

Consolidated Financial Summary for the First Nine Months Ended 31 December 2019

[Japanese GAAP]

7 February 2020

Company name : SUZUKI MOTOR CORPORATION
 Code No. : 7269 Listings : The First Section of Tokyo Stock Exchange
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 Date of Filing Quarterly Securities Report : 13 February 2020
 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 FY2019 first nine months (1 April – 31 December 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 nine months	2,626,070	-7.5	170,433	-33.6	194,764	-36.4	116,564	-35.5
FY 2018 first nine months	2,838,834	4.2	256,544	-1.3	306,102	7.6	180,781	10.0

[Note] Comprehensive Income FY2019 first nine months 117,599 Million Yen (-23.8%)
 FY2018 first nine months 154,391 Million Yen (-44.3%)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY 2019 first nine months	251.36	251.33
FY 2018 first nine months	402.15	402.09

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
FY 2019 third quarter	3,443,447	1,875,660	45.2
FY 2018	3,401,970	1,715,914	40.9

[Reference] Shareholders' equity: FY2019 third quarter 1,557,581 million yen
 (Net assets excluding non-controlling interests FY2018 1,392,490 million yen
 and subscription rights to shares)

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 for Consolidated Operating Results of FY 2019 (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
Full Year	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
	3,500,000	-9.6	200,000	-38.3	220,000	-42.0	140,000	-21.7	298.69

[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 Q3	491,067,800	FY2018	491,049,100
FY2019 Q3	5,735,015	FY2018	29,716,090
FY2019 Q3	463,730,379	FY2018 Q3	449,539,132

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 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

(<https://www.globalsuzuki.com>) on 7 February 2020.

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Quarterly Consolidated Financial Statements and Significant Notes

(1) Quarterly Consolidated Balance Sheet

(Amount: Millions of yen)

	FY2018 (As of 31 March 2019)	FY2019 third quarter (As of 31 December 2019)
Assets		
Current assets		
Cash and deposits	509,717	591,288
Notes and accounts receivables-trade	445,700	397,434
Short-term investment securities	189,046	104,934
Merchandise and finished goods	238,013	233,785
Work in process	54,033	62,590
Raw materials and supplies	59,850	60,725
Other	131,075	142,066
Allowance for doubtful accounts	(5,120)	(2,789)
Total current assets	1,622,317	1,590,035
Noncurrent assets		
Property, plant and equipment	904,276	933,590
Intangible assets	2,288	1,858
Investments and other assets		
Investment securities	635,184	680,395
Other	238,476	238,123
Allowance for doubtful accounts	(379)	(405)
Allowance for investment loss	(193)	(150)
Total investments and other assets	873,088	917,963
Total noncurrent assets	1,779,653	1,853,411
Total assets	3,401,970	3,443,447
Liabilities		
Current liabilities		
Accounts payable-trade	327,373	272,726
Electronically recorded obligations	71,532	72,388
Short-term loans payable	157,653	164,686
Income taxes payable	34,661	35,960
Provision for product warranties	248,199	251,710
Other	500,241	426,605
Total current liabilities	1,339,662	1,224,078
Noncurrent liabilities		
Bonds with subscription rights to shares	11,535	11,533
Long-term loans payable	206,250	210,868
Other provision	16,744	18,004
Liabilities for retirement benefits	82,813	70,118
Other	29,049	33,182
Total noncurrent liabilities	346,393	343,707
Total liabilities	1,686,055	1,567,786

	FY2018 (As of 31 March 2019)	FY2019 third quarter (As of 31 December 2019)
Net assets		
Shareholders' equity		
Capital stock	138,161	138,202
Capital surplus	143,965	147,901
Retained earnings	1,314,587	1,397,007
Treasury stock	(113,963)	(21,773)
Total shareholders' equity	1,482,750	1,661,337
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	95,873	110,749
Deferred gains or losses on hedges	(219)	(961)
Foreign currency translation adjustment	(164,544)	(193,611)
Accumulated adjustment for retirement benefits	(21,369)	(19,932)
Total accumulated other comprehensive income	(90,260)	(103,756)
Subscription rights to shares	115	115
Non-controlling interests	323,309	317,963
Total net assets	1,715,914	1,875,660
Total liabilities and net assets	3,401,970	3,443,447

**(2) Quarterly Consolidated Statement of Income and
Quarterly Consolidated Statement of Comprehensive Income
(First nine months ended 31 December 2019)
【Quarterly Consolidated Statement of Income】**

(Amount: Millions of yen)

	FY2018 first nine months (1 April – 31 December 2018)	FY2019 first nine months (1 April – 31 December 2019)
Net sales	2,838,834	2,626,070
Cost of sales	2,007,601	1,890,593
Gross profit	831,233	735,476
Selling, general and administrative expenses	574,688	565,043
Operating income	256,544	170,433
Non-operating income		
Interest income	39,522	22,822
Dividends income	3,496	3,178
Equity in earnings of affiliates	3,201	4,378
Other	15,585	6,414
Total non-operating income	61,805	36,794
Non-operating expenses		
Interest expenses	3,167	3,705
Foreign exchange losses	3,838	3,303
Other	5,242	5,454
Total non-operating expenses	12,248	12,464
Ordinary income	306,102	194,764
Extraordinary income		
Gain on sales of noncurrent assets	1,500	752
Gain on sales of investment securities	92	10
Total extraordinary income	1,593	763
Extraordinary loss		
Loss on sales of noncurrent assets	142	162
Impairment loss	609	565
Total extraordinary loss	751	727
Income before income taxes	306,943	194,799
Income taxes	78,668	54,917
Net income	228,274	139,881
Net income attributable to:		
non-controlling interests	47,493	23,317
owners of the parent	180,781	116,564

【Quarterly Consolidated Statement of Comprehensive Income】

(Amount: Millions of yen)

	FY2018 first nine months (1 April – 31 December 2018)	FY2019 first nine months (1 April – 31 December 2019)
Net income	228,274	139,881
Other comprehensive income		
Valuation difference on available-for-sale securities	(26,192)	19,992
Deferred gains or losses on hedges	(0)	(938)
Foreign currency translation adjustment	(40,522)	(41,456)
Adjustment for retirement benefits	(416)	1,056
Share of other comprehensive income of affiliates accounted for using equity method	(6,751)	(935)
Total other comprehensive income	(73,882)	(22,282)
Comprehensive income	154,391	117,599
Comprehensive income attributable to:		
owners of the parent	124,258	103,035
non-controlling interests	30,133	14,564

(3) Quarterly Consolidated Statement of Cash Flows

(Amount: Millions of yen)

	FY2018 first nine months (1 April – 31 December 2018)	FY2019 first nine months (1 April-31 December 2019)
Net cash provided by (used in) operating activities		
Income before income taxes	306,943	194,799
Depreciation and amortization	106,273	118,819
Impairment loss	609	565
Increase (decrease) in allowance for doubtful accounts	(894)	(2,288)
Increase (decrease) in provision for product warranties	36,471	3,627
Interest and dividends income	(43,018)	(26,001)
Interest expenses	3,167	3,705
Foreign exchange losses (gains)	757	302
Equity in losses (earnings) of affiliates	(3,201)	(4,378)
Loss (gain) on sales of property, plant and equipment	(1,358)	(589)
Decrease (increase) in notes and accounts receivable-trade	(3,429)	46,178
Decrease (increase) in inventories	(46,435)	(10,710)
Increase (decrease) in notes and accounts payable-trade	(66,458)	(48,269)
Increase (decrease) in accrued expenses	8,807	(42,388)
Other, net	(10,122)	(25,603)
Subtotal	288,110	207,768
Interest and dividends income received	43,264	25,798
Interest expenses paid	(2,807)	(3,472)
Income taxes paid	(88,474)	(51,346)
Net cash provided by (used in) operating activities	240,093	178,747
Net cash provided by (used in) investing activities		
Payments into time deposits	(79,474)	(72,321)
Proceeds from withdrawal of time deposits	104,558	63,982
Purchase of short-term investment securities	(574,243)	(563,148)
Proceeds from sales and redemption of securities	503,066	599,263
Purchases of property, plant and equipment	(187,821)	(190,899)
Other, net	25,952	(23,225)
Net cash provided by (used in) investing activities	(207,962)	(186,348)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	12,289	(417)
Proceeds from long-term loans payable	67,907	55,451
Repayment of long-term loans payable	(67,732)	(45,297)
Purchase of convertible bond with stock acquisition rights	(180,820)	-
Disposal of treasury stock	-	96,096
Purchase of treasury stock	(6)	(2)
Cash dividends paid	(36,478)	(34,144)
Cash Dividends paid to non-controlling interests	(20,908)	(20,102)
Other, net	5	(11)
Net cash provided by (used in) financing activities	(225,743)	51,571
Effect of exchange rate changes on cash and cash equivalents	(3,224)	1,811
Net increase (decrease) in cash and cash equivalents	(196,836)	45,781
Cash and cash equivalents at beginning of period	600,846	473,097
Cash and cash equivalents at end of period	404,010	518,878

(4) Notes to Quarterly Consolidated Financial Statements

(Assumption for Going Concern)

None

(Significant Changes in the Amount of Shareholders' Equity)

On December 9, 2019, SUZUKI MOTOR CORPORATION completed the procedure for disposition of treasury stock by way of third-party allotment to Toyota Motor Corporation, based on the meeting of its Board of Directors held on August 28, 2019.

As a result, capital surplus increased by 3,894 million yen and treasury stock decreased by 92,201 million yen for the first nine months of this fiscal year. The balance of capital surplus and treasury stock at the end of this third quarter was 147,901 million yen and 21,773 million yen respectively.

Outline of disposition of treasury stock by way of third-party allotment

Disposition date (Payment date)	December 9, 2019
Number of shares to be disposed of	24,000,000 shares of common stock
Disposition price	4,004 yen per share
Amount of proceeds to be raised	96,096,000,000 yen
Method of disposition	By way of third-party allotment
Allottee	Toyota Motor Corporation

(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. FY2018 first nine months (1 April – 31 December 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	2,596,661	182,162	60,010	2,838,834
Segment profit ^{*1}	244,150	140	12,253	256,544

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.

2. FY2019 first nine months (1 April – 31 December 2019)

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	2,377,133	182,125	66,811	2,626,070
Segment profit ^{*1}	156,576	27	13,829	170,433

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}. 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 nine months (1 April - 31 December 2018)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	1,059,043	308,250	1,342,358	129,182	2,838,834	—	2,838,834
2) Internal net sales or transfer among geographical regions	491,998	126,296	77,348	991	696,634	(696,634)	—
Total	1,551,041	434,546	1,419,707	130,173	3,535,469	(696,634)	2,838,834
Operating income	112,590	14,703	121,568	4,323	253,185	3,359	256,544

FY2019 first nine months (1 April - 31 December 2019)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	1,001,604	301,075	1,185,128	138,262	2,626,070	—	2,626,070
2) Internal net sales or transfer among geographical regions	469,698	129,394	81,754	89	680,936	(680,936)	—
Total	1,471,302	430,469	1,266,882	138,352	3,307,007	(680,936)	2,626,070
Operating income	91,941	15,107	54,075	5,653	166,778	3,655	170,433

[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.