

Consolidated Financial Summary for the First Three Months Ended 30 June 2018

[Japanese GAAP]

2 August 2018

Company name : SUZUKI MOTOR CORPORATION
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Date of Filing Quarterly Securities Report : 9 August 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 FY2018 first three months (1 April – 30 June 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 three months	987,469	13.6	116,464	36.9	133,096	33.8	85,912	31.3
FY 2017 first three months	869,313	15.3	85,072	43.8	99,509	62.4	65,432	72.4

[Note] Comprehensive Income FY2018 first three months 70,072 Million Yen (-27.6 %)
 FY2017 first three months 96,765 Million Yen (- %)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY 2018 first three months	194.49	187.65
FY 2017 first three months	148.30	148.28

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
FY 2018 first quarter	3,343,866	1,645,446	40.0
FY 2017	3,340,828	1,595,227	38.8

[Reference] Shareholders' equity : FY2018 first quarter 1,337,216 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	-				
FY2018 (Forecast)		37.00	-	37.00	74.00

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

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

(Percentage indicates change from same period of 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	340,000	-9.1	350,000	-8.6	205,000	-5.0	464.05

[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)

FY2018 Q1	491,018,100	FY2017	491,018,100
FY2018 Q1	49,272,522	FY2017	49,280,675
FY2018 Q1	441,739,396	FY2017 Q1	441,217,828

2) Number of treasury stock at end of period

3) Average number of outstanding shares during period
(First three 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 2 August 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 first quarter (As of 30 June 2018)
Assets		
Current assets		
Cash and deposits	690,418	686,645
Notes and accounts receivables-trade	388,973	376,596
Short-term investment securities	256,695	235,961
Merchandise and finished goods	253,999	229,377
Work in process	48,954	49,158
Raw materials and supplies	49,962	53,807
Other	135,237	133,073
Allowance for doubtful accounts	(5,252)	(4,735)
Total current assets	1,818,988	1,759,884
Noncurrent assets		
Property, plant and equipment	804,265	836,341
Intangible assets	2,556	2,445
Investments and other assets		
Investment securities	543,485	570,116
Other	172,058	175,604
Allowance for doubtful accounts	(402)	(401)
Allowance for investment loss	(124)	(124)
Total investments and other assets	715,017	745,195
Total noncurrent assets	1,521,839	1,583,982
Total assets	3,340,828	3,343,866
Liabilities		
Current liabilities		
Accounts payable-trade	443,916	393,677
Electronically recorded obligations	68,322	69,538
Short-term loans payable	190,756	193,290
Income taxes payable	40,598	37,855
Provision for product warranties	105,106	113,815
Other	392,640	381,040
Total current liabilities	1,241,341	1,189,217
Noncurrent liabilities		
Bonds with subscription rights to shares	194,211	194,088
Long-term loans payable	192,943	198,527
Other provision	15,410	15,955
Liabilities for retirement benefits	65,224	65,628
Other	36,469	35,003
Total noncurrent liabilities	504,259	509,203
Total liabilities	1,745,601	1,698,420

(Amount: Millions of yen)

	FY2017 (As of 31 March 2018)	FY2018 first quarter (As of 30 June 2018)
Net assets		
Shareholders' equity		
Capital stock	138,064	138,064
Capital surplus	143,868	143,868
Retained earnings	1,247,242	1,313,683
Treasury stock	(189,126)	(189,096)
Total shareholders' equity	1,340,047	1,406,519
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	108,528	99,730
Deferred gains or losses on hedges	22	(97)
Foreign currency translation adjustment	(140,136)	(158,075)
Accumulated adjustment for retirement benefits	(10,925)	(10,861)
Total accumulated other comprehensive income	(42,511)	(69,303)
Subscription rights to shares	126	126
Non-controlling interests	297,564	308,103
Total net assets	1,595,227	1,645,446
Total liabilities and net assets	3,340,828	3,343,866

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

(Amount: Millions of yen)

	FY2017 first three months (1 April – 30 June 2017)	FY2018 first three months (1 April – 30 June 2018)
Net sales	869,313	987,469
Cost of sales	622,873	692,920
Gross profit	246,440	294,549
Selling, general and administrative expenses	161,367	178,084
Operating income	85,072	116,464
Non-operating income		
Interest income	10,750	11,163
Dividends income	1,283	1,569
Equity in earnings of affiliates	813	979
Other	6,098	5,868
Total non-operating income	18,946	19,579
Non-operating expenses		
Interest expenses	1,197	871
Foreign exchange loss	981	922
Other	2,329	1,153
Total non-operating expenses	4,509	2,948
Ordinary income	99,509	133,096
Extraordinary income		
Gain on sales of noncurrent assets	188	873
Gain on sales of investment securities	1,281	-
Total extraordinary income	1,470	873
Extraordinary loss		
Loss on sales of noncurrent assets	43	28
Total extraordinary loss	43	28
Income before income taxes	100,936	133,940
Income taxes	23,161	29,699
Net income	77,775	104,241
Net income attributable to non-controlling interests	12,342	18,328
Net income attributable to owners of the parent	65,432	85,912

【Quarterly Consolidated Statement of Comprehensive Income】

(Amount: Millions of yen)

	FY2017 first three months (1 April – 30 June 2017)	FY2018 first three months (1 April – 30 June 2018)
Net income	77,775	104,241
Other comprehensive income		
Valuation difference on available-for-sale securities	6,013	(10,720)
Deferred gains or losses on hedges	(1,859)	(135)
Foreign currency translation adjustment	15,535	(22,686)
Adjustment for retirement benefits	(287)	58
Share of other comprehensive income of associates accounted for using equity method	(410)	(685)
Total other comprehensive income	18,990	(34,168)
Comprehensive income	96,765	70,072
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	79,516	59,120
Comprehensive income attributable to non-controlling interests	17,249	10,952

(3) Quarterly Consolidated Statement of Cash Flows

(Amount: Millions of yen)

	FY2017 first three months (1 April – 30 June 2017)	FY2018 first three months (1 April – 30 June 2018)
Net cash provided by (used in) operating activities		
Income before income taxes	100,936	133,940
Depreciation and amortization	40,221	32,686
Increase (decrease) in allowance for doubtful accounts	333	(472)
Interest and dividends income	(12,033)	(12,732)
Interest expenses	1,197	871
Foreign exchange losses (gains)	727	130
Equity in (earnings) losses of affiliates	(813)	(979)
Loss (gain) on sales of property, plant and equipment	(145)	(844)
Loss (gain) on sales of investment securities	(1,281)	-
Decrease (increase) in notes and accounts receivable-trade	6,317	9,646
Decrease (increase) in inventories	30	16,773
Increase (decrease) in notes and accounts payable-trade	(21,263)	(45,696)
Increase (decrease) in accrued expenses	(10,967)	(15,318)
Other, net	(15,322)	3,581
Subtotal	87,935	121,588
Interest and dividends income received	11,357	12,369
Interest expenses paid	(1,277)	(795)
Income taxes paid	(34,970)	(27,092)
Net cash provided by (used in) operating activities	63,044	106,070
Net cash provided by (used in) investing activities		
Payments into time deposits	(27,730)	(22,615)
Proceeds from withdrawal of time deposits	47,176	32,235
Purchase of short-term investment securities	(77,473)	(144,800)
Proceeds from sales and redemption of short-term investment securities	92,323	113,790
Purchases of property, plant and equipment	(48,009)	(66,327)
Other, net	(30,876)	(25,497)
Net cash provided by (used in) investing activities	(44,588)	(113,214)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	29,298	(482)
Proceeds from long-term loans payable	17,000	18,164
Repayment of long-term loans payable	(10,525)	(12,213)
Redemption of bonds	-	(100)
Purchase of treasury stock	(0)	(1)
Cash dividends paid	(11,915)	(19,442)
Cash dividends paid to non-controlling interests	(98)	(245)
Other, net	(6)	3
Net cash provided by (used in) financing activities	23,751	(14,316)
Effect of exchange rate changes on cash and cash equivalents	2,416	(854)
Net increase (decrease) in cash and cash equivalents	44,624	(22,315)
Cash and cash equivalents at beginning of period	614,031	600,846
Cash and cash equivalents at end of period	658,656	578,530

(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)

Net sales and Profit (Loss) of Each Reportable Segment

FY2017 first three months (1 April - 30 June 2017)

(Amount: Millions of yen)

	Reportable Segments			
	Automobile business	Motorcycle business	Marine business, etc.	Total
Net Sales	787,314	61,618	20,381	869,313
Segment profit *1	79,396	2,009	3,665	85,072

FY2018 first three months (1 April - 30 June 2018)

(Amount: Millions of yen)

	Reportable Segments			
	Automobile business	Motorcycle business	Marine business, etc.	Total
Net Sales	900,539	64,341	22,588	987,469
Segment profit *1	109,398	2,105	4,961	116,464

[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, Electro senior vehicles, Houses

(Reference)

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

[Operating Results by Geographic Region]

FY2017 first three months (1 April - 30 June 2017)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	328,822	110,132	390,263	40,095	869,313	—	869,313
2) Internal net sales or transfer among geographic regions	169,565	47,490	26,129	66	243,251	(243,251)	—
Total	498,388	157,622	416,392	40,161	1,112,565	(243,251)	869,313
Operating income	47,248	6,362	32,685	1,253	87,550	(2,478)	85,072

FY2018 first three months (1 April - 30 June 2018)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	365,343	113,604	464,758	43,763	987,469	—	987,469
2) Internal net sales or transfer among geographic regions	178,955	47,281	32,089	66	258,392	(258,392)	—
Total	544,298	160,886	496,848	43,829	1,245,862	(258,392)	987,469
Operating income	50,723	7,710	53,616	2,281	114,332	2,132	116,464

[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.