

Consolidated Financial Summary for the First Six Months Ended 30 September 2020

[Japanese GAAP]

5 November 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 November 2020
 Start of Payment of Cash Dividends : 30 November 2020
 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 FY2020 first six months (1 April – 30 September 2020)

(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 2020 first six months	1,270,247	-27.6	74,901	-36.8	96,169	-31.1	54,326	-31.5
FY 2019 first six months	1,755,446	-9.0	118,606	-40.2	139,487	-40.0	79,303	-41.8

[Note] Comprehensive income FY2020 first six months 87,575 Million Yen (102.5 %)
 FY2019 first six months 43,252 Million Yen (-64.1 %)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY 2020 first six months	111.94	111.92
FY 2019 first six months	171.90	171.88

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
FY 2020 second quarter	3,755,581	1,843,039	41.1
FY 2019	3,339,783	1,793,657	44.5

[Reference] Shareholders' equity : FY2020 second quarter 1,541,828 Million Yen
 (Net assets excluding non-controlling FY2019 1,487,550 Million Yen
 interests 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
FY2019	–	37.00	–	48.00	85.00
FY2020	–	37.00			
FY2020 (Forecast)			–	–	–

[Note] 1 Revision of the latest forecasts of cash dividends announced: No

2 With respect to the forecasts of cash dividends for FY2020, the company is still unable to provide.

3. Forecasts for Consolidated Operating Results of FY2020 (1 April 2020 – 31 March 2021)

(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	3,000,000	-14.0	160,000	-25.6	180,000	-26.7	110,000	-18.0	226.64

[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)

FY2020 Q2	491,098,300	FY2019	491,067,800
FY2020 Q2	5,735,495	FY2019	5,735,335
FY2020 Q2	485,341,145	FY2019 Q2	461,328,998

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 2020.

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1. Summary of Management Results, etc.

(1) Summary of Management Results and Financial Positions

(Management results of FY2020 first six months)

With respect to the management environment of the Group for FY2020 first six months, the spread of new coronavirus infection has slowed the global economy and been affecting our group's operating results.

Particularly for April-June period, the implementation of restriction measures in each country restricted the attendance of employees and delayed the supply of parts in the supply chain, which resulted in the suspension of production, production cutbacks, and sales suspension.

On the other hand, for July-September period, the company gradually restarted production and sales activities according with the lift of lockdown orders in Japan and India, which are the important markets for our group. However, it is uncertain when the new coronavirus infection will end in India. In addition, a second wave of the new coronavirus is concerned in Japan and mainly northern hemisphere countries where winter approaches. Therefore, the severe situation that the Company needs to pay attention to is expected to continue.

Under such circumstances, with respect to the Group's operating results for FY2020 first six months, consolidated net sales decreased by ¥485.2 billion (27.6%) to ¥1,270.2 billion, and operating income decreased by ¥43.7 billion (36.8%) to ¥74.9 billion year-on-year. The decreased net sales and income for April-June period could not be covered with recovery of sales in India and Japan, and efforts to decrease expenses for July-September period.

Ordinary income decreased by ¥43.3 billion (31.1%) to ¥96.2 billion, and net income attributable to owners of the parent decreased by ¥25.0 billion (31.5%) to ¥54.3 billion year-on-year.

<The operating results by business segmentation> (Automobile Business)

Net sales decreased by ¥447.5 billion (28.3%) to ¥1,133.9 billion, and operating income decreased by ¥36.9 billion (34.7%) to ¥69.2 billion year-on-year. The decreased net sales and income for April-June period could not be covered with recovery of sales in India and Japan, and efforts to decrease expenses for July-September period.

(Motorcycle Business)

Net sales decreased by ¥37.4 billion (29.6%) to ¥89.1 billion year-on-year, and operating loss of ¥3.6 billion was recorded owing to decrease in sales during the sales season of large motorcycles in April-June period, and the impact of decrease in sales of small motorcycles in markets including India and ASEAN.

(Marine Business, etc.)

Net sales decreased by ¥0.3 billion (0.6%) to ¥47.2 billion, and operating income decreased by ¥1.5 billion (13.7%) to ¥9.3 billion year-on-year. They were kept at this level owing to recovery of sales of large outboard motors mainly in North America.

With respect to the operating results of Marine business, net sales increased by ¥1.6 billion (4.1%) to ¥41.4 billion, and operating income decreased by ¥1.0 billion (11.1%) to ¥8.0 billion year-on-year.

<The operating results by geographical region>

Although net sales and income decreased in all areas in FY2020 first six months, for July-September period, income increased in Japan, Asia, and other areas.

(Financial Positions of FY2020 second quarter)

- Assets, liabilities and net assets

With respect to the financial positions at the end of FY2020 second quarter, total assets were ¥3,755.6 billion (increased by ¥415.8 billion from the end of the previous consolidated fiscal year). With respect to liabilities, the company borrowed ¥400.0 billion for securing sufficient cash on hand in the FY2020 first quarter as the outlook of the new coronavirus was uncertain. As a result, interest-bearing debt were ¥792.8 billion (increased by ¥388.6 billion from the end of the previous consolidated fiscal year) and total liabilities were ¥1,912.5 billion (increased by ¥366.4 billion from the end of the previous consolidated fiscal year). Total net assets were ¥1,843.1 billion (increased by ¥49.4 billion from the end of the previous consolidated fiscal year).

As for the shareholders' equity ratio, the company had been working to improve it to 45% till the previous consolidated

fiscal year. However, it dropped to 41.1% by borrowing to secure sufficient cash on hand while the new coronavirus was spreading.

The company will continue to work for improving the shareholders' equity ratio as an important management issue, in balance with securing funds.

- Cash flows

The balance of cash and cash equivalents at the end of FY2020 second quarter amounted to ¥860.2 billion (increased by ¥439.8 billion from the end of the previous consolidated fiscal year). Cash flows for FY2020 first six months are as follows.

(Net cash provided by operating activities)

Net cash provided by operating activities for FY2020 first six months amounted to ¥163.4 billion of positive due to performance recovery (¥106.7 billion of positive in the same period of the previous fiscal year).

(Net cash provided by investing activities)

Net cash provided by investing activities for FY2020 first six months amounted to ¥84.1 billion of negative which was used for capital investment in India, etc (¥99.1 billion of negative in the same period of the previous fiscal year).

As a result, free cash flow amounted to ¥79.3 billion of positive (¥7.6 billion of positive in the same period of the previous fiscal year).

(Net cash provided by financing activities)

Net cash provided by financing activities for FY2020 first six months amounted to ¥356.6 billion of positive (¥41.0 billion of negative in the same period of the previous fiscal year).

This resulted from borrowing ¥400.0 billion for April-June period to secure sufficient cash on hand due to the uncertain outlook for the new coronavirus.

(2) Forecasts for Consolidated Operating Results

Previously, the forecasts for consolidated operating results for FY2020 were undetermined since we were unable to rationally calculate the forecasts owing to the spread of the new coronavirus pandemic in the Company's major market of India. However, based on the latest situation and the trends in the Company's operating results, we have determined the forecasts as per below.

With respect to the outlook for FY2020 automobile sales in India, considering the pandemic situation, we have calculated as 80% year-on-year, taking into concern certain amount of its risks.

(Forecasts for the consolidated operating results-Full Year)

Net Sales	¥3,000.0	billion	(down 14.0% year-on-year)
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Operating income	¥160.0	billion	(down 25.6% year-on-year)
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Ordinary income	¥180.0	billion	(down 26.7% year-on-year)
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Net Income attributable to owners of the parent	¥110.0	billion	(down 18.0% year-on-year)
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(Foreign Exchange Rate) ¥106/US\$, ¥120/Euro, ¥1.43/Indian Rupee, ¥0.73/100 Indonesian Rupiah, ¥3.38/Thai Baht

*Forecasts for the consolidated operating results are based on currently available information and assumptions, contain risks and uncertainty and do not constitute guarantees of future achievement. Please note that the actual 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 U.S. dollar/Yen rate, Euro/Yen rate, Indian Rupee/Yen rate).

(3) Dividends for Current Fiscal Year

The Company recognizes shareholder return as one of the important management issues.

With respect to the interim cash dividends, we have kept it unchanged from the previous year at 37 yen per share.

As for the forecasts for the annual dividends, it will remain undetermined to further assess the situation.

2. Quarterly Consolidated Financial Statements and Significant Notes

(1) Quarterly Consolidated Balance Sheet

(Amount: Millions of yen)

	FY2019 (As of 31 March 2020)	FY2020 second quarter (As of 30 September 2020)
Assets		
Current assets		
Cash and deposits	485,808	917,707
Notes and accounts receivables-trade	427,358	417,928
Short-term investment securities	118,584	111,591
Merchandise and finished goods	245,409	222,880
Work in process	47,420	42,971
Raw materials and supplies	62,662	62,711
Other	155,349	130,224
Allowance for doubtful accounts	(2,871)	(2,915)
Total current assets	1,539,722	1,903,099
Noncurrent assets		
Property, plant and equipment	920,144	939,726
Intangible assets	1,604	1,640
Investments and other assets		
Investment securities	662,194	699,339
Other	216,713	212,390
Allowance for doubtful accounts	(445)	(393)
Allowance for investment loss	(150)	(221)
Total investments and other assets	878,312	911,114
Total noncurrent assets	1,800,060	1,852,481
Total assets	3,339,783	3,755,581
Liabilities		
Current liabilities		
Accounts payable-trade	257,996	288,078
Electronically recorded obligations	71,869	68,642
Short-term loans payable	195,598	507,004
Current portion of bonds with subscription rights to shares	2,972	2,971
Income taxes payable	22,310	28,460
Provision for product warranties	243,920	205,807
Other	430,838	415,592
Total current liabilities	1,225,506	1,516,557
Noncurrent liabilities		
Bonds with subscription rights to shares	8,560	8,560
Long-term loans payable	197,064	274,280
Other provision	15,898	16,887
Liabilities for retirement benefits	67,206	60,574
Other	31,889	35,682
Total noncurrent liabilities	320,619	395,985
Total liabilities	1,546,126	1,912,542

	FY2019 (As of 31 March 2020)	FY2020 second quarter (As of 30 September 2020)
Net assets		
Shareholders' equity		
Capital stock	138,202	138,262
Capital surplus	146,490	144,133
Retained earnings	1,414,665	1,445,692
Treasury stock	(21,775)	(21,775)
Total shareholders' equity	1,677,583	1,706,312
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	87,455	104,439
Deferred gains or losses on hedges	(269)	(413)
Foreign currency translation adjustment	(255,266)	(247,385)
Accumulated adjustment for retirement benefits	(21,951)	(21,125)
Total accumulated other comprehensive income	(190,032)	(164,483)
Subscription rights to shares	115	115
Non-controlling interests	305,990	301,095
Total net assets	1,793,657	1,843,039
Total liabilities and net assets	3,339,783	3,755,581

**(2) Quarterly Consolidated Statement of Income and
Quarterly Consolidated Statement of Comprehensive Income
(First six months ended 30 September 2020)
【Quarterly Consolidated Statement of Income】**

(Amount: Millions of yen)

	FY2019 first six months (1 April – 30 September 2019)	FY2020 first six months (1 April – 30 September 2020)
Net sales	1,755,446	1,270,247
Cost of sales	1,251,558	898,129
Gross profit	503,888	372,117
Selling, general and administrative expenses	385,282	297,216
Operating income	118,606	74,901
Non-operating income		
Interest income	19,735	18,625
Dividends income	1,931	2,216
Foreign exchange gains	-	496
Equity in earnings of affiliates	2,898	2,523
Other	4,764	4,682
Total non-operating income	29,329	28,544
Non-operating expenses		
Interest expenses	2,424	2,333
Foreign exchange losses	4,011	-
Other	2,013	4,943
Total non-operating expenses	8,448	7,276
Ordinary income	139,487	96,169
Extraordinary income		
Gain on sales of noncurrent assets	516	335
Gain on sales of investment securities	6	0
Total extraordinary income	523	335
Extraordinary loss		
Loss on COVID-19	-	※ 15,417
Loss on sales of noncurrent assets	109	39
Impairment loss	565	897
Total extraordinary loss	674	16,355
Income before income taxes	139,335	80,150
Income taxes	44,478	23,732
Net income	94,857	56,417
Net income attributable to non-controlling interests	15,554	2,090
Net income attributable to owners of the parent	79,303	54,326

【Quarterly Consolidated Statement of Comprehensive Income】

(Amount: Millions of yen)

	FY2019 first six months (1 April – 30 September 2019)	FY2020 first six months (1 April – 30 September 2020)
Net income	94,857	56,417
Other comprehensive income		
Valuation difference on available-for-sale securities	4,869	24,051
Deferred gains or losses on hedges	8	(51)
Foreign currency translation adjustment	(56,028)	6,131
Adjustment for retirement benefits	605	1,104
Share of other comprehensive income of affiliates accounted for using equity method	(1,059)	(78)
Total other comprehensive income	(51,604)	31,158
Comprehensive income	43,252	87,575
Comprehensive income attributable to:		
owners of the parent	41,477	79,874
non-controlling interests	1,775	7,700

(3) Quarterly Consolidated Statement of Cash Flows

(Amount: Millions of yen)

	FY2019 first six months (1 April – 30 September 2019)	FY2020 first six months (1 April–30 September 2020)
Net cash provided by (used in) operating activities		
Income before income taxes	139,335	80,150
Depreciation and amortization	78,397	60,701
Impairment loss	565	897
Increase (decrease) in allowance for doubtful accounts	(2,265)	(130)
Increase (decrease) in liabilities for retirement benefits	(13,002)	(6,816)
Increase (decrease) in provision for product warranties	10,252	(38,511)
Interest and dividends income	(21,666)	(20,842)
Interest expenses	2,424	2,333
Foreign exchange losses (gains)	2,509	(512)
Equity in losses (earnings) of affiliates	(2,898)	(2,523)
Loss (gain) on sales of property, plant and equipment	(406)	(295)
Decrease (increase) in notes and accounts receivable-trade	15,489	14,693
Decrease (increase) in inventories	2,291	32,118
Decrease (increase) in accounts receivable-other	2,904	21,601
Increase (decrease) in notes and accounts payable-trade	(57,981)	23,978
Increase (decrease) in accrued expenses	(25,296)	(19,136)
Other, net	(6,326)	16,439
Subtotal	124,326	164,144
Interest and dividends income received	20,935	19,048
Interest expenses paid	(2,322)	(2,396)
Income taxes paid	(36,267)	(17,443)
Net cash provided by (used in) operating activities	106,672	163,353
Net cash provided by (used in) investing activities		
Payments into time deposits	(59,807)	(36,710)
Proceeds from withdrawal of time deposits	51,480	44,176
Purchase of short-term investment securities	(400,548)	(169,912)
Proceeds from sales and redemption of short-term investment securities	421,843	173,946
Purchases of property, plant and equipment	(128,663)	(85,257)
Other, net	16,605	(10,308)
Net cash provided by (used in) investing activities	(99,088)	(84,065)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(11,303)	171,528
Proceeds from long-term loans payable	35,013	253,142
Repayment of long-term loans payable	(27,537)	(33,409)
Cash dividends paid	(17,068)	(23,295)
Cash dividends paid to non-controlling interests	(20,104)	(11,336)
Other, net	(7)	32
Net cash provided by (used in) financing activities	(41,009)	356,661
Effect of exchange rate changes on cash and cash equivalents	(7,704)	3,905
Net increase (decrease) in cash and cash equivalents	(41,130)	439,855
Cash and cash equivalents at beginning of period	473,097	420,392
Cash and cash equivalents at end of period	431,966	860,248

(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.

(Notes to Quarterly Consolidated Statement of Income)

※Loss on COVID-19

FY2020 first six months (1 April - 30 September 2020)

¥15,417 million equivalent to fixed expenses related to production suspension due to lockdown in countries including India and Hungary to prevent the spread of the new coronavirus pandemic was recorded as extraordinary loss.

(Segment Information)

Net sales and Profit (Loss) of Each Reportable Segment

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 (loss) *1	106,105	1,734	10,766	118,606

FY2020 first six months (1 April - 30 September 2020)

(Amount: Millions of yen)

	Reportable Segments			
	Automobile business	Motorcycle business	Marine business, etc.	Total
Net Sales	1,133,933	89,062	47,251	1,270,247
Segment profit (loss) *1	69,240	(3,634)	9,294	74,901

[Notes] *1. Segment profit (loss) 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 geographic region are as follows;

[Operating Results by Geographic Region]

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

FY2020 first six months (1 April - 30 September 2020)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	595,249	152,272	445,326	77,399	1,270,247	—	1,270,247
2) Internal net sales or transfer among geographical regions	224,230	50,379	32,428	202	307,240	(307,240)	—
Total	819,480	202,651	477,755	77,601	1,577,488	(307,240)	1,270,247
Operating income	57,164	2,119	6,308	3,274	68,867	6,033	74,901

[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.

(Significant Subsequent Event)

The Company, on the meeting of its Board of Directors held on 5 November 2020, has decided to redeem before maturity all of the outstanding bonds of the yen-denominated convertible bonds with stock acquisition rights due 2021 issued by the Company (hereinafter the “Bonds”) on 1 April 2016, at 100% of the principal amount as the conditions for clean-up call specified in the Terms of Issue of the Bonds were met.

1. Issue name of bonds subject to early redemption

SUZUKI MOTOR CORPORATION Zero Coupon Convertible Bonds due 2021

2. Aggregate principal amount of the Bonds to be redeemed before maturity

All of the Bonds outstanding

* The aggregate principal amount outstanding as of 5 November 2020: 2,970 million yen

3. Expiration date for the exercise of stock acquisition rights

13 November 2020 (London time)

4. Date of early redemption

21 December 2020