

# ANNUAL REPORT

## 1999



**SUZUKI MOTOR CORPORATION**

PROFILE

**S**uzuki Motor Corporation designs and manufactures passenger cars, commercial vehicles, motorcycles, outboard motors, generators, general purpose engines and other products. The company continuously and vigorously promotes international economic and technical cooperation through numerous joint ventures overseas, and our production facilities are currently located in 27 countries around the world. The established network enables Suzuki to operate as a global organization serving 190 countries.

Suzuki is committed to use our amassed technological expertise and all other available resources to help raise the quality of human life in society by promoting corporate growth through manufacture and supply of socially demanded products.

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Headquarters, Engineering center and Motorcycle engines assembling plant

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## A MESSAGE FROM THE PRESIDENT

**D**uring the fiscal year ended 31st March 1999, the demand trend of the automotive industry in Japanese market continued to show decrease from the previous year for both motorcycles and automobiles, and recovery in personal consumption has not been made. Outside Japan, exports of completely built-up vehicles--both motorcycles and automobiles--increased from the previous year, but exports of components for overseas production decreased from the previous year, due to a severe drop in Southeast Asia and Latin America.

Under these severe circumstances, we have made great efforts to increase sales of motorcycles and automobiles. In the domestic market, we have enhanced motorcycle product lineup by introducing new models such as the Sky Wave 400, and as for automobiles, we launched last October six versions of four new mini cars simultaneously--Alto, Wagon R and Jimny, a "new-genre" car Kei, Alto Works and Wagon R RR-- in accordance with the regulation revision for mini vehicles, and also introduced mini commercial vehicles Carry and Every last January.

Meanwhile, in the overseas markets, we have made efforts to increase our exports of completely built-up vehicles by introducing new models such as the Grand Vitara and Jimny, and also implemented measures to strengthen and enhance our overseas manufacturing facilities and distribution network.

As a result, our net sales in this fiscal year reached ¥1,455,832 million (US\$12,076 million), 97.8% of the previous year. Our operating income stood at ¥47,261 million (US\$392 million), 84.5% of the previous year, due to an increase of depreciation cost. Our net income stood at ¥24,359 million (US\$202 million), 80.8% of the previous year.

We can only expect difficult market circumstances in the months ahead. However, we



intend to challenge the difficult situation by fortifying our sales function through improvement of our sales network in Japan and by making positive efforts to strengthen the competitiveness of our existing facilities and open up new markets around the world.

Furthermore, we will continue to strengthen our product development towards improvement of safety and quality, and will enhance our R & D for the sake of protection of the global environment. We will also bolster our corporate potentials and strive to further develop our business.

As for the year 2000 computer issue, we recognize it as a matter of extraordinary importance in conducting our business. To date, we have already finished implementing measures for our main systems, and plan to complete all our Y2K-related work by September 1999.

We are sincerely looking forward to your continuing support and encouragement of our business.

June 1999

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

Osamu Suzuki  
President & CEO

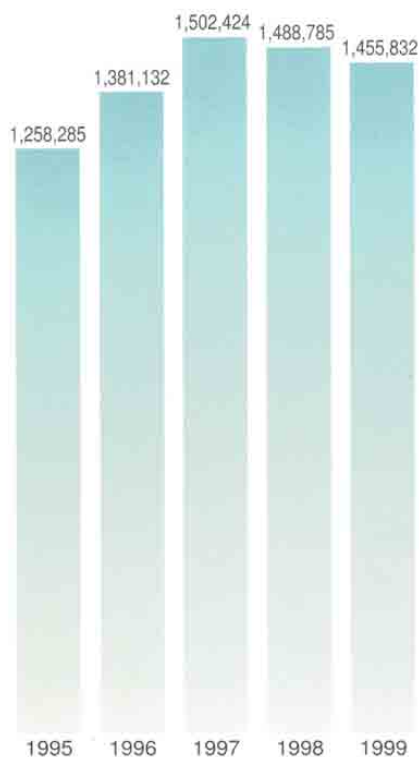
## FINANCIAL HIGHLIGHTS

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	(except per share amounts)		(except per share amounts)
Years ended 31st March, 1999 and 1998	1999	1998	1999
Net sales .....	<b>¥1,455,832</b>	¥1,488,785	<b>\$12,076,582</b>
Net income .....	<b>24,359</b>	30,156	<b>202,067</b>
Net income per share:			
Primary .....	<b>52.72</b>	67.17	<b>0.437</b>
Fully diluted .....	<b>52.40</b>	66.71	<b>0.434</b>
Cash dividends per share .....	<b>7.50</b>	7.50	<b>0.062</b>
Shareholders' equity .....	<b>438,047</b>	374,566	<b>3,633,743</b>
Total current assets .....	<b>627,232</b>	581,328	<b>5,203,088</b>
Total assets .....	<b>1,131,849</b>	1,037,280	<b>9,389,044</b>
Depreciation and amortization .....	<b>82,546</b>	67,263	<b>684,749</b>

Note: Yen amounts have been translated into U.S. dollars, for convenience only,  
at ¥120.55= US\$1, the prevailing exchange rate on 31st March, 1999.

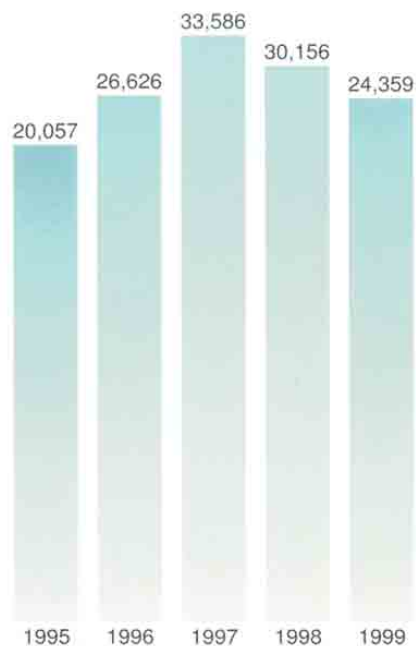
### Net Sales

Years ended 31st March  
(Millions of yen)



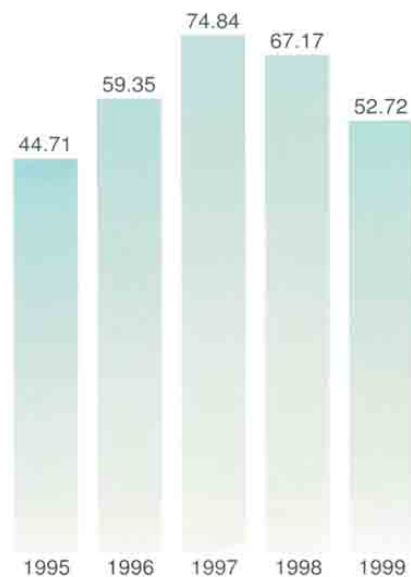
### Net Income

Years ended 31st March  
(Millions of yen)



### Net Income Per Share

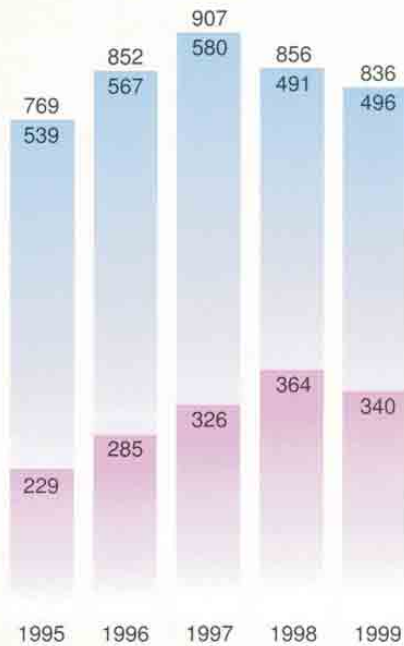
Years ended 31st March  
(Yen)



## YEAR IN REVIEW

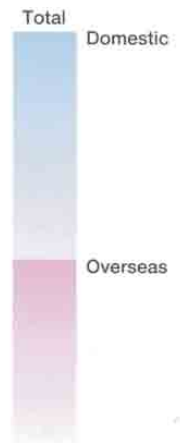
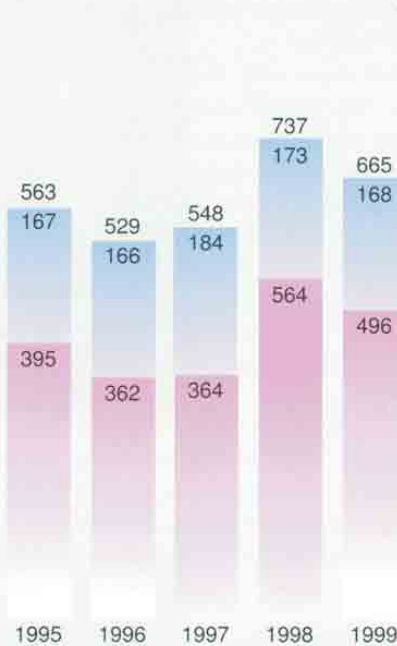
### Automobiles Unit Sales

Years ended 31st March (Thousand units)



### Motorcycles Unit Sales

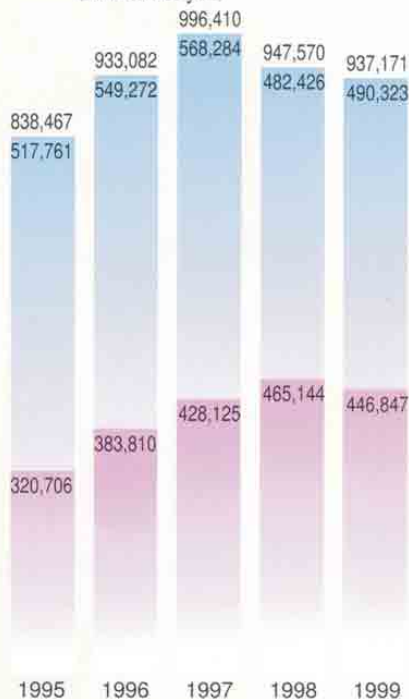
Years ended 31st March (Thousand units)



※The figures for unit sales do not include vehicles assembled outside Japan by non-consolidated companies from KD sets of parts.

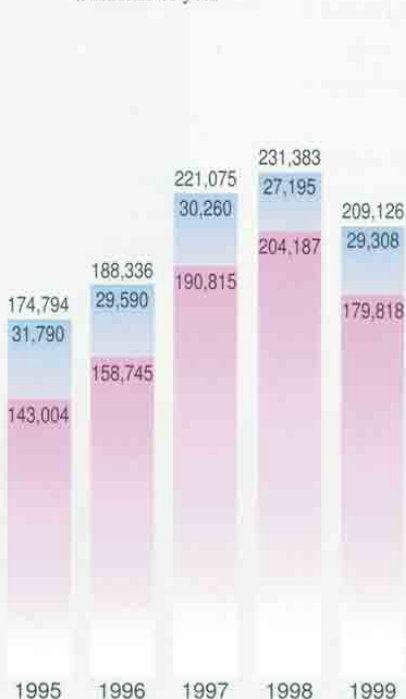
### Automobiles Sales

Years ended 31st March  
(Millions of yen)



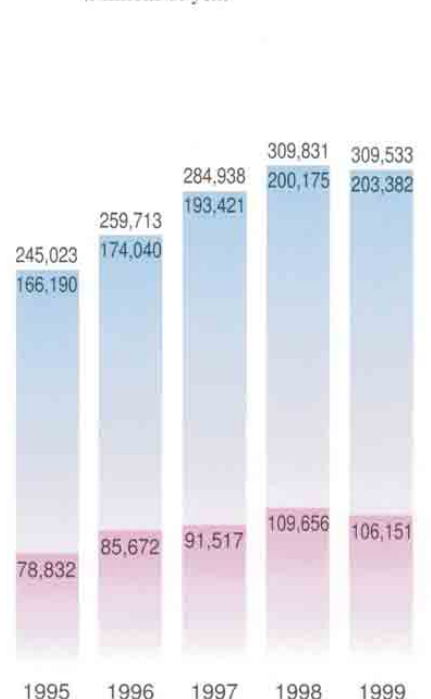
### Motorcycles Sales

Years ended 31st March  
(Millions of yen)



### Other Sales

Years ended 31st March  
(Millions of yen)





# Automobiles

## Japanese Market

Total domestic sales of automobiles in this fiscal year amounted to 5,874,171 units, 94% of the previous year, down for the 2nd consecutive year.

Despite such circumstance, Suzuki's automobile sales exceeded the previous year and totalled 575,448 units, 101% of the previous year. Suzuki occupied 9.8% share in the market, 0.7 point increase from the previous year, and ranked the fifth among the eleven domestic manufacturers.

Looking back at this fiscal year for Suzuki, 1) as the introduction of new models from each manufacturer responding to the regulation revision vitalized the market in the latter half of the year, Suzuki's mini vehicle sales was 526,872 units, 106% of the previous year. In 1999, Suzuki once again had the biggest market share of mini vehicles, for the 26th consecutive year; 2) the Wagon R became the top seller among all the mini vehicles for the 4th consecutive year since 1996; 3) the Carry Truck once again became the best-selling model in the all-truck segment, which includes compact and standard trucks for the 28th consecutive year; and 4) Suzuki's subcompact vehicle sales was 48,576 units, 66% of the previous year, influenced by the decline of total domestic sales of subcompact and larger vehicles reflecting the economic downturn.



Kosai automobile plant



BALENO WAGON



WAGON R+



Kei



ALTO





Iwata automobile plant



GRAND VITARA



JIMNY



CARRY VAN



CARRY TRUCK

## Overseas Markets

Total automobile sales for this fiscal year stood at 1,066,000 units, 87% of the previous year, due to the decrease of KD exports to Southeast Asia caused by the economic crisis in the region. Nevertheless, as CBU exports increased to 118% of the previous year, the turnover exceeded the previous year.

As for products, we have introduced a number of new models to the markets, including the new Jimny introduced in September 1998, the Grand Vitara Canvas Top, and the new Carry, after launching Wagon R<sup>+</sup> and Grand Vitara Metal Van and long body in the 97/98 fiscal year.

As for the overseas operations, Suzuki is making further efforts to enhance our sales network, in an era of intense competition in which every company must struggle for its survival. We have also strengthened our partnership with General Motors, as an equal partner, to explore joint business opportunities in Europe and other regions. Business operations of our overseas subsidiaries are favorably performed overall, and we are making utmost efforts toward full rationalization and maximum efficiency to further heighten their business strengths.

Looking at each region, Suzuki's exports decreased in Southeast Asia, and Central and South Americas, particularly Indonesia where the economy was hit hard by the fall of the rupiah. On the other hand, exports of CBU to North America and Europe and other regions have increased.



# Motorcycles

## Japanese Market

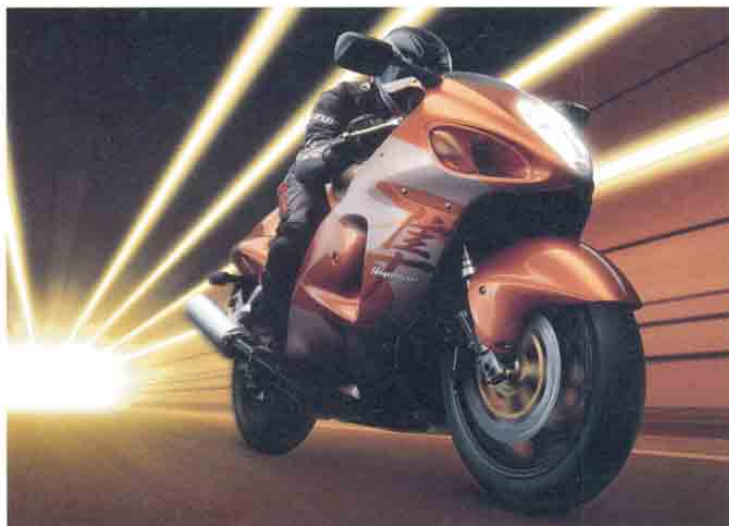
The number of motorcycles shipped to the domestic market by all the four Japanese manufacturers in this fiscal year, affected by the long continuing economic downturn, was 993,000 units, 86% of the previous year. In fact, the last time the shipment volume fell below one million was as far back as 40 years ago, in 1959.

As for the 126cc-and-over motorcycles, the market for 401cc-and-over motorcycles continued to grow following the revision of the motorcycle-rider licensing system in September 1996. But since the decrease of 400cc-and-under motorcycles has been severe, the number of newly registered 126cc-and-over motorcycles in this fiscal year dropped to 169,000 units, 92% of the previous year.

Suzuki shipped 153,000 units, 82% of the previous year. Nevertheless, the 250cc scooter Sky Wave introduced in 1998, and the Sky Wave 400, the first mass-production 400cc scooter, received favorable reputation, and as a result, the number of newly registered 126cc-and-over Suzuki motorcycle was 24,000 units, 105% of the previous year, marking the only growth among the four Japanese manufacturers.



Toyokawa motorcycle plant



GSX1300R



GSX1200



VZ400B



LT-A500F





SV650



AN400 (Sky Wave 400)



RM250



VL125



UC125

## Overseas Markets

Total motorcycle sales for this fiscal year stood at 1,475,000 units, 76% of the previous year, due to the decrease of KD exports to Southeast Asian markets, as the automobile sales experienced in the similar way. The component parts sales for overseas production, also, decreased by the sluggish market condition of Southeast Asia.

The CBU motorcycle export sales, however, increased to 299,000 units, 122% of the previous year, which made the annual turnover remained almost unchanged, 99% of the previous year.

This year, a number of new models were introduced to overseas markets. Some of them were highly-reputed big scooters AN250/400, V-twin Sport SV650/650S and sensational Ultimate Sport GSX1300R Hayabusa. These new models substantially supported the increase of CBU motorcycle exports to European and North American markets.

# Marine and Power Products

## Marine Products

The new 1999 4-stroke outboard motor DF40/50 were honored with the Innovation Award at the IMTEC show held in Chicago, U.S.A. --the first-ever consecutive winning of this award, following the 1998 model DF60/70 last year, which firmly established the high technological reputation of Suzuki's 4-stroke outboard motors.

With economic recovery not yet in sight, sales continued to be slow in Southeast Asia, but in U.S.A. and Europe, where the economy is relatively strong, sales of outboard motors shifted from small models to larger models -- V6 models and the 4-stroke DF series and the sales of these models grew strongly. As a result, the total sales for overseas markets increased to 156% of the previous year.



Suzuki outboard motors provide power for a wide range of boats



Outboard Motor  
DF50

## Power Products

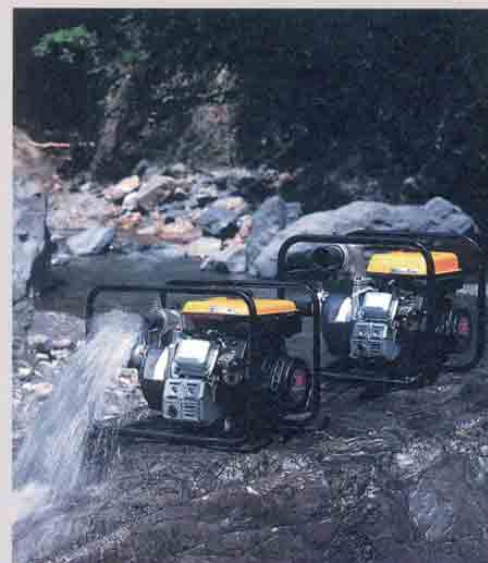
In the generator lineup, two economical new models were introduced: the SD1400 and SV2000K, powered by 4-stroke OHV engines. Efforts to cultivate new markets contributed to 138% growth of the generators in overseas markets compared to the previous year. As for general purpose engines, sales grew, supported by favorable OEM supplies to the U.S.A. and Europe, but shipments of lawn mowers and snowmobile engines decreased. In total overseas sales for power products stood at 103% of the previous year.



Generator SD1400



General Purpose Engine V420E



Water pump



## **I**nternational Activities

One of Suzuki's corporate policies is to contribute to regional economies and employment by enhancing overseas local production. Currently, our global manufacturing and assembly network expanded in 27 countries around the world.

Through the establishment of this worldwide production network, Suzuki aims to introduce to our overseas plants not only various technologies for production processes, but also management of QC circle activities. Through these measures we encourage employees at all our overseas plants to implement various improvements in our plants and to heighten awareness and motivation toward achieving higher productivity and quality.



**Suzuki International QC Circle Convention**



**Contestants at the Suzuki World Cup '99 International Aerobic Championship**

The Suzuki International QC Circle Convention is held for the purpose of spreading the philosophy of production improvement and expanding QC activity itself throughout the entire Suzuki family. The convention is now held every two years; as many as 850 participants representing 14 countries plus Japan participated in the last convention, lending a lively international atmosphere to the event.

In order to share comprehensive technologies with our overseas plants, Suzuki welcomes a number of trainees to various study programs. Experiencing Suzuki QC circle activities and production systems for themselves, help the trainees to play an active role in promoting and developing QC circle programs in their own countries.

Our global exchanges are cultural as well as technical including a wide range of exchanges such as sports, economic, and others. This past April, the Suzuki World Cup '99 International Aerobic Championship, took place at the Tokyo Gymnasium. This event is organized by the International Aerobic Federation and was the tenth this year.

With the recent trend toward a healthier lifestyle, more and more people are interested in aerobics. This year's Championship event attracted over 4,000 people who enjoyed watching performance of participants from various nations. This year, 110 national champions from 21 countries competed in four categories: women's singles, men's singles, mixed pairs, and trios. Each of them, with the enthusiastic spectators filling the gymnasium, made the event a great success.

## **O**utline of the Suzuki Group

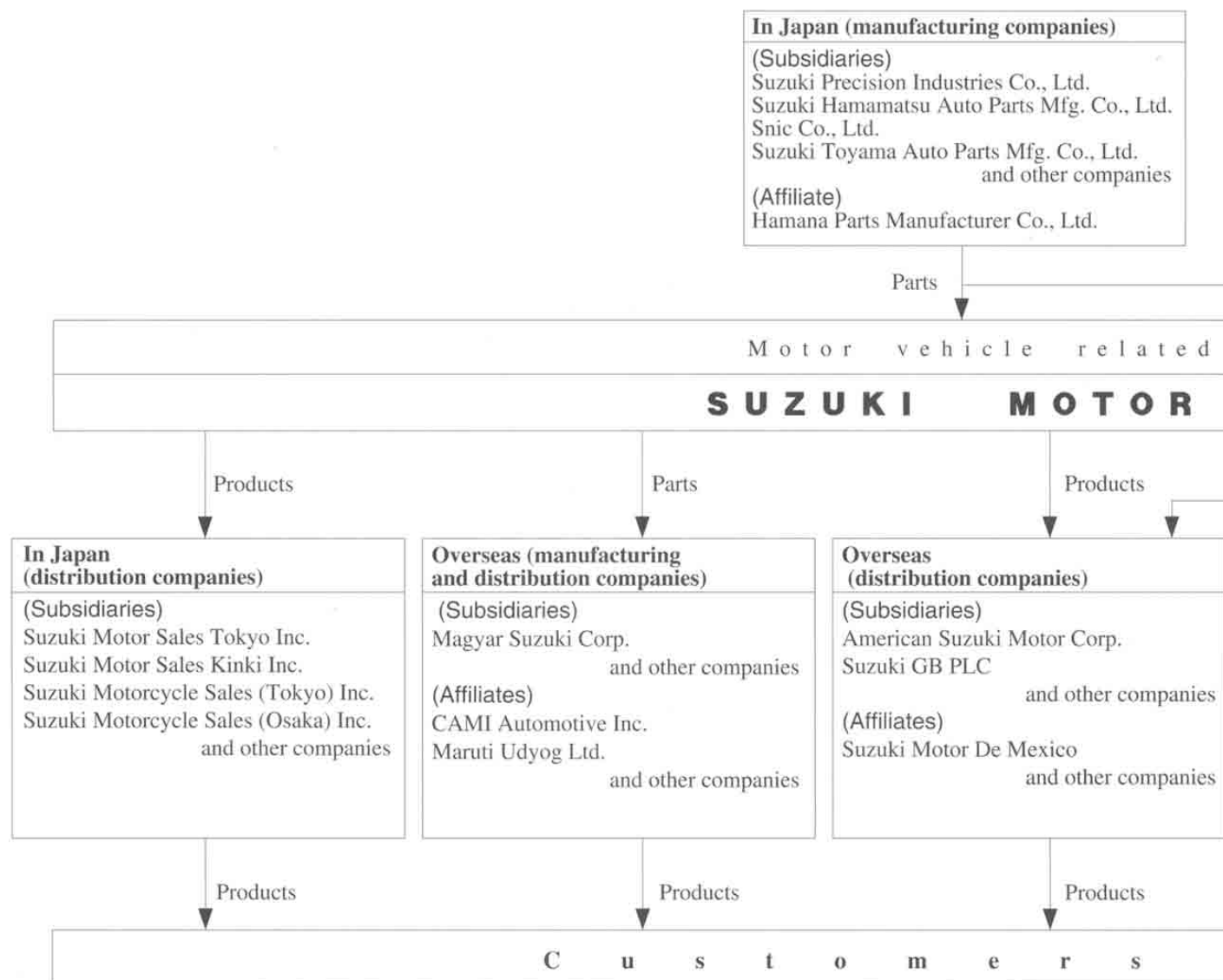
Suzuki group is composed of the parent company and its 136 subsidiaries, and 22 affiliates. Its main business activities are the production and sale of motor vehicles (motorcycles and automobiles), outboard motors, housing, and other various businesses such as logistics and servicing.

The positioning and the relationships within the Suzuki group are as follows:

### **Motor vehicle related businesses**

Production of motorcycles and automobiles is carried out by Suzuki Motor Corporation, and a subsidiary Magyar Suzuki Corporation, affiliated CAMI Automotive Inc., and others which is in overseas. Suzuki Precision Industries, Co., Ltd., and others produce some components for Suzuki Motor Corporation.

The organization chart of the Suzuki corporate group is as follows:



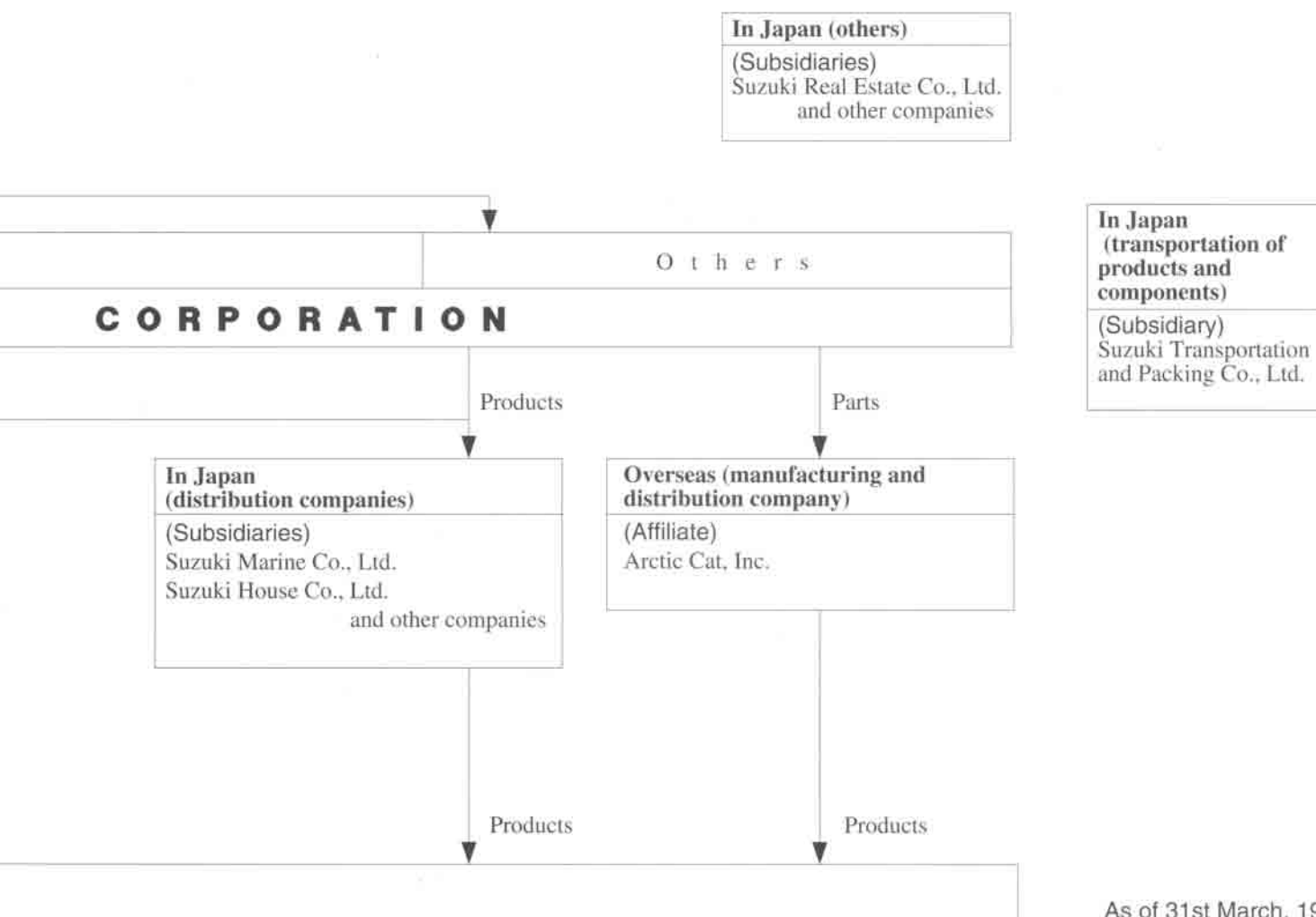


Sales in Japan is carried out through domestic distribution companies, such as a subsidiary Suzuki Motor Sales Kinki Inc. Sales outside Japan is carried out through distributors including American Suzuki Motor Corp. Transportation of products and components is carried out by Suzuki Transportation and Packing Co., Ltd.

## Other businesses

Outboard motors are mainly produced by Suzuki Motor Corporation, and retailed by Suzuki Marine Co., Ltd. and others for the Japanese market.

A subsidiary Suzuki House Co., Ltd. deals with housing sales. A subsidiary Suzuki Real Estate Co., Ltd. and others carry out brokerage of estate and housing and provide other services.



As of 31st March, 1999

## DIRECTORS AND AUDITORS

### Chairman

Yoshio Saito

### President & CEO

Osamu Suzuki

### Executive Vice Presidents

Masao Toda

Akira Tsutsui

### Senior Managing Directors

Sokichi Nakano

Shigeo Narita

Taizo Miyake

Keiji Yamauchi

### Managing Directors

Yuichi Nakamura

Chosuke Sato

Chuichi Mizuguchi

Toshitaka Suzuki

Kotaro Naito

Takahira Kiriya

Osamu Matsuoka

Katsuhiko Yokota

### Directors

Kouhei Murata

Tsuneo Kobayashi

Junzo Sugimori

Yasuhiro Yamada

Takehisa Okabe

Ryujiro Nozawa

Takashi Nakayama

Hiroshi Tsuda

Shunichi Wakuda

Kiyoshi Aoshima

Haruo Terada

Kenji Yamamoto

Shinzo Nakanishi

### Corporate Auditors

Takeshi Nakamura

Kazuaki Yamagata

Norio Hamabata

Takashi Suzuki

Shin Ishizuka

As of 1st July, 1999

## CORPORATE DATA

### Corporate Name:

SUZUKI MOTOR CORPORATION

### Head Office:

300, Takatsuka, Hamamatsu

Shizuoka 432-8611, Japan

### Mailing Address:

Hamamatsu-Nishi, P.O. Box 1

Hamamatsu, Shizuoka 432-8611, Japan

### Established: 1920

Employees: 13,896 (As of 31st March, 1999)

## MAJOR OVERSEAS SUBSIDIARIES

### American Suzuki Motor Corp.

California, U.S.A.

### Suzuki Canada Inc.

Ontario, Canada

### Suzuki Motor de Colombia S.A.

Pereira, Colombia

### Suzuki Australia Pty. Ltd.

Melbourne, Australia

### Suzuki New Zealand Ltd.

Wanganui, New Zealand

### Suzuki Motor GmbH Deutschland

Heppenheim, Germany

### Suzuki France S.A.

Trappes, France

### Suzuki Italia S.P.A.

Torino, Italy

### Suzuki Motor España, S.A.

Gijón, Spain

### Suzuki Austria Automobil Handels G.m.b.H.

Salzburg, Austria

### Suzuki Philippines Inc.

Manila, Philippines

### Suzuki Motorcycles Pakistan Ltd.

Karachi, Pakistan

### Suzuki Auto Madrid S.A.

Madrid, Spain

### Suzuki GB PLC

West Sussex, United Kingdom

### Pak Suzuki Motor Co., Ltd.

Karachi, Pakistan

### Magyar Suzuki Corp.

Esztergom, Hungary

### Thai Suzuki Motor Co., Ltd.

Thanyaburi, Thailand

### Myanmar Suzuki Motor Co., Ltd.

Yangon, Myanmar

### Thai Suzuki Trading Co., Ltd.

Thanyaburi, Thailand





**SUZUKI MOTOR CORPORATION**  
300, TAKATSUKA, HAMAMATSU, JAPAN