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Suzuki Announces the Financial Results for FY2016 (April 2016 to March 2017)

- Decreased net sales and increased income for this fiscal year
- Annual dividends up by ¥12.00 per share year-on-year
- Forecasts for operating results of the next fiscal year prospects increase in net sales and decrease in income partly owing to increase in research and development expenses

1. Outline of the Financial Results for FY2016

The consolidated net sales of this fiscal year (April 2016 to March 2017) decreased by ¥11.2 billion (0.3%) to ¥3,169.5 billion compared to the previous fiscal year. The Japanese domestic net sales decreased by ¥10.4 billion (1.0%) to ¥1,037.5 billion year-on-year mainly owing to decrease in minivehicle and OEM sales, despite increase in compact car sales. The overseas net sales were flat on the year at ¥2,132.0 billion mainly owing to decrease in automobile sales in Indonesia and Pakistan, and the impact of the exchange rate, despite increase in automobile sales in areas including India and Europe.

In terms of the consolidated income, although there were impact of the exchange rate, the operating income increased by ¥71.4 billion (36.5%) to ¥266.7 billion year-on-year mainly owing to increase in automobile sales in India and Europe. The ordinary income increased by ¥77.6 billion (37.1%) to ¥286.7 billion year-on-year. The net income attributable to owners of the parent increased by ¥43.3 billion (37.1%) to ¥160.0 billion year-on-year partly owing to increase in gain on sales of investment securities, in addition to increase in the ordinary income, despite accounting impairment loss of ¥39.9 billion for businesses including the automobile business in Thailand as extraordinary losses.

Under the New Mid-Term Management Plan, the company targets dividend payout ratio of 15% or more. However, the shareholder's equity ratio has declined to 35% level partly owing to large-scale acquisition of treasury shares in the previous fiscal year. Taking this into consideration, with respect to this fiscal year, the year-end dividends will be based on the net income attributable to owners of the parent excluding the gain on sales of investment securities, and is scheduled to be ¥27.00 per share. As a result, the annual dividends including the interim dividends will be ¥44.00 per share, up by ¥12.00 per share from the previous fiscal year. Dividend payout ratio based on the net income attributable to owners of the parent excluding the gain on sales of investment securities will be 15.2%.

2. The Operating Results by Segment

In the automobile business, the Japanese domestic automobile market achieved annual compact car sales of 100,000 units for the first time ever by launching the all-new Swift, in addition to the Solio and the Ignis. With respect to minivehicle sales, the company made efforts to expand sales by strengthening products such as by introducing the Spacia Custom Z and launching the all-new WagonR. However, the Japanese domestic automobile net sales decreased year-on-year owing to decrease in OEM sales. The overseas automobile net sales increased year-on-year mainly owing to strong sales of models including the Baleno and the Vitara Brezza in India and the Vitara in Europe, despite the impact of the exchange rate. Consequently, the net sales of the automobile business increased by ¥17.1 billion (0.6%) to ¥2,895.6 billion year-on-year. The operating income increased by ¥62.5 billion (32.4%) to ¥255.1 billion year-on-year mainly owing to improvement in sales and model mix in Japan, India, and Europe.

In the motorcycle business, the company launched models including the new supersport bike GSX-R1000 for the global market and the sport bike GSX-R150 for emerging countries. Although those models are much appreciated in their respective markets, because their launches occurred toward the fiscal year-end, the net sales remained at ¥206.3 billion and decreased by ¥27.6 billion (11.8%). The operating loss of ¥10.2 billion in the previous fiscal year improved to an operating loss of ¥0.9 billion owing to reduction of expenses such as sundry expenses, despite the impact of the exchange rate.

In the marine and power products, etc. business, the net sales decreased by ¥0.7 billion (0.9%) to ¥67.6 billion year-on-year mainly owing to the impact of the exchange rate, despite increase in the sales of the outboard motors in North America. The operating income decreased by ¥0.4 billion (2.6%) to ¥12.5 billion year-on-year.

With respect to the operating income by geographical areas, Japan, Europe, and Asia all saw increase in sales and income.

3. Forecasts for the Consolidated Operating Results of the Next Fiscal Year

Upon facing the third year of the New Mid-Term Management Plan SUZUKI NEXT 100 (from FY2015 to FY2019) in the next fiscal year, the company plans to actively make investments for growth. The company prospects continued increase in automobile sales in areas including India and Europe, while on the other hand, there will be increase in expenses including research and development expenses and depreciation. Thus, the company forecasts increase in net sales and decrease in income.

(Forecasts for the consolidated operating results-Full Year)

Net Sales	¥3,400.0 billion (up 7.3% year-on-year)
Operating Income	¥240.0 billion (down 10.0% year-on-year)
Ordinary Income	¥255.0 billion (down 11.1% year-on-year)
Net Income attributable to owners of the parent	¥145.0 billion (down 9.4% year-on-year)

(Foreign Exchange Rate)	¥110/US\$
	¥115/Euro
	¥1.65/Indian Rupee
	¥0.85/100 Indonesian Rupiah
	¥3.10/Thai Baht