories	(11,516)	14,876
Increase (decrease) in notes and accounts payable-trade	5,158	(13,120)
Increase (decrease) in accrued expenses	(2,453)	12,553
Other, net	25,726	22,177
Subtotal	220,080	268,166
Interest and dividends income received	7,486	15,610
Interest expenses paid	(2,133)	(2,235)
Income taxes paid	(41,160)	(55,576)
Net cash provided by (used in) operating activities	184,272	225,964
Net cash provided by (used in) investing activities		
Payments into time deposits	(4,745)	(63,758)
Proceeds from withdrawal of time deposits	4,956	65,845
Purchase of short-term investment securities	(190,302)	(318,105)
Proceeds from Sale of securities and stock redemption	101,101	328,889
Purchases of property, plant and equipment	(94,536)	(86,560)
Other, net	55,354	(60,973)
Net cash provided by (used in) investing activities	(128,171)	(134,663)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(108,055)	(1,589)
Proceeds from long-term loans payable	50,000	31,500
Repayment of long-term loans payable	(22,737)	(24,511)
Proceeds from issuance of bonds with subscription rights to shares	200,500	-
Purchase of treasury stock	(1)	(1)
Cash dividends paid	(7,500)	(11,910)
Cash dividends paid to non-controlling interests	(9,128)	(20,909)
Other, net	(3,132)	(477)
Net cash provided by (used in) financing activities	99,943	(27,900)
Effect of exchange rate changes on cash and cash equivalents	(13,536)	5,020
Net increase (decrease) in cash and cash equivalents	142,508	68,421
Cash and cash equivalents at beginning of period	450,088	614,031
Cash and cash equivalents at end of period	592,597	682,453

(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 six months (1 April – 30 September 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	1,367,701	96,521	34,733	1,498,956
Segment profit (loss) ^{*1}	109,320	(667)	6,849	115,503

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 ¥233 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 ¥6,828 million in this first six months of consolidated fiscal year.

2. 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	Motorcycle	Marine & Power products, 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” 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 six 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 region are as follows;

[Operating Results by Geographic Region]

FY2016 first six months (1 April - 30 September 2016)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	623,556	167,716	643,704	63,978	1,498,956	—	1,498,956
2) Internal net sales or transfer among geographical regions	255,630	111,060	57,553	201	424,444	(424,444)	—
Total	879,186	278,776	701,257	64,180	1,923,400	(424,444)	1,498,956
Operating income	39,528	7,164	59,762	1,331	107,787	7,716	115,503

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

[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.