ANNUAL REPORT 2003

SUZUKI MOTOR CORPORATION

A MESSAGE FROM THE MANAGEMENT

In delivering our Annual Report 2003, we wish to extend our greetings to you.

With respect to the overall trend of demand in the automotive industry in this fiscal year, in the Japanese domestic market, the shipment volume of motorcycles increased for the first time in six years. As for automobiles, although mini-vehicle sales declined as compared to the previous twelve months for the third consecutive year, sales of small cars, subcompacts and larger vehicles held steady, and as a result, total automobile sales showed a slight increase over the previous year.

In the overseas markets, motorcycle exports to North America and other markets increased, but exports to Central and South America, Europe and other markets dropped. As a result, motorcycle exports as a whole saw a decrease from the previous year. On the other hand, due to increases in North America, Europe and other markets, automobile exports surpassed last year's level.

Under such circumstances, Suzuki made efforts to increase sales in the domestic motorcycle market by enhancing our product lineup through the introduction of models such as the Choinori and the SKYWAVE 650. Literally meaning "short time riding", the Choinori is a functional domestically produced 50cc scooter available at a highly competitive price of 59,800 yen while the SKYWAVE 650 is a large-size scooter featuring the world's first electronically controlled CVT system.

In the domestic automobile market we made efforts to boost sales through various measures including the introduction of Twin -- an economical and highly practical 2-seater mini-vehicle available in two versions: one with the first hybrid system on a production mini-vehicle as well as a gasoline-engine version. Also introduced into the domestic market were numerous specially equipped models, including sporty 1.8-liter-engine versions of the subcompact passenger cars Aerio and Aerio Sedan, and specially equipped versions of the subcompact passenger car Swift, offering good value for money. We also concentrated on upgrading the quality of our small and subcompact car sales channel, the Suzuki Arena.

Meanwhile, in overseas markets, we introduced various new motorcycle models including the SV1000S and new All Terrain Vehicle (ATV) models including the LT-Z400. As for automobiles, we worked on boosting exports of completed units, and also took measures to strengthen and enhance our overseas production bases, including completing the process of integrating Maruti Udyog Limited in India and P.T. Indomobil Suzuki International in Indonesia into Suzuki subsidiaries.

As a result, our net sales reached ¥2,015,309 million (US$16,766 million), 120.8% of the previous year, and our net income reached ¥31,024 million (US$258 million), 138.5% of the previous year.

Dividends at the end of the fiscal year under review was ordinary dividends 4 yen (US$0.033), plus special dividends 1 yen, for a total of 5 yen (US$0.041) per share (9 yen (US$0.074) for the year, including interim dividends).

We are expecting tough market conditions in the months ahead. However, we intend to take on this difficult challenge with our basic corporate policy for the fiscal year 2003, summed up by the slogan: "In order to survive, let us stop acting in a self-styled manner and get back to basics," with which we intend to bolster our corporate strength by thoroughly reviewing every aspect of our business, by getting back to basics and incorporating this spirit in our business.

In our motorcycle business, we will push forth with various measures, including the enhancement of our lineup and sales expansion of our large motorcycles in the European, North American and Japanese markets, the introduction of a common model for the Asian market locally produced in the Asian region, the promotion of cost-reduction activities and the strengthening of product development for our All Terrain Vehicles (ATVs). We will also aim for mutual, complementary utilization of managerial resources with our business partner Kawasaki Heavy Industries, Ltd., cooperating closely to construct a highly profitable motorcycle operation.

In our automobile business, in the Japanese domestic market, we will make efforts to strengthen and enhance our existing sales network, continue to implement measures to upgrade Suzuki Arena, our sales channel for small and subcompact vehicles, and make sure these efforts can translate into increased sales of our small and subcompact models. In the overseas markets, our efforts will include the promotion of business conduct and product development in a manner closely suited to each regional market, the promotion of local procurement of components for our overseas production bases, and cost-reduction and quality improvement activities for upgrading our overseas plants. We will also aim to maximize the business potential of the synergy gained by our strategic alliances with Fuji Heavy Industry Ltd., and each company in the General Motors Corporation group to reinforce the corporate foundation.

Furthermore, efforts will be taken to develop, in a speedy and effective manner, products that closely suit each of the four central markets in the world, and to introduce them in a timely fashion. And for the protection of the global environment, we will promote development of products designed for low

environmental impact by reducing gas exhaust emissions, improving fuel efficiency, reducing the amount of natural resources required for their production, and facilitating recycling, and we will also develop next-generation vehicles such as vehicles powered by hybrid and fuel-cell systems.

With our motto “Small Cars, - for a Big Future,” Suzuki is determined to continue our active efforts to develop small cars that can win the trust of our customers, and to make efforts to ensure our products have a low impact on the global environment.

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

Osamu Suzuki
Chairman & CEO

Hiroshi Tsuda
President & COO

PROFILE

Suzuki Motor Corporation designs and manufactures passenger cars, commercial vehicles, motorcycles, All Terrain Vehicles (ATVs), outboard motors, generators, general purpose engines and other products. The company continuously and vigorously promotes technical cooperation through numerous joint ventures overseas, and its main production facilities are currently located in 20 countries around the world. The established network enables Suzuki to operate as a global organization serving 192 countries.

Suzuki Motor Corporation was first established as Suzuki Loom Manufacturing Co. in March 1920.

Suzuki then entered the motorcycle business with the introduction of "Power Free" motorized bicycle in 1952, and entered the automobile business in 1955 with the introduction of "Suzulight" lightweight car.

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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Head office & Takatsuka Plant
Headquarters, Engineering center and Motorcycle engines assembling plant

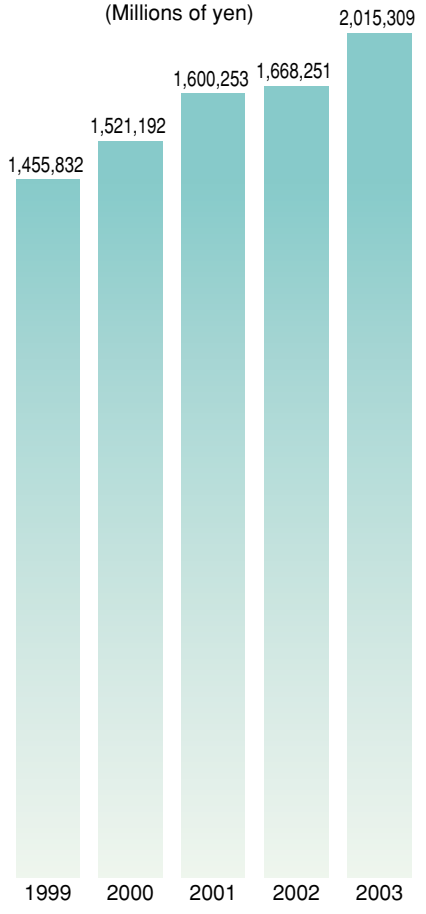
FINANCIAL HIGHLIGHTS

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES Years ended March 31, 2003 and 2002	Millions of yen (except per share amounts)		Thousands of U.S. dollars (except per share amounts)
	2003	2002	**2003**
Net sales	**¥2,015,309**	¥1,668,251	$16,766,305
Net income	**31,024**	22,392	258,106
Net income per share:			
Primary	**57.29**	41.40	0.476
Fully diluted	**55.57**	41.16	0.462
Cash dividends per share	**9.00**	8.50	0.074
Shareholders' equity	**648,357**	620,004	5,393,987
Total current assets	**844,577**	773,040	7,026,435
Total assets	**1,537,430**	1,347,718	12,790,603
Depreciation and amortization	**83,896**	75,083	697,970

Note: Yen amounts have been translated into U.S. dollars, for convenience only, at Yen120.20 = US$1, the prevailing exchange rate on March 31, 2003.

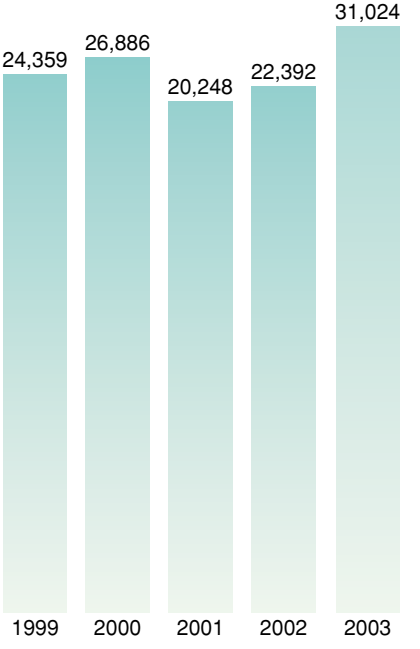
Net Sales

Years ended March 31
(Millions of yen)



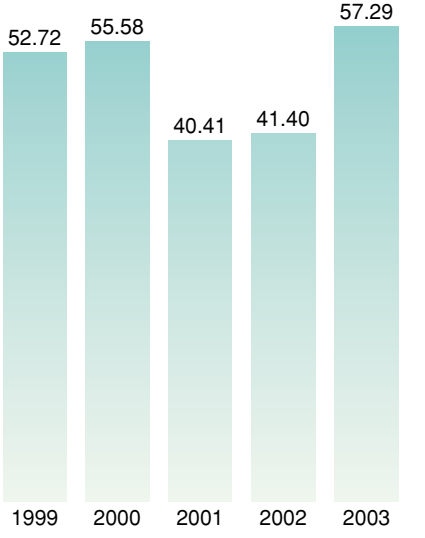
Net Income

Years ended March 31
(Millions of yen)



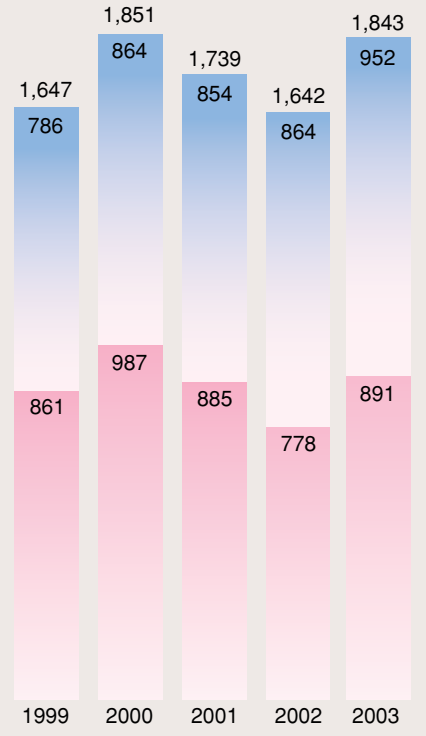
Net Income Per Share

Years ended March 31
(Yen)



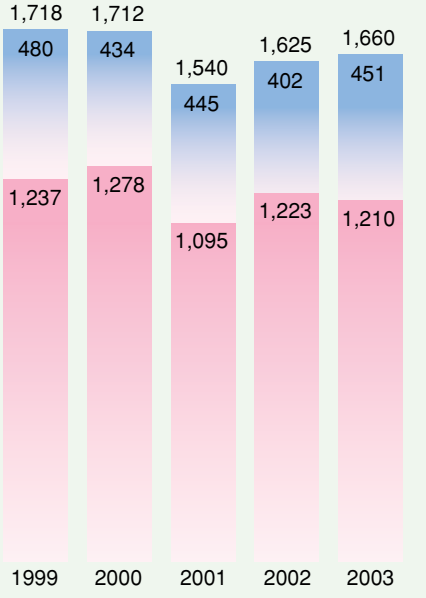
Automobiles Unit Products

Years ended March 31 (Thousand units)



Motorcycles Unit Products

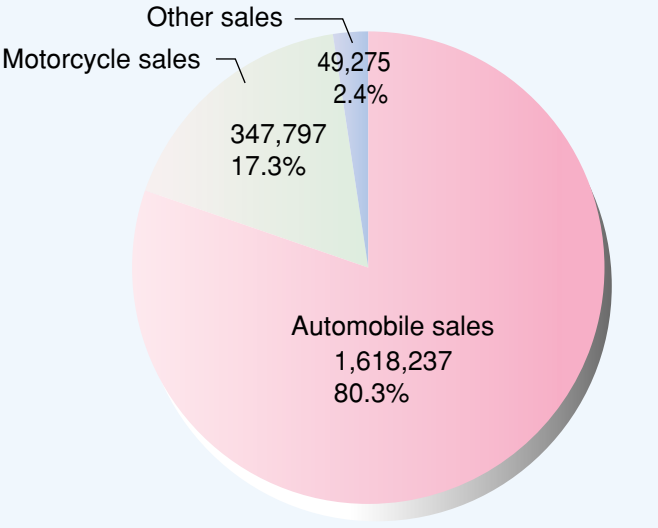
Years ended March 31 (Thousand units)
(ATV included)



※ Production in Japan is CBU.
Overseas production is CKD units + components for overseas production.

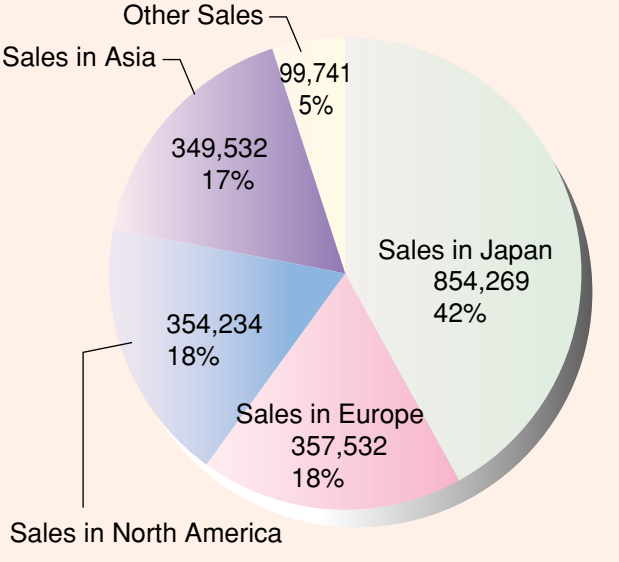
2003 Net Sales By Business

(Year ended March 31, 2003, millions of yen)



2003 Net Sales By Market

(Year ended March 31, 2003, millions of yen)



AUTOMOBILES

The Japanese Market

Suzuki's performance in the Japanese domestic market

Total domestic sales of automobiles in fiscal year 2002 grew to 5,868,212 units, 101% of the previous year. Although sales of mini-vehicles remained strong at over 1,800 thousand units, the figure was below that of the previous twelve months, making it three consecutive years of decline. The number of registered units (automobiles excluding mini-vehicles) surpassed the previous year's figure for the first time in two years, due to growth in small and subcompact vehicles.

Suzuki's total domestic automobile sales grew to 637,214 units, or 103% of the previous year.

As a result, Suzuki's domestic market share in fiscal year 2002 was 10.9%, 0.3 percentage points up from the previous year. Among the twelve domestic auto manufacturers, Suzuki came in at 4th place for domestic market share, unchanged from the previous year.

Suzuki's sales status

(1) The vigorous strength of the mini-vehicle market, which had continued ever since regulatory standards were revised in 1998, has settled, and many manufacturers have seen their sales drop below the previous year's figures. Under such circumstances, Suzuki actively took measures to revitalize the market, including the introduction of minor change models along with various sales promotion campaigns, and as a result sold 576,311 units, 101% of the previous year. This was the second-largest yearly figure after the Suzuki's record -breaking year for mini-vehicle sales in 1999. As a result, Suzuki once again in fiscal year 2002 held the largest market share in mini-vehicles -- a position Suzuki has maintained for 30 consecutive years.
(2) As for small and subcompact vehicles, we strengthened our sales network by enhancing our Arena sales channel. As a result, Suzuki's sales were 60,903 units, 125% of the previous year, exceeding the preceding year's figure for the third consecutive year and reaching our target of 60,000 units per year.
(3) The "Suzuki Free Auto Inspection Campaign," conducted each year to inspect user's car and to promote sales and popular with Suzuki customers, was continued for another year.

Individual model topics

(1) Sales of Wagon R amounted to 162,959 units. During October 2002, cumulative domestic sales reached 1,800,000 units, in just nine years and two months after it was introduced to the market.
(2) The Carry Truck in fiscal year 2002 once again was the best-selling model in the all-truck segment, making it the number one seller for 32 consecutive years.
(3) Twin, an economical and practical 2-seater mini passenger car, was introduced; it became the first production mini-vehicle with a hybrid system in its lineup.
(4) In addition, in fiscal year 2002, models such as Carry, Wagon R, Wagon R Solio, Escudo and Grand Escudo underwent minor-change modifications, and sales of the GM's Chevrolet TrailBlazer began, which strengthened our product lineup.

GRAND ESCUDO
(Export name: GRAND VITARA XL-7)

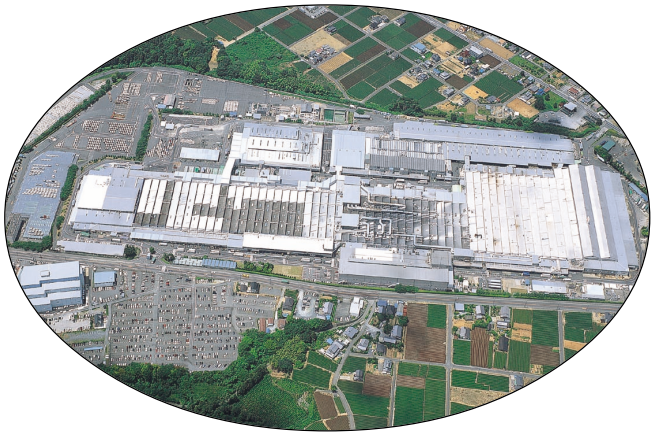
ESCUDO
(Export name: GRAND VITARA)

AERIO (Export name: LIANA)

AERIO (Export name: LIANA)

WAGON R+ (manufactured at Magyar Suzuki Corp. in Hungary)

Kosai Plant
Passenger car assembling plant



Iwata Plant
Sport utility vehicle and commercial vehicle assembling plant

The Overseas Markets

Total automobile export volume for this fiscal year marked a large growth to 1,108,000 units, 113% of the previous year. The main factor that contributed to the growth was that CBU exports to North America and KD exports to China and Indonesia remained strong. As for individual products, Liana, Alto and Wagon R+ (Plus) each boasted a large growth in export volume over the previous year.

As for new products, a 16-valve diesel version of the Grand Vitara was introduced in 2003, and the Ignis Sport, a compact sport model featuring technological advances gained from the feedback and know-how after participation in the Junior World Rally Championship (JWRC), was introduced at the 2003 Geneva International Motor Show. And at various international motor shows including those at Geneva, Paris, and Detroit, the Concept-S, a concept model reflecting Suzuki's designs for next-generation cars, was put on display and received many plaudits.

Suzuki began participation in the Junior WRC from the 2002 season; strong results include a 3rd-place finish in the German rally and 2nd in the Turkish rally. Efforts to further strengthen our racing organization include establishment in December 2002 of a new company promoting Suzuki's motorsport activities, Suzuki Works Techno (SWT).

With regard to our business relationship with General Motors, in October 2002, Suzuki made equity investment in GMDAT, a company formed by General Motors for assuming responsibility of looking after the operations of rebuilding Daewoo Motor Company in Korea.

As for our overseas production operations, Suzuki acquired majority shares in Maruti Udyog Limited in India in May 2002 and in P.T. Indomobil Suzuki International in Indonesia in November 2002, thus integrating both companies into Suzuki subsidiaries for the purpose of further heightening the business strengths of both companies as major production bases for Suzuki.

Performance of business operations at our overseas subsidiaries for this fiscal year has, on the whole, been favorable, and we will continue to make the utmost efforts toward full rationalization and maximum efficiency.

SWIFT SPORT (Export name: IGNIS SPORT)

GRAND VITARA DIESEL

ALTO (manufactured at Maruti Udyog Ltd. in India)

MOTORCYCLES

The Japanese Market

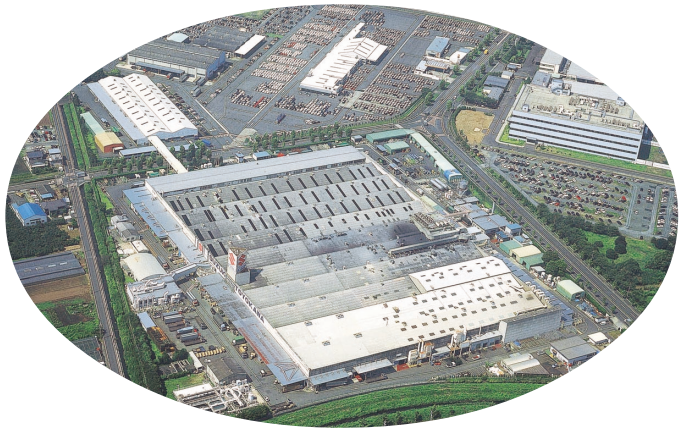
The number of motorcycles put out by the four Japanese makers in the domestic market during fiscal year 2002 (April 2002 to March 2003) amounted to 776,000 units (105% of the previous year) in total volume, thus reversing the trend of recent years of a continued decline. A breakdown of the figure by displacement classes shows volume for the 125cc-and-under class of 637,000 units (106% of the previous year) and for the 126cc-and-over class of 139,000 units (104% of the previous year), thus marking growth for both classes.

Growth in the 125cc-and-under class can be attributed to the introduction, by various makers, of low-priced 50cc scooters (420,000 units, 109% of the previous year) that succeeded in stimulating demand.

Meanwhile, strong sales of 126cc-and-over scooters (47,000 units, 143% of the previous year), introduced from various makers, helped growth in the larger 126cc-and-over class.

Total volume for Suzuki in fiscal year 2002 grew to 123,000 units (112% of the previous year). A breakdown of the figure by displacement classes shows volume for the 125cc-and-under class of 96,000 units (114% of the previous year) and for the 126cc-and-over class of 28,000 units (106% of the previous year), showing growth in both classes.

Growth in the 125cc-and-under class can be attributed to the introduction of low-priced 50cc scooters (72,000 units, 128% of the previous year) such as the Let's II Standard and Choinori. Growth in the 126cc-and-over class can be attributed to two factors in the scooter category (13,000 units, 134% of the previous year): The continued popularity of the SKYWAVE 250 and 400, and the introduction of the SKYWAVE 650.



Toyokawa Plant

Motorcycles and outboard motors assembling plant

The low price of the Let's II Standard was achieved through extensive cost reduction and came without a reduction in features or performance in comparison to similarly domestically produced scooters. The Choinori, which is also domestically produced, went on the market at a low price around just below 60,000 yen -- about half that of similarly domestically produced scooters -- received preorders for as many as 20,000 units before it went on sale. The SKYWAVE 250 and 400 underwent a model change - a fuel injection system was added to the new models improving both fuel efficiency and running performance and the bodywork was thoroughly modified to improve storage function. The SKYWAVE 650 is the world's largest-displacement scooter; it features a manual-mode-equipped CVT, and can manage high-speed, long-range cruising rides with ease.

Let's Ⅱ STANDARD

CHOINORI

SKYWAVE 250 (Export name:Burgman 250)

SKYWAVE 650 (Export name:Burgman 650)

SV1000S

GSX-R1000

SV650S

QuadSport Z250 (LT-Z250)

QuadSport Z400 (LT-Z400)

The Overseas Markets

Total Exports of Motorcycles and All Terrain Vehicle (ATV) in fiscal year 2002 (April 2002 to March 2003) totaled 309,000 units, representing 107% of the previous year.

The GSX-R1000, which has been enjoying high acclaim in the world market, underwent a full model change, successively supporting strong sales of the GSX-R series. In order to further strengthen the standard bikes lineup, a full model change was done on the V-Twin standard bike SV650/SV650S. In addition, a new and bigger SV1000/SV1000S was introduced. The Burgman 400 and 250 (AN400 and AN250) that have had favorable sales in Italy and other markets continued to enjoy strong sales following the introduction of new versions.

Sales of motorcycle components for overseas production slipped to 89% of the previous year due to a shipment decline particularly in China and India. However, Smash 110 (FD110XC), which was developed by Suzuki Motor R&D Asia Co., Ltd. in Thailand as a strategic model for the ASEAN region, was introduced to major ASEAN countries one after another. As a result, Suzuki marked the highest growth among all motorcycle brands in Thailand and Indonesia.

There was a remarkable growth in All Terrain Vehicle (ATV) exports, contributing to the sales increase of Motorcycles and ATV together. In the U.S.A., sales remained strong, thanks to the introduction of the sport model QuadSport Z400 (LT-Z400) and the sport-utility model Ozark 250 (LT-F250). To enhance ATV product lineup in 2003, a new sport model QuadSport Z250 (LT-Z250) was introduced. And in order to heighten the cost competitiveness, production of the popular Eiger 400 series began in May 2002 at Suzuki Manufacturing of America Corporation (SMAC), our ATV plant in U.S.A. Furthermore, production of the Vinson 500 is starting at the plant from June 2003.

Suzuki's racing programs in 2002, conducted under the slogan "Own the Racetrack," achieved numerous notable successes. In the Motocross World Championship 250cc class, Mickael Pichon on his RM250 set a new world record by winning nine consecutive races, and won the world championship title for the second consecutive year. In the prestigious MotoGP World Championship, the new 4-stroke machine GSV-R made its debut. The GSX-R series dominated championship titles at numerous worldwide racing events, including the World Endurance Championship, Le Mans 24 Hours endurance race, Isle of Man TT race and the European Championship series, and demonstrated their superior performance.

SMASH (Developed by Suzuki Motor R&D Asia Co.,Ltd)

RM250 (racing machine)

GSV-R (racing machine)

MARINE AND POWER PRODUCTS

Marine Products

Export of outboard motors in fiscal year 2002 (April 2002 to March 2003) - combining CBU and KD units for Thai Suzuki Motor Co., Ltd. - reached 167% of the previous year in terms of unit. The sales grew to 166% of the previous year, thanks to the strong sales of large 4-stroke outboard motors such as DF140, DF115 and DF90. With the increase in shipment of large 4-stroke outboard motors to the overseas markets and the increase in OEM supply of 4-stroke models to Bombardier Motor Corporation of America, the export of outboard motors are shifting toward larger sizes and 4-stroke models.

The new DF250, DF225 and DF200, due to be released in the autumn, were introduced at the Miami International Boat Show held in February 2003. The DF250, our new flagship model, features a newly-designed 55-degree V6 engine, variable valve timing, multi-stage induction, and other advanced features, which were highly rated and resulted in its winning of the National Marine Manufacturer Association (NMMA) 2003 Innovation Award.

Presently, Suzuki's 4-stroke outboard motor lineup includes a range of products from the DF4 (2.9 kW, 4 PS) up to the DF140 (103.0 kW, 140 PS). In the autumn of 2003, the lineup will be further enhanced with the addition of the V6 models DF250, DF225 and DF200.

Power Products

Export of power products such as generators and general purpose engines during fiscal year 2002 (April 2002 to March 2003) dropped to 90% of the previous year in the number of units, and 88% of the previous year in sales. Supply of snowmobile engines to Arctic Cat Inc. in fiscal year 2002 was 100% of the previous year in the number of units and 97% of the previous year in sales, thereby remaining at the same level as the previous year, while lower demand of the products due to less snowfall than average year.

Suzuki outboard motors provide power for a wide range of boats

DF140

DF4

DF9.9

Generator SV7500E powered with V420 4-stroke OHV engine

OTHER TOPICS

Environment Topics

Suzuki, as a general maker of automobiles, motorcycles, outboard motors, generators and other products, is making efforts to lessen the environmental impact in each stage of the product life cycle, from development, production and distribution to disposal. Alongside the design and development of our products, Suzuki has been developing multi-faceted and highly-advanced environmentally aware technologies, to respond to increased demand for environmental protection in fields such as reduction of emission gases, improvement of fuel efficiency, noise reduction, reduction in the amount of resources consumed and recycling-friendly designs, in addition to continued demands for safety and reliability. In the areas of production and purchasing, efforts are being made to achieve goals such as reduced energy consumption (reduction of CO_2), reduction of waste (recycling) and management of chemical substances. In working with the market in general, our efforts include proper disposal of used products and components, as well as disseminating of information relevant for disposal. We are also making efforts at reduction of energy consumption, reduction of resources consumed and recycling in the distribution of our products as well as in our offices. Suzuki's social contribution to the field of environment protection include displays at environment-related exhibitions, participation in environment-cleanup activities and providing assistance for the development of new technologies. By pursuing such policies actively, we ensure we are carrying out our role in the protection of the environment.

Wind power generation equipment

The planned venue for Shizuoka International Garden and Horticulture Exhibition

Topics for the fiscal year 2002

As for individual products, Twin Hybrid, the first hybrid mini-vehicle, was put on sale in Japan in January 2003. The Twin Hybrid, building upon the superior fuel efficiency of mini-vehicles, uses a motor-assist mechanism and idling-stop function to achieve a low 34-kilometers-per-liter fuel consumption. In July 2002, Suzuki created the first mini-vehicle-use direct-injection turbo engine and conducted test runs on public roads. As for our manufacturing operations, in March 2003 we installed wind power generation equipment as the start of our research into utilization of natural energy sources. Furthermore, we made an announcement to extend free of charge invitations to 117,000 elementary and junior high school students to the Shizuoka International Garden and Horticulture Exhibition/Pacific Flora 2004 which will open in April 2004. Suzuki wishes to contribute to heightening children's environmental awareness through interaction with nature.

Strategic Alliance with General Motors Corporation

Suzuki and General Motors Corporation (GM) began a business partnership in August 1981 and the partnership has yielded solid results ever since. In September 2000, we announced a further strengthening of our strategic alliance. GM's equity participation in Suzuki has now grown to 20.3% of shareholder voting rights.

Both companies are making efforts that our strategic alliance will enable us to work together - while allowing each company to express its individual strengths - to develop products quickly and keep investment costs down while speeding up and broadening our market access.

During the previous fiscal year, we have expanded and strengthened the alliance in various markets. Some of the most notable fruits of our alliance are, in chronological order:

* Exports of Holden Cruze to Holden Ltd., GM's subsidiary in Australia, began in April 2002; approx. 5,000 units were shipped as of end of March, 2003. The Cruze is a model jointly developed by GM and Suzuki and produced at Suzuki's Kosai Plant. Inside Japan, it is named the Chevrolet Cruze; its sales began on November 2001 and it is distributed through sales channels of both GM Japan and Suzuki.

* In June 2002, GM, Suzuki, Fuji Heavy Industries Ltd. and Isuzu Motors Limited established an Alliance Purchasing Team (APT) for the four companies' joint purchasing of specific items. Under this arrangement, which utilizes GM's Worldwide Purchasing (WWP) process, suppliers for selected parts and components are chosen in accordance with the evaluation ratings set forth by WWP in terms of quality, service, technology and cost. The four companies, through integration of purchasing volume made possible by joint purchase and by sharing human resources in the field of purchasing, will seek to reduce cost and aim toward further improvement in the suppliers' quality and efficiency.

* In June 2002, GM and Suzuki reached formal agreement on equity participation in the newly formed company GMDAT (GM-Daewoo Auto & Technology). Furthermore, an announcement was made in February 2003 that, as the first specific decision following equity participation, three passenger-car models produced at GMDAT will be sold under the Suzuki brand through Suzuki's North American sales network, from 2004 model year.

* Also in February 2003, Suzuki's Arena sales channel in Japan began offering the Chevrolet TrailBlazer, which is produced by GM in North America. Furthermore, basic agreement was reached that starting from the 2004 models, Suzuki will conduct the importing, sales and after-sales servicing of Chevrolet vehicles inside Japan.

As these examples illustrate, GM and Suzuki, through our long-term and outstanding strategic alliance, will continue to pursue realization of cost reduction and increased sales, and the creation of value for our shareholders.

Suzuki and GM further strengthen strategic alliance.

Chevrolet CRUZE, produced at Suzuki's Kosai Plant.

Chevrolet TrailBlazer, Suzuki's Arena sales channel in Japan began offering.

MEMBERS OF THE BOARD AND AUDITORS

Chairman & CEO
Osamu Suzuki

President & COO
Hiroshi Tsuda

Executive Vice President
Sokichi Nakano

Senior Managing Directors
Osamu Matsuoka
Shunichi Wakuda

Managing Directors
Yasuhiro Yamada
Junzo Sugimori
Akio Kosugi
Takashi Nakayama
Kazuyoshi Suzuki
Takao Hirosawa
Sadayuki Inobe
Shinzo Nakanishi
Akihiro Sakamoto

Directors
Masanori Atsumi
Yoshihiko Kakei
Hirotaka Ono
Akimitsu Suzuki
Masaru Kobayashi
Shinichi Takeuchi
Minoru Tamura
Ryosaku Suzuki
Masaru Igarashi
Naoki Aizawa
Eiji Mochizuki
Toshihiro Suzuki
Frederick A. Henderson

Senior Corporate Auditors
Takeshi Nakamura
Kazuhiko Murata

Corporate Auditors
Tetsuro Maekawa
Takashi Suzuki
Shin Ishizuka

As of July 1, 2003

CORPORATE DATA

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: 13,920 (As of April 1, 2003)

MAJOR OVERSEAS SUBSIDIARIES

Suzuki International Europe GmbH
Bensheim, Germany

Suzuki Motor España, S.A.
Gijón, Spain

Suzuki Auto Madrid S.A.
Madrid, Spain

Suzuki Italia S.p.A.
Torino, Italy

Suzuki Austria Automobil Handels G.m.b.H
Salzburg, Austria

Suzuki France S.A.
Trappes, France

Magyar Suzuki Corp.
Esztergom, Hungary

Suzuki GB PLC
West Sussex, United Kingdom

Suzuki Motor Poland Ltd.
Warszawa, Poland

American Suzuki Motor Corp.
California, U.S.A.

Suzuki Manufacturing of America Corporation
Georgia, U.S.A.

Suzuki Canada Inc.
Ontario, Canada

Maruti Udyog Ltd.
New Delhi, India

Suzuki Motorcycles Pakistan Ltd.
Karachi, Pakistan

Pak Suzuki Motor Co., Ltd.
Karachi, Pakistan

P.T.Indomobil Suzuki International
Jakarta, Indonesia

Suzuki Philippines Inc.
Manila, Philippines

Thai Suzuki Motor Co., Ltd.
Thanyaburi, Thailand

Thai Suzuki Trading Co., Ltd.
Thanyaburi, Thailand

Myanmar Suzuki Motor Co., Ltd.
Yangon, Myanmar

Cambodia Suzuki Motor Co., Ltd.
Phnom Penh, Cambodia

Suzuki Australia Pty. Ltd.
Melbourne, Australia

Suzuki New Zealand Ltd.
Wanganui, New Zealand

Suzuki Motor de Colombia S.A.
Pereira, Colombia

The status of the corporate group

1. The outline of the corporate group

The corporate group of the Company consists of subsidiaries of 145 companies and affiliates of 29 companies. The main businesses are the manufacturing and distribution of motorcycles, automobiles, marine & power products and houses, further developing the businesses of logistics and other services related to the respective operations. The position of the group companies in relation to the business segmentation is as follows;

Furthermore, the Company has built up a strategic alliance partnership with General Motors Corporation.

Motorcycle operation

Motorcycles are manufactured by the Company. In overseas, it is additionally manufactured by a subsidiary, Thai Suzuki Motor Co., Ltd. and an affiliate, Jinan Qinqi Suzuki Motorcycle Co., Ltd. and others. Some of parts are manufactured by subsidiaries, Suzuki Toyama Auto Parts Mfg. Co., Ltd. and others, and those parts are purchased by the Company. The distribution of the motorcycles is conducted in the domestic market through a subsidiary, Suzuki Motorcycle Sales (Higashi Nihon) Inc. and other distribution companies, and in overseas markets through a subsidiary, Suzuki Motor GmbH Deutschland and other distribution companies.

Automobile operation

Automobiles are manufactured by the Company as well as, in overseas markets, by a subsidiary, Magyar Suzuki Corp. and by an affiliate, CAMI Automotive Inc. and others. Some of parts are manufactured by Suzuki Hamamatsu Auto Parts Mfg. Co., Ltd. and others, and they are purchased by the Company.

The distribution of automobiles is carried out in the domestic market by Suzuki Motor Sales Kinki Inc. and other distribution companies throughout the market, and in overseas markets, by a subsidiary, American Suzuki Motor Corp. and other distribution companies. The business of logistic services is conducted by a subsidiary, Suzuki Transportation and Packing Co., Ltd.

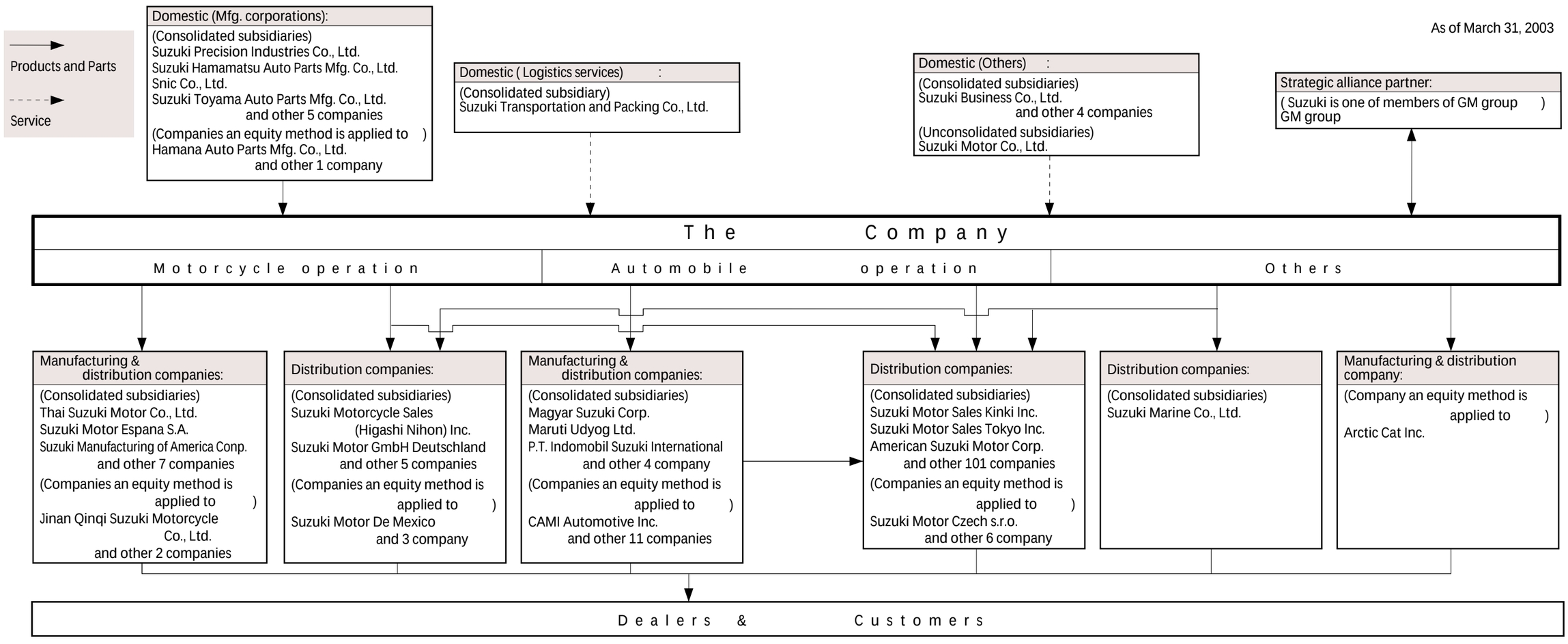
Other operations

Outboard motors are manufactured mainly by the Company and distributed by Suzuki Marine Co., Ltd.

The marketing of houses, real estate business and the related services are conducted by a subsidiary, Suzuki Business Co., Ltd. and others.

2. Operation flow chart

As of March 31, 2003



FINANCIAL SECTION

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Management policy

1. Business operations basic policy

Ever since establishment, the Suzuki group has maintained a basic corporate policy of making "value-packed products" to give our customers satisfaction. The opening paragraph of our company's mission statement promises that, "we will develop products of superior value by focusing on the customer." Of course, the value of a product varies with the times as well as in different countries and lifestyles. By keeping on top of the dynamic changes that occur over time, Suzuki strives to create products of real value, products that can always win our customers' approval.
Suzuki is committed to making positive efforts in the production of small and subcompact vehicles that can fulfill our customers' demands. Under our "Small Cars for a Big Future" program, Suzuki is working to ensure our operations run in an efficient, well-coordinated and well-balanced manner.

2. Profit sharing basic policy

Suzuki's basic profit sharing policy is primarily focused on maintaining a continuous and stable payout of dividends. At the same time, however, we are also looking at how our dividend payout ratio can be further stable and how internal reserves can be improved as a basis for enhancing our corporate structure to allow us to expand our business in the future.
Dividends for the current fiscal year are scheduled to be 8.00 yen per share as annual dividends (including an interim dividend of 4.00 yen per share), in addition to which a special dividend of 1.00 yen per share is to be paid to reflect our steady operating performance, and to express appreciation for our shareholders' support. Therefore, total dividends will be 9.00 yen per share.
As a result, the dividend payout ratio for the current fiscal year will be 25.2%, and the dividend rate of stockholders' equity 1.0%.

3. Perspectives and policy for lowering investment unit of shares

Suzuki recognizes improvement in share liquidity and increase of individual shareholders as significant issues. A decision on whether to lower the investment unit of our shares will be made after a thorough investigation of a number of factors including cost and effect, in consideration of the current stock price and market demand.

4. Medium-term management strategy

A new business target was put in place in May last year in order for the Suzuki group to survive in a drastically changing and tough business environment. Under the "Suzuki medium-term 3-year plan (April 2002 - March 2005)" every member of the company has been working together to boost innovation in every area of our business, including development of competitive products, establishment of a strong sales and distribution system together with a 30% reduction in costs.

5. Outstanding issues

The effects of deflation in the domestic market have led to a continuation of a slump in demand in all business environments and as a result, competition for sales has been further intensifying both in the motorcycle and the automobile industries.
In overseas markets, the Iraqi problem and the damage of the SARS virus in addition to the prolonged worldwide recession has led to bleak business prospects, particularly in developed countries.
In order to get through such difficult circumstances, the company has come up with a strategy for the fiscal year 2003 and selected the following motto to represent our basic policy: "In order to survive, let us stop acting in a self-styled manner and get back to basics."
By which we mean we intend to make positive efforts to strengthen our management structure and business practices by closely reviewing the work we have been carrying out over the years in each field and seek improvements by incorporating this spirit of getting back to the basics.
In our motorcycle operations, Suzuki will push ahead with bolstering and expanding sales of large models in the European, North American and Japanese markets, the introduction of a standardized model for local production in various regions in Asia, the promotion of cost reduction activities as well as strengthening the product development of our All Terrain Vehicle (ATV) models, etc.
Furthermore, we will seek to further utilize complimentary managerial resources together with our business partner Kawasaki Heavy Industries, Ltd. to improve efficiency and cooperate closely to create a highly profitable operation.
For our automobile operations, efforts will be made in the domestic market to increase sales of small/subcompact automobiles by enhancing and improving our sales network, in particular upgrading the quality of the "Suzuki Arena," our sales channel for small and subcompact automobiles, along with work on expanding

sales of our key models.
In overseas markets, first of all, in our marketing and product development, we will make efforts to conduct them in close adherence to the conditions of each market. At the same time we will make efforts to upgrade our overseas plants, through promoting the local procurement of parts as well as through reducing costs and upgrading the quality of the parts that already are made locally or in-house.
Furthermore, we hope to maximize the business potential of the synergy gained by our strategic alliances with Fuji Heavy Industry Ltd., and each company in the General Motors Corporation group to reinforce the corporate foundation.
Efforts will be taken to develop, in a speedy and effective manner, products that closely suit each of the four central markets in the world, and to introduce them in a timely fashion.
We are also continuing to advance with our environmentally friendly technology. Studies aimed at improving a wide number of global issues are being conducted in the areas of gas emissions, improvement of fuel consumption, reducing the amount of resources consumed, recycling, etc. Development programs on advanced next-generation vehicles such as hybrid and fuel-cell vehicles are also being carried out.

6. Basic concepts and implementation of measures regarding Corporate Governance

(Basic concepts regarding Corporate Governance)

Suzuki has continued to make positive steps towards the implementation of various measures aimed at ensuring that our corporate activities are carried out in a fair and efficient manner. We are confident our business organization has the desire to always retain the faith of our shareholders, customers, business partners and all members of the regional community.
Our basic concept regarding Corporate Governance -that our corporate activities need to be carried out in a fair and efficient manner - is promoted in all aspects of our corporate activities. Our directors ensure their management responsibilities are clearly clarified, and their term of office is for a period of one year. This practice allows us greater flexibly to respond to changes in the business environment. A board of five corporate auditors includes three auditors from outside the company and we also have established an organization that reports to the corporate auditors to enable the auditing process to be successfully implemented.

(Implementation of measures regarding Corporate Governance)

- **Management organization for decision-making, its implementation and supervision, and other matters concerning Corporate Governance**
  - · A corporate auditor system has been adopted.
  - · The board of 27 directors includes one person from outside the company, and three of the five corporate auditors are outside corporate auditors.
  - · A Corporate Ethics Committee has been established for the promotion of overall corporate ethics in the company as well as its subordinate organizations. A managerial body has been set up to promote corporate ethics in each of our divisions. We have also brought in a system under which a risk management headquarters would be set up by the Committee to deal with any crisis, so that we may be able to take immediate and effective measures.
- **Efforts made over the past year to establish our Corporate Governance policy**

In April 2002, the company established a set of guidelines for directors and employees of the company. The "Suzuki Corporate Ethics Rules" lays out a set of basic points for each staff member to act in a fair and faithful manner in conformity with the law and norms of the society and company rules. Furthermore, lecture sessions were held to ensure that employees realize the importance and the necessity of corporate ethics.
We have also made efforts to facilitate this education process for our employees by uploading information on legal affairs onto the company homepage and by holding internal seminars.

Operating results and financial position

1. Operating results

(1) Outline of current fiscal year

During the current fiscal year, there have been indications of an upturn in domestic corporate earnings but capital investment and personal consumption both remained sluggish and the economy, which is still in a prolonged slump, has not yet shown any signs of recovery. Meanwhile, the global economy shifted downwards and slipped into in recession, as shown by factors such as the deceleration of the US economy and the continued drop in worldwide stock prices. Overall, we believe a difficult managerial environment remains.
Under such circumstances, Suzuki's net sales in the current fiscal year amounted to 2,015,309 million yen (120.8% as against PFY), surpassing 2 trillion yen in net sales for the first time in a

fiscal year. This was largely the result of strengthening production and sales bases both in the domestic and overseas markets, efforts to upgrade productivity and reduce costs, and other measures to enhance the competitiveness of our products and expand sales.

In terms of profits, operating income amounted to 74,204 million yen (126.9% as against PFY) and ordinary income was 79,188 million yen (151.4% as against PFY). This was the result of cost reduction measures and foreign exchange gain, through which we were able to absorb increases in overhead costs and development expenses. Net income for the current fiscal year amounted to 31,024 million yen (138.5% as against PFY).

Note: PFY = Previous Fiscal Year

<Operating results of geographical segmentation>

(Japan)

Net sales amounted to 1,540,623 million yen (107.2% as against PFY) and operating income increased to 66,240 million yen (118.0% as against PFY). These increases can be put down to the fact that we were able to absorb both costs in making changes to our product lineup, etc, as well as increases in overhead costs and R&D expenses, by implementing cost reduction measures and through foreign exchange gain.

(Europe)

Net sales amounted to 296,792 million yen (107.4% as against PFY) and operating income increased to 3,191 million yen (127.1% as against PFY) through measures such as making changes to our product lineup, and through foreign exchange gain.

(North America)

Net sales amounted to 303,191 million yen (113.4% as against PFY), but operating income decreased to 414 million yen (47.6% as against PFY) due to an increase of overhead costs together with foreign exchange losses.

(Asia outside of Japan)

Net sales amounted to 285,667 million yen (750.9% as against PFY), and our operating income was 7,055 million yen (495.1% as against PFY) - there were big increases in both revenue and income. There were several contributing factors, but the primary reason was due to the fact that Maruti Udyog Limited in India became one of our consolidated subsidiaries.

(Other areas)

Net sales amounted to 22,450 million yen (100.1% as against PFY) and operating income was 501 million yen.

(2) Outlook for the next fiscal year

It is anticipated that the unpredictable and severe business environment will not ease in the next few years and difficult conditions for the global economy should continue. Under such circumstances, Suzuki, together with its group companies, will work together for innovation in every area, and will be making efforts to further evolve our business activities to achieve our goal of 2,120,000 million yen in net sales, 85,000 million yen in ordinary income and 35,000 million yen in net income.

The figures above are based on a foreign exchange rate of 1 US dollar = 117 yen and 1 Euro = 125 yen.

* The outlook of business results, estimated based on the current information available and assumptions, include risks and uncertainties. We ask for your understanding that actual results may vary extensively due to a number of changing factors. Those factors, which may influence actual results, include economic conditions and the demand trend in major markets and fluctuations in foreign exchange rates (mainly the yen/US dollar and the yen/euro rates).

2. Financial position

At the end of the current fiscal year, our total assets amounted to 1,537,430 million yen (increased by 189,711 million yen from the end of PFY), our total liabilities were 835,273 million yen (increased by 117,894 million yen from the end of PFY), our minority interests were 53,799 million yen (increased by 43,464 million yen from the end of PFY), and total shareholders equity was 648,357 million yen (increased by 28,353 million yen from the end of PFY).

A cash flow fund of 146,075 million yen was gained through operating activities during the current fiscal year, and through investing activities, a fund of 98,365 million yen was used for acquisition of tangible fixed assets, marketable securities, etc. As for our financing activities, a fund of 34,808 million yen was used for repaying short-term loans and for acquisition of treasury stock. As a result, the remaining balance of cash and cash equivalents at the end of the current fiscal year amounted to 238,743 million yen (increased by 15,726 million yen from the end of PFY).

FIVE-YEAR SUMMARY

SUZUKI MOTOR CORPORATION

CONSOLIDATED

Years ended March 31	Millions of yen (except per share amounts)					Thousands of U.S. dollars (except per share amounts)
	2003	2002	2001	2000	1999	**2003**
Net sales	**¥2,015,309**	¥1,668,251	¥1,600,253	¥1,521,192	¥1,455,832	**$16,766,305**
Net income	**31,024**	22,392	20,248	26,886	24,359	**258,106**
Net income per share:						
Primary	**57.29**	41.40	40.41	55.58	52.72	**0.476**
Fully diluted	**55.57**	41.16	40.24	55.32	52.40	**0.462**
Cash dividends per share	**9.00**	8.50	8.50	8.50	7.50	**0.075**
Shareholders' equity	**648,357**	620,004	593,770	497,756	438,047	**5,393,987**
Total current assets	**844,577**	773,040	723,844	628,782	627,232	**7,026,435**
Total assets	**1,537,430**	1,347,718	1,299,859	1,167,216	1,131,849	**12,790,603**
Depreciation and amortization	**83,896**	75,083	75,344	81,784	82,546	**697,970**

NON-CONSOLIDATED

Years ended March 31	Millions of yen (except per share amounts)					Thousands of U.S. dollars (except per share amounts)
	2003	2002	2001	2000	1999	**2003**
Net sales	**¥1,411,418**	¥1,320,218	¥1,294,651	¥1,273,907	¥1,189,622	**$11,742,252**
Net income	**19,393**	13,912	12,881	12,745	8,855	**161,346**
Net income per share:						
Primary	**35.67**	25.72	25.71	26.35	19.17	**0.296**
Fully diluted	**34.61**	25.59	25.61	26.24	19.07	**0.287**
Cash dividends per share	**9.00**	8.50	8.50	8.50	7.50	**0.074**
Shareholders' equity	**483,670**	477,053	475,614	392,619	295,422	**4,023,883**
Total current assets	**539,322**	564,830	503,543	441,690	442,938	**4,486,877**
Total assets	**1,070,708**	1,028,709	978,172	870,242	806,140	**8,907,727**
Depreciation and amortization	**53,578**	54,194	52,814	59,701	61,787	**445,740**

Note: Yen amounts have been translated into U.S. dollars, for convenience only, at ¥120.20 = US$1, the prevailing exchange rate on March 31, 2003.
The treasury stock indicated on the column of non-consolidated current assets up to the year of 2001 is listed on the column of shareholders' equity from the year of 2002 in accordance with the revision of regulations of financial statements.

CONSOLIDATED FINANCIAL STATEMENTS OF 2003

CONSOLIDATED BALANCE SHEETS

As of March 31, 2003 and 2002

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
ASSETS			
Current assets:			
Cash and time deposits(Note 8)	**¥ 178,289**	¥ 220,705	**$ 1,483,276**
Marketable securities (Note 4 and 8)	**60,933**	49,647	**506,937**
Receivables (Note 5) :			
Trade notes and accounts	**181,837**	158,058	**1,512,787**
Less allowance for doubtful receivables	**(2,426)**	(2,016)	**(20,186)**
Inventories (Note 3 and 5)	**269,710**	230,713	**2,243,847**
Other current assets	**156,232**	115,932	**1,299,772**
Total current assets	**844,577**	773,040	**7,026,435**
Property, plant and equipment (Note 5):			
Land	**163,908**	137,730	**1,363,633**
Buildings and structures	**247,115**	230,973	**2,055,871**
Machinery, equipment and vehicles	**829,122**	683,755	**6,897,859**
Construction in progress	**9,974**	6,123	**82,985**
	1,250,122	1,058,583	**10,400,350**
Less accumulated depreciation	**(800,257)**	(697,394)	**(6,657,716)**
	449,864	361,189	**3,742,634**
Investments and other assets:			
Investments in securities (Note 4)	**109,478**	72,060	**910,805**
Investments in affiliates	**18,436**	57,056	**153,380**
Other assets	**115,073**	84,372	**957,346**
	242,988	213,488	**2,021,532**
	¥1,537,430	¥1,347,718	**$12,790,603**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Trade notes and accounts payable	**¥ 326,179**	¥ 282,434	**$ 2,713,636**
Short-term bank loans (Note 5)	**103,576**	110,312	**861,703**
Current portion of long-term debt (Note 5)	**6,280**	2,853	**52,249**
Accrued income taxes	**34,887**	18,976	**290,244**
Accrued expenses	**113,025**	89,515	**940,314**
Other current liabilities	**90,904**	74,262	**756,276**
Total current liabilities	**674,853**	578,355	**5,614,425**
Long-term liabilities:			
Long-term debt (Note 5)	**56,668**	51,364	**471,447**
Accrued retirement & severance benefits (Note 6)	**55,879**	61,024	**464,883**
Other liabilities	**47,872**	26,634	**398,272**
	160,419	139,023	**1,334,603**
Minority interests	**53,799**	10,335	**447,586**
Shareholders' equity (Note 10):			
Common stock:			
Authorized-1,500,000,000 shares			
Issued,			
as of March 31, 2003—542,647,091	**120,210**	—	**1,000,085**
as of March 31, 2002—541,082,074	—	119,736	—
Additional paid-in capital	**126,577**	126,105	**1,053,061**
Consolidated retained earnings	**419,209**	394,022	**3,487,599**
Net unrealized gains on securities	**7,588**	8,581	**63,136**
Foreign currency translation adjustments	**(17,224)**	(28,386)	**(143,296)**
Less treasury stock, at cost	**(8,005)**	(54)	**(66,598)**
	648,357	620,004	**5,393,987**
Contingent liabilities (Note 11)			
	¥1,537,430	¥1,347,718	**$12,790,603**

CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2003 and 2002

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Net sales	**¥2,015,309**	¥1,668,251	**$16,766,305**
Cost of sales	**1,489,406**	1,220,336	**12,391,065**
Gross profit	**525,903**	447,914	**4,375,240**
Selling, general and administrative expenses	**451,699**	389,454	**3,757,898**
Operating income	**74,204**	58,460	**617,341**
Other income(expenses):			
Interest and dividend income	**7,405**	3,977	**61,613**
Interest expense	**(3,615)**	(4,819)	**(30,083)**
Equity in earnings of affiliates	**5,118**	2,361	**42,581**
Other, net	**(20,843)**	(20,650)	**(173,406)**
Income before income taxes	**62,269**	39,328	**518,047**
Income taxes:			
Current	**51,862**	32,307	**431,468**
Deferred	**(23,042)**	(15,229)	**(191,702)**
	28,819	17,077	**239,765**
Minority interests in earnings of consolidated subsidiaries	**2,425**	(142)	**(20,175)**
Net income	**¥ 31,024**	¥ 22,392	**$ 258,106**

	Yen		U.S. dollars
Net income per share (Note 2):			
Primary	**¥ 57.29**	¥ 41.40	**$ 0.476**
Fully diluted	**55.57**	41.16	**0.462**
Cash dividends per share	**9.00**	8.50	**0.074**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Years ended March 31, 2003 and 2002

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Thousands of shares of common stock	Millions of yen			
		Common stock	Additional paid-in capital	Consolidated retained earnings	Treasury stock at cost
Balance as of March 31, 2001	540,731	¥119,629	¥125,999	¥376,949	¥ (2)
Net income	—	—	—	22,392	—
Cash dividends	—	—	—	(4,712)	—
Directors' and corporate auditors' bonuses	—	—	—	(200)	—
Issue of common stock	—	—	—	—	—
Conversion of convertible bonds	350	106	105	—	—
Treasury stock acquired	—	—	—	—	(51)
Decrease resulting from consolidation of additional subsidiaries and affiliates	—	—	—	(407)	—
Balance as of March 31, 2002	541,082	¥119,736	¥126,105	¥394,022	¥ (54)
Net income	—	—	—	31,024	—
Cash dividends	—	—	—	(4,580)	—
Directors' and corporate auditors' bonuses	—	—	—	(200)	—
Issue of common stock	—	—	—	—	—
Conversion of convertible bonds	1,565	474	472	—	—
Treasury stock acquired	—	—	—	—	(7,950)
Decrease resulting from consolidation of additional subsidiaries and affiliates	—	—	—	(1,056)	—
Balance as of March 31, 2003	**542,647**	**¥120,210**	**¥126,577**	**¥419,209**	**¥(8,005)**

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Thousands of shares of common stock	Thousands of U.S. dollars			
		Common stock	Additional paid-in capital	Consolidated retained earnings	Treasury stock at cost
Balance as of March 31, 2002	541,082	$ 996,140	$1,049,127	$3,278,053	$ (451)
Net income	—	—	—	258,106	—
Cash dividends	—	—	—	(38,104)	—
Directors' and corporate auditors' bonuses	—	—	—	(1,663)	—
Issue of common stock	—	—	—	—	—
Conversion of convertible bonds	1,565	3,945	3,933	—	—
Treasury stock acquired	—	—	—	—	(66,147)
Decrease resulting from consolidation of additional subsidiaries and affiliates		—	—	(8,791)	—
Balance as of March 31, 2003	**542,647**	**$1,000,085**	**$1,053,061**	**$3,487,599**	**$(66,598)**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2003 and 2002

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Cash Flows from operating activities			
Income before income taxes etc.	**¥ 62,269**	¥ 39,328	**$ 518,047**
Depreciation and amortization expenses	**83,896**	75,083	**697,970**
Equity in earnings of affiliates	**(5,118)**	(2,361)	**(42,581)**
Increase (decrease) in accrued retirement & severance benefits	**(5,425)**	22,458	**(45,138)**
Interest and dividend income	**(7,405)**	(3,977)	**(61,613)**
Interest expense	**3,615**	4,819	**30,083**
Decrease in accounts receivable	**12,093**	2,827	**100,607**
Decrease (increase) in inventories	**(10,218)**	4,705	**(85,009)**
Increase (decrease) in accounts payable	**24,792**	(16,628)	**206,256**
Others	**23,831**	7,412	**198,265**
Sub Total	**182,329**	133,669	**1,516,886**
Interest and dividends received	**6,702**	3,733	**55,760**
Interest paid	**(3,684)**	(4,719)	**(30,656)**
Income taxes paid	**(39,271)**	(25,897)	**(326,715)**
Net cash provided by operating activities	**146,075**	106,785	**1,215,274**
Cash Flows from investing activities			
Purchases of marketable securities	**(68,943)**	(40,873)	**(573,576)**
Proceeds from sales of marketable securities	**116,024**	1,014	**965,259**
Purchases of property, plants and equipment	**(78,592)**	(79,518)	**(653,851)**
Proceeds from sales of property, plants and equipment	**2,906**	2,688	**24,181**
Purchases of investment securities	**(55,885)**	(10,777)	**(464,937)**
Proceeds from sales of investment securities	**9,564**	9,173	**79,574**
Increase in loans receivable	**(5,596)**	(30,401)	**(46,557)**
Purchases of subsidiaries' stock Resulting in the change of scope of consolidation	**(17,260)**	—	**(143,594)**
Others	**(582)**	1,114	**(4,845)**
Net cash used in investing activities	**(98,365)**	(147,580)	**(818,347)**
Cash Flows from financing activities			
Net decrease in short term bank loans	**(21,702)**	(39,513)	**(180,554)**
Proceeds from long term debt and issuance of bonds	**508**	36,193	**4,234**
Repayment from long term debt and redemption of bonds	**(893)**	(2,762)	**(7,431)**
Cash dividends paid	**(5,126)**	(4,744)	**(42,647)**
Purchases of treasury stock	**(7,923)**	—	**(65,922)**
Others	**329**	(52)	**2,737**
Net Cash used in financing activities	**(34,808)**	(10,879)	**(289,585)**
Effect of exchange rate change on cash and cash equivalents	**130**	2,773	**1,081**
Cash and cash equivalents increased (decreased)	**13,032**	(48,901)	**108,422**
Cash and cash equivalents at the beginning of year	**223,017**	271,918	**1,855,388**
Increase of Cash and cash equivalents by newly consolidated subsidiaries	**2,693**	—	**22,410**
Cash and cash equivalents at the end of year	**¥ 238,743**	¥223,017	**$1,986,222**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

1. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of SUZUKI MOTOR CORPORATION (the Company) have been prepared on the basis of generally accepted accounting principles and practices in Japan, and from the consolidated financial statements filed with the Ministry of Finance as required by the Securities and Exchange Law of Japan.

Certain reclassifications and modifications have been made to the original consolidated financial statements for the convenience of readers outside Japan. In addition, the consolidated statements of shareholders' equity have been prepared as additional information, although such statements are not required in Japan, and the notes include information which is not required under generally accepted accounting principles and practices in Japan.

As permitted, amount of less than one million yen have been omitted. For the convenience of readers, the consolidated financial statements including the opening balance of shareholders' equity have been presented in U.S. dollars by translating all Japanese yen amounts on the basis of ¥120.20 to U.S.$1, the rate of exchange prevailing as of March 31, 2003. Consequently, the totals shown in the consolidated financial statements (both in yen and in U.S. dollars) do not necessarily agree with the sum of the individual amounts.

2. Summary of significant accounting policies

(a)Principles of consolidation

The consolidated financial statements for the years ended March 31, 2003 and 2002, include the accounts of the Company and its significant subsidiaries and the number of consolidated subsidiaries are 144 and 128 respectively. All significant inter-company accounts and transactions are eliminated in consolidation. Investments in affiliated companies are accounted for by the equity method.

As for the evaluation of assets and liabilities of consolidated subsidiaries, the complete market value accounting method is adopted. The difference at the time of acquisition between the cost and underlying net equity of investments in consolidated subsidiaries and in affiliated companies accounted for under the equity method is, as a rule, amortized over a period of five years after appropriate adjustments.

(b)Marketable securities, investment in securities

Securities have to be classified into four categories; Trading securities, Held-to-maturity debt securities, Investments of the Company in equity securities issued by unconsolidated subsidiaries and affiliates and Other securities.

According to this classification, securities held by the Company and its subsidiaries are Other securities. Other securities for which market quotations are available are stated at fair value by closing date's market value method. Unrealized gains or losses are included in a component of shareholders' equity at a net-of-tax amount, and gains or losses from sales of securities are recognized on cost determined by the moving average method.

Other securities for which market quotations are unavailable are stated at cost by a moving average method.

(c)Hedge accounting

Gains or losses arising from changes in fair value of the derivatives designated as "hedging instruments" are deferred as an asset or liability and included in net profit or loss in the same period during which the gains and losses on the hedged items or transactions are recognized.

The derivatives designated as hedging instruments by the Company are principally interest swaps and forward exchange contracts. The related hedged items are trade accounts receivable and investments in securities.

The Company has a policy to utilize the above hedging instruments in order to reduce The

Company's exposure to the risk of interest rate and foreign exchange fluctuation. Thus, the Company's purchases of the hedging instruments are limited to, at maximum, the amounts of the hedged items. The Company evaluates effectiveness of its hedging activities by reference to the accumulated gains or losses on the hedging instruments and the related hedged items from the commencement of the hedges.

(d)Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies, whether long-term or short-term are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting gains and losses are included in net profit or loss for the period.

Assets and liabilities of the foreign subsidiaries and affiliates are translated into Japanese yen at the exchange rates prevailing at the balance sheet date.

The shareholders' equity at the beginning of the year is translated into Japanese yen at the historical rates. Profit and loss accounts for the year are translated into Japanese yen using the average exchange rate during the year or, alternatively, using the exchange rates prevailing at the balance sheet date. Differences in yen amounts arising from the use of different rates are presented as "foreign currency translation adjustments" in the shareholders' equity.

(e)Inventories

Inventories are stated at the lower of cost or market value, cost being determined principally by the periodic average method.

(f)Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is principally computed by the declining-balance method based on estimated useful lives of the assets (mainly 3-75 years).

Provision for additional depreciation to certain assets is made to reflect use of machinery and equipment in excess of normal production schedules, a substantial portion of which is, however, not tax deductible.

Maintenance and repairs, including minor renewals and improvements, are charged to income as incurred.

(g)Leases

Finance lease transactions, except for those which meet the conditions that the ownership of the lease assets is substantially transferred to the lessee, are accounted for on a basis similar to ordinary rental transactions.

(h)Income taxes

The provision for income taxes is computed based on the pretax income included in consolidated statements of income. The assets and liability approach is adopted to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

(i)Accrued retirement & severance benefits

In order to allow for payment of employees' retirement benefits, based on estimated amount of retirement benefits liabilities and pension assets at the end of this fiscal year, the allowable amount is appropriated.

Prior service cost is being amortized by the straight-line method over periods of mainly 15 years, which are the estimated average remaining service years of the employees. Actuarial gain and loss are amortized by the straight-line method over periods of mainly 15 years from the next year of the arising, which are the estimated average remaining service years of the employees.

In order to allow for payment of directors' retirement bonus, the amount payable accrued at the balance sheet date is appropriated based on the retirement bonus rule for directors.

(Accounting change)

Suzuki Employee Pension Fund Plan has had operation substituting for the portion of Japanese Welfare Pension Insurance Law. However, the deterioration of recent financial market conditions has resulted in a greater gap between the expected yield and the actual investment yield, which ultimately must be covered by the Company. Accordingly, in the application of enactment of a new law concerning the defined benefit plan in June 2001, aiming at easing the financial burden, the Company and some of domestic subsidiaries made a decision to return the substitute component of their pension funds to the Government, and were given approval of exemption from payment obligation of benefit for future service associated with the substitute component by Minister of Health, Labor and Welfare (the Company: on April 18, 2002, domestic subsidiaries: on April 23, 2002). Upon this approval, the Company and some of domestic subsidiaries adopted the transitional treatment provided in Article 47-2 of the "Practical Guideline on Accounting for Postretirement Benefits (Interim Report)" (The 13th report prepared by the Accounting System Committee of the Japan Institute of Certified Public Accountants), and regarded the liabilities (projected benefit obligation or PBO) and the pension assets corresponding to the expected returning amount of the substitute component as disappearing from the Company's balance sheet. The expected returning amount appropriated as of the end of current fiscal year is 57,410 million yen.

Under this situation, in order to establish a solid financial position, the Company has changed the accounting policy for the unrecognized transition liabilities from amortizing the straight-line method over five-year period to treating in full as expenses. And the all remaining balance of the liabilities other than substitute component of pension funds has been charged to expense in the current fiscal year. As a result of this change, in comparison with the case where the Company might adopt the previous method, the "Income before income taxes" is decreased by 8,605 million yen.

(j)Revenue recognition

Sales of products are generally recognized in the accounts as delivery is made.

(k)Accounting measure in respect of treasury stock and the reversal of legal reserve

Effective from the year ended March 31, 2003, the Company adopted the Statement of Financial Accounting Standard No.1 "Accounting for Treasury Stock and Reversal of Capital and Legal Reserves" issued by the Accounting Standard Board of Japan. However, the effect on net income for the period of adopting this new statement was immaterial.

(l)Amounts per share

Primary net income per share is computed based on the weighted average number of shares issued during the respective years. Fully diluted net income per share is computed assuming that all convertible bonds were converted into common stock, with an applicable adjustment for related interest expense and net of tax.

Effective from the year ended March 31, 2003, in calculation of the current net income per share and net assets per share, "The Accounting Standard relative to the current net income per share" (Business Accounting Standard No. 2) and "The Application Guide Line of Accounting Standard relative to the current net income per share" (Business Accounting Standard application guide line No. 4) have been applied. Prior to adopting the new statement, net income per share was calculated based on the net income shown on the Income Statement. The net income per share calculation excluded bonuses to directors and corporate auditors, since under the Japanese Commercial Code, these are recognized as an appropriation of retained earnings, in the Statement of Shareholders' Equity, rather than as expenses in the Income Statements. However, the new statement requires that net income should be adjusted by deducting bonuses paid to directors and corporate auditors as well as the payment of dividends to shareholders of preferred stocks to be recognized as an appropriation of retained earnings, from net income shown in the Income Statements, and the calculation of the net income per share be made on that adjusted net income basis. In the case calculation is made in the same method as before for the year ended March, 2003, the current net income per share is 57.66 yen and net assets per share (diluted) is 1,208.80 yen.

Cash dividends per share are the amounts applicable to the respective periods including dividends to be paid after the end of the period.

(m)Cash and cash equivalents

All highly liquid investments with original maturities of three months or less when purchased are considered cash and cash equivalents.

(n)Reclassification

Certain reclassifications of previously reported amounts have been made to conform with current classifications.

3. Inventories

Inventories as of March 31, 2003 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Finished products	**¥215,489**	¥203,707	**$1,792,757**
Work in process	**22,349**	14,411	**185,936**
Raw materials and others	**31,871**	12,594	**265,154**
	¥269,710	¥230,713	**$2,243,847**

4. Marketable securities and investments in securities

(a) Marketable securities and investments in securities quoted at an exchange as of March 31, 2003 and 2002

	Millions of yen		
	2003		
	Acquisition Cost	Amounts for BS	Valuation
Those whose amount for BS exceeds acquisition cost			
(1) Stocks	¥26,092	¥39,110	¥13,017
(2) Bonds	13,199	13,222	22
(3) Others	—	—	—
Sub Total	¥39,292	¥52,332	¥13,039
Those whose amount for BS does not exceed acquisition cost			
(1) Stocks	¥ 1,964	¥ 1,848	¥ (116)
(2) Bonds	25,000	24,724	(275)
(3) Others	8	6	(1)
Sub Total	¥26,972	¥26,579	¥ (393)
Total	¥66,265	¥78,912	¥12,646

	Millions of yen		
	2002		
	Acquisition Cost	Amounts for BS	Valuation
Those whose amount for BS exceeds acquisition cost			
(1) Stocks	¥24,625	¥40,817	¥16,191
(2) Bonds	2,188	2,217	29
(3) Others	—	—	—
Sub Total	¥26,813	¥43,034	¥16,221
Those whose amount for BS does not exceed acquisition cost			
(1) Stocks	¥10,667	¥ 9,176	¥(1,490)
(2) Bonds	15,997	15,840	(156)
(3) Others	5	4	(0)
Sub Total	¥26,669	¥25,021	¥(1,647)
Total	¥53,482	¥68,056	¥14,573

	Thousands of U.S. dollars		
	2003		
	Acquisition Cost	Amounts for BS	Valuation
Those whose amount for BS exceeds acquisition cost			
(1) Stocks	$217,079	$325,375	$108,295
(2) Bonds	109,814	110,003	188
(3) Others	—	—	—
Sub Total	$326,894	$435,378	$108,484
Those whose amount for BS does not exceed acquisition cost			
(1) Stocks	$ 16,343	$ 15,377	$ (966)
(2) Bonds	207,986	205,697	(2,289)
(3) Others	69	55	(14)
Sub Total	$224,400	$221,130	$ (3,269)
Total	$551,294	$656,508	$105,214

(b) Other securities sold during 2003 and 2002

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Amounts sold	**¥125,542**	¥9,961	**$1,044,444**
Gains from sales of the other securities	**4,679**	325	**38,934**
Losses from sales of the other securities	**(175)**	—	**(1,463)**

(c) Major securities not revalued by the market

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Other securities			
Commercial paper	**¥54,953**	¥40,068	**$457,181**
Unlisted stock	**30,094**	11,842	**250,367**
(Stocks traded over the counter are excluded.)			
Bonds	**4,775**	2,219	**39,729**

(d) The amounts to be redeemed after the closing date of securities with maturities among other securities

	Millions of yen 2003			
	Within one year	More than one year, within five years	More than five years, within ten years	More than ten years
(1) Bonds				
Government, local gov. bonds, etc	¥ 4,278	—	—	—
Corporate bonds	684	¥34,794	—	—
(2) Others	55,970	—	—	—
Total	¥60,933	¥34,794	—	—

	Millions of yen 2002			
	Within one year	More than one year, within five years	More than five years, within ten years	More than ten years
(1) Bonds				
Government, local gov. bonds, etc	¥ 28	—	—	—
Corporate bonds	9,157	¥5,154	¥2,997	—
(2) Others	40,461	—	—	—
Total	¥49,647	¥5,154	¥2,997	—

	Thousands of U.S. dollars 2003			
	Within one year	More than one year, within five years	More than five years, within ten years	More than ten years
(1) Bonds				
Government, local gov. bonds, etc	$ 35,592	—	—	—
Corporate bonds	5,698	$289,474	—	—
(2) Others	465,646	—	—	—
Total	$506,937	$289,474	—	—

5. Short-term bank loans and long-term debt

Short-term bank loans as of March 31, 2003 and 2002 consisted of the following. The annual interest rates of short-term bank loans as of March 31, 2003 were 0.22 percent to 10.78 percent.

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Short-term bank loans			
Secured	**¥ 5,077**	¥ 2,658	**$ 42,241**
Unsecured	**98,499**	107,653	**819,461**
	¥103,576	¥110,312	**$861,703**

Long-term debt as of March 31, 2003 and 2002 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Loans maturing through 2010			
Secured	**¥ 20**	¥ 67	**$ 166**
Unsecured	**5,218**	2,800	**43,414**
Unsecured 2.10 percent convertible bonds in yen due 2003	**—**	1,350	**—**
Unsecured 0.89 percent yen bonds due 2003	**5,000**	5,000	**41,597**
Unsecured 1.13 percent yen bonds due 2004	**10,000**	10,000	**83,194**
Unsecured 0.33 percent yen bonds due 2004	**5,000**	5,000	**41,597**
Unsecured zero coupon convertible bonds in yen due 2010	**30,000**	30,000	**249,584**
Secured 11.20 percent Indian Rs. bonds due 2007	**5,140**	—	**42,762**
Secured 12.00 percent Indian Rs. bonds due 2012	**2,570**	—	**21,381**
	¥62,948	¥54,218	**$523,697**
Less portion due within one year	**(6,280)**	(2,853)	**(52,249)**
	¥56,668	¥51,364	**$471,447**

The 2.1 percent convertible bonds outstanding as of March 31, 2002 might be redeemed at the option of the Company, in whole or in part, at price of 100 percent of the principal amount under certain conditions as provided in the applicable agreement.

The 2.1 percent convertible bonds were convertible into common stock at the options of holders at the conversion price of ¥605.1 per share, after giving effect to the new shares issued to General Motors of Canada Limited on January 18, 2001.

The zero coupon convertible bonds are convertible into common stock at the options of holders at the conversion price of ¥2,000 per share.

If the outstanding convertible bonds were fully converted as of March 31, 2003, 15,000,000 additional shares of common stock would be issued.

As is customary in Japan, both short-term and long-term bank loans are subject to general agreements which provide that the banks may, under certain circumstances, request additional

security for those loans, and may treat any security furnished to the banks, as well as cash deposited with them, as security for all present and future indebtedness.

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2004	¥ 6,280	$ 52,249
2005	18,079	150,414
2006	617	5,136
2007	133	1,106
Thereafter	37,837	314,790
	¥62,948	$523,697

Assets pledged as collateral as of March 31, 2003:

	Millions of yen	Thousands of U.S. dollars
Notes and accounts receivable	¥ 1,215	$ 10,115
Inventories	1,837	15,285
Property, plant and equipment	12,122	100,851
	¥15,175	$126,252

6. Accrued retirement & severance benefits

(a) Outline of an adopted retirement benefit system

In the case of the Company, as a defined benefit plan, Employee Pension Fund, Approved Retirement Annuity System and Termination Allowance Plan are established.

The Company and some of domestic subsidiaries were given approval of exemption from payment obligation of benefit for future service associated with the substitute component (the Company; on April 18, 2002, domestic subsidiaries; on April 23, 2002)by Minister of Health, Labor and Welfare.

(b) Items related to a retirement benefit obligation

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
a. Retirement benefit obligation	**¥(136,959)**	¥(251,620)	**$(1,139,434)**
b. Pension assets	**58,810**	126,858	**489,273**
c. Unrecognized retirement benefit obligation (a + b)	**¥ (78,149)**	¥(124,762)	**$ (650,160)**
d. Unrecognized transition liability	**—**	32,337	**—**
e. Unrecognized difference by an actuarial calculation	**23,846**	32,822	**198,393**
f. Unrecognized prior service cost(decrease of liabilities)	**(63)**	(68)	**(525)**
g. Accrued retirement & severance benefits (c+d+e+f)	**¥ (54,365)**	¥ (59,670)	**$ (452,293)**

Remarks: 1). The premium retirement allowance paid on a temporary basis is not included.

2). Some of subsidiaries adopt simplified methods for the calculation of retirement benefits.

3). Associated with the substitute component, adopted the transitional treatment provided in Articles 47-2 of the "Practical Guideline on Accounting for Postretirement Benefit (Interim Report)" (The 13th report prepared by the Accounting System Committee of the Japan Institute of Certified Public Accountants), and regarded the liabilities (projected benefit obligation or PBO) and the pension assets corresponding to the expected returning amount of the substitute component as disappearing from the Company's balance sheet. The expected returning amount appropriated as of the end of current fiscal year is 57,410 million yen.

(c) Items related to retirement benefit cost

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
a. Service cost	**¥ 7,184**	¥ 8,392	**$ 59,774**
b. Interest cost	**2,123**	5,047	**17,669**
c. Assumed return on investment	**(1,644)**	(4,483)	**(13,683)**
d. Amortized amount of transition liability	**12,908**	10,779	**107,393**
e. Amortized amount of actuarial difference	**7,945**	11,743	**66,100**
f. Amortized amount of prior service cost	**(4)**	(4)	**(40)**
g. Retirement benefit cost (a+b+c+d+e+f)	**¥28,513**	¥31,474	**$237,215**
h. Profit from the return of the substitute components of Employees Pension Fund assets	**(24,101)**	—	**(200,507)**
i. Total(g+h)	**¥ 4,412**	¥31,474	**$ 36,707**

Remarks: 1) The amount of employees' contribution to Employees' Pension Fund is deducted.

2) The retirement benefit cost of subsidiaries where simplified methods are adopted is accounted for “a. Service cost”.

(d) Items related to the calculation standard for the retirement benefit obligation

a. Term allocation of the estimated amount of retirement benefits	: Period fixed amount basis
b. Discount rate	: 2003 2.50% 2002 2.50%
c. Assumed return of investment ratio	: 2003 3.00% - 4.39% 2002 4.00% - 4.80%
d. Number of years for amortization of prior service cost	: Mainly 15 years To be amortized by straight line method with the employees' average remaining service years at the time when the difference was caused.
e. Number of years for amortization of the difference caused by an actuarial calculation	: Mainly 15 years To be amortized from the next fiscal year by straight line method with the employees' average remaining service years at the time when the difference was caused.

7. Income taxes

Breakdown of deferred tax assets and deferred tax liabilities by their main occurrence causes is as follows.

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Deferred tax assets			
Various reserves	**¥ 34,201**	¥ 34,959	**$ 284,537**
Excess-depreciation	**23,162**	29,900	**192,696**
Unrealized gross profits elimination	**17,385**	15,312	**144,637**
Others	**64,878**	41,059	**539,750**
Deferred tax assets total	**¥139,626**	¥121,232	**$1,161,622**
Deferred tax liabilities			
Net unrealized gains on security	**¥ (5,020)**	¥ (5,978)	**$ (41,766)**
Variance from the complete market value method of newly consolidated subsidiaries	**(8,813)**	—	**(73,326)**
Reserve for fixed assets advanced depreciation	**(2,326)**	(2,359)	**(19,356)**
Others	**(285)**	(563)	**(2,371)**
Deferred tax liabilities total	**¥ (16,445)**	¥ (8,900)	**$ (136,820)**
Net amounts of deferred tax assets	**¥123,181**	¥112,331	**$1,024,801**

The difference between statutory tax rate and the effective tax rate is summarized as follows.

	2003	2002
Statutory tax rate	**41.12%**	41.12%
Tax rate change	**2.71%**	—
Non-deductible expenses	**2.58%**	3.08%
Equity in earnings of affiliates	**(3.38%)**	(2.47%)
Others	**3.25%**	1.69%
Effective tax rate	**46.28%**	43.42%

As a result of the change of the enterprise tax rate based on the amendment of the Local Tax Law, the deferred income tax assets (net amount after deduction of deferred income tax liabilities) have decreased by 1,543 million yen, income taxes, deferred has increased by 1,690 million yen, and net unrealized gains on security has increased by 147 million yen.

8. Research and development Costs

Research and development costs included in Manufacturing cost and Selling, general and administrative expenses for the years ended March 31, 2003 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Research and development costs	**¥60,443**	¥45,008	**$502,855**

9. Cash and cash equivalents

Cash and cash equivalents as of March 31, 2003 and 2002 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Cash and time deposits	**¥178,289**	¥220,705	**$1,483,276**
Marketable securities	**60,933**	49,647	**506,937**
Time deposits with maturities of over three months	**(254)**	(254)	**(2,117)**
Marketable securities with maturities of over three months	**(225)**	(47,080)	**(1,875)**
	¥238,743	¥223,017	**$1,986,222**

10. Lease transactions

Finance lease transactions, except for those which meet the conditions that the ownership of the leased assets is substantially transferred to the lessee, as of March 31,2003 and 2002 were as follows:

As a lessee

(1)Amounts equivalent to acquisition costs, accumulated depreciation and net balance as of March 31, 2003	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Acquisition costs	**¥1,225**	¥1,314	**$10,192**
Accumulated depreciation	**(884)**	(939)	**(7,358)**
Net balance	**340**	374	**2,833**
(2)Future lease payments			
Due within one year	**177**	182	**1,473**
Thereafter	**324**	340	**2,697**
	501	523	**4,171**
(3)Lease expenses	**197**	206	**1,645**
Depreciation	**¥ 205**	¥ 195	**$ 1,706**

As a lessor

(1)Amounts of acquisition costs, accumulated depreciation and net balance as of March 31, 2003	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Acquisition costs	**¥1,041**	¥ 915	**$ 8,666**
Accumulated depreciation	**(794)**	(680)	**(6,608)**
Net balance	**247**	235	**2,057**
(2)Future lease revenues			
Due within one year	**118**	164	**984**
Thereafter	**192**	181	**1,598**
	310	345	**2,583**
(3)Lease revenues	**185**	193	**1,546**
Depreciation	**¥ 125**	¥ 143	**$ 1,040**

Operating lease transactions as of March 31, 2003 were as follows:

As a lessee

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Future lease payments			
Due within one year	**¥ 190**	¥185	**$1,585**
Thereafter	**517**	617	**4,308**
	¥ 708	¥803	**$5,894**

As a lessor

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Future lease revenues			
Due within one year	**¥ 65**	¥ 32	**$ 544**
Thereafter	**160**	26	**1,336**
	¥ 226	¥ 59	**$1,881**

11. Shareholders' equity

The Commercial Code requires that at least 50% of the issue price of new shares be included in a company's stated capital. The portion to be recorded as stated capital is determined by resolution of the Board of Directors. Proceeds in excess of the stated capital should be credited to "Additional paid-in capital".

The Commercial Code provides that an amount equivalent to a minimum of 10% of cash dividends and bonuses paid to directors and corporate auditors should be appropriated as a legal reserve until the reserve reaches a certain limit, defined as 25% of the stated capital less certain capital reserves.

The Commercial Code allows both the capital reserve, including "Additional paid-in capital", and the legal reserve to be transferred to the stated capital, by resolution of the Board of Directors, or to be used to reduce a deficit following the approval at a shareholders' meeting. In addition, under the Commercial Code, the capital reserve and the legal reserve may be available for dividends to the extent that the total of the capital and legal reserve taken together do not fall below 25% of the stated capital. The legal reserves of the Company and its subsidiaries are included in "Retained Earnings" on the consolidated balance sheet and are not shown separately.

12. Contingent liabilities

As of March 31, 2003, the Company and certain consolidated subsidiaries had the following contingent liabilities:

	Millions of yen	Thousands of U.S. dollars
Guarantee of indebtedness of affiliates and others	¥12,684	$105,531
Trade notes discounted	1,715	14,270
	¥14,400	$119,801

13. Segment Information

(a)Business segment

Millions of yen

	2003				
	Motorcycle	Automobile	Other	Elimination and corporate assets	Consolidated
Net sales:					
Outside customers	¥347,797	¥1,618,237	¥49,275	¥ —	¥2,015,309
Inter-area	—	—	—	—	—
	347,797	1,618,237	49,275	—	2,015,309
Operating expenses	319,367	1,579,556	42,181	—	1,941,105
Operating income	28,429	38,680	7,093	—	74,204
Assets	217,523	977,655	47,185	295,066	1,537,430
Depreciation	11,628	70,808	1,459	—	83,896
Capital expenditures	¥ 15,823	¥ 61,078	¥ 1,600	¥ —	¥ 78,501

Millions of yen

	2002				
	Motorcycle	Automobile	Other	Elimination and corporate assets	Consolidated
Net sales:					
Outside customers	¥312,466	¥1,311,296	¥44,487	¥ —	¥1,668,251
Inter-area	—	—	—	—	—
	312,466	1,311,296	44,487	—	1,668,251
Operating expenses	286,654	1,283,195	39,940	—	1,609,791
Operating income	25,811	28,101	4,546	—	58,460
Assets	186,336	798,765	45,784	316,831	1,347,718
Depreciation	11,273	62,039	1,770	—	75,083
Capital expenditures	¥ 11,665	¥ 66,825	¥ 1,033	¥ —	¥ 79,523

Thousands of U.S. dollars

	2003				
	Motorcycle	Automobile	Other	Elimination and corporate assets	Consolidated
Net sales:					
Outside customers	$2,893,488	$13,462,876	$409,942	$ —	$16,766,306
Inter-area	—	—	—	—	—
	2,893,488	13,462,876	409,942	—	16,766,306
Operating expenses	2,656,967	13,141,071	350,926	—	16,148,964
Operating income	236,521	321,805	59,016	—	617,342
Assets	1,809,675	8,133,573	392,554	2,454,799	12,790,603
Depreciation	96,739	589,091	12,138	—	697,970
Capital expenditures	$ 131,641	$ 508,139	$ 13,313	$ —	$ 653,093

(b)Geographical segment

Millions of yen

	2003						
	Japan	Europe	North America	Asia	Other areas*1	Elimination and corporate assets	Consolidated
Net sales:							
Outside customers	¥1,125,144	¥ 294,694	¥ 302,594	¥ 270,449	¥22,426	¥ —	¥2,015,309
Inter-area	415,479	2,098	596	15,218	23	(433,415)	—
	1,540,623	296,792	303,191	285,667	22,450	(433,415)	2,015,309
Operating expenses	1,473,383	293,601	302,777	278,611	21,948	(430,217)	1,941,105
Operating income	¥ 66,240	¥ 3,191	¥ 414	¥ 7,055	¥ 501	¥ (3,198)	¥ 74,204
Assets	¥ 857,439	¥ 145,780	¥ 67,731	¥ 232,231	¥ 9,942	¥ 224,305	¥1,537,430

Millions of yen

	2002						
	Japan	Europe	North America	Asia	Other areas*1	Elimination and corporate assets	Consolidated
Net sales:							
Outside customers	¥1,066,639	¥ 275,116	¥267,182	¥ 36,884	¥22,428	¥ —	¥1,688,251
Inter-area	370,363	1,305	149	1,159	—	(372,977)	—
	1,437,002	276,421	267,332	38,043	22,428	(372,977)	1,668,251
Operating expenses	1,380,871	273,911	266,462	36,618	22,665	(370,737)	1,609,791
Operating income	¥ 56,131	¥ 2,510	¥ 869	¥ 1,425	¥ (236)	¥ (2,239)	¥ 58,460
Assets	¥ 851,483	¥ 151,342	¥ 54,376	¥ 24,411	¥11,745	¥ 254,360	¥1,347,718

Thousands of U.S. dollars

	2003						
	Japan	Europe	North America	Asia	Other areas*1	Elimination and corporate assets	Consolidated
Net sales:							
Outside customers	$9,360,605	$2,451,701	$2,517,424	$2,249,995	$186,579	$ —	$16,766,305
Inter-area	3,456,564	17,455	4,965	126,606	192	(3,605,785)	—
	12,817,170	2,469,156	2,522,390	2,376,601	186,772	(3,605,785)	16,766,305
Operating expenses	12,266,086	2,442,607	2,518,944	2,317,900	182,603	(3,579,177)	16,148,964
Operating income	$ 551,083	$ 26,549	$ 3,445	$ 58,701	$ 4,169	$ (26,608)	$ 617,341
Assets	$7,133,436	$1,212,816	$ 563,489	$1,932,038	$ 82,716	$1,866,105	$12,790,603

*1 "Other areas" consists principally of Oceania, South America.

(c)Overseas sales

Millions of yen

2003

	Europe	North America	Asia	Other areas *2	Consolidated
Overseas sales	¥357,532	¥354,234	¥349,532	¥99,741	¥1,161,040
Consolidated net sales					2,015,309
Ratio of overseas sales to consolidated net sales	17.7%	17.6%	17.3%	4.9%	57.6%

Millions of yen

2002

	Europe	North America	Asia	Other areas *2	Consolidated
Overseas sales	¥331,473	¥315,461	¥136,801	¥97,602	¥881,339
Consolidated net sales					1,668,251
Ratio of overseas sales to consolidated net sales	19.9%	18.9%	8.2%	5.9%	52.8%

Thousands of U. S. dollars

2003

	Europe	North America	Asia	Other areas *2	Consolidated
Overseas sales	$2,974,479	$2,947,039	$2,907,920	$829,798	$9,659,236
Consolidated net sales					16,766,306
Ratio of overseas sales to consolidated net sales	17.7%	17.6%	17.3%	4.9%	57.6%

*2 "Other areas" consists principally of Oceania and Central America.

14. Supplementary cash flow information

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Conversion of convertible bonds	**¥946**	¥212	**$7,878**

15. Subsequent events

(a) The following plan for the appropriation of retained earnings for the year ended March 31, 2003 was approved by the ordinary general meeting of shareholders of the Company held on June 27, 2003:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends	¥2,682	$22,313
Bonuses for directors and corporate auditors	200	1,663
	¥2,882	$23,977

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders of
Suzuki Motor Corporation

We have audited the accompanying consolidated balance sheets of Suzuki Motor Corporation and its subsidiaries as of March 31, 2003 and 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese Yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

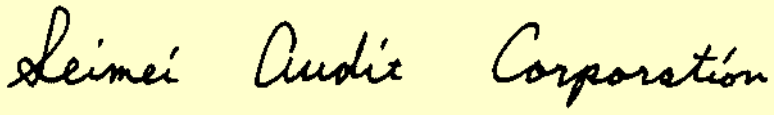
We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Suzuki Motor Corporation and its subsidiaries as of March 31, 2003 and 2002, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan.

As described in Note 2, effective from the year ended March 31, 2003, Suzuki Motor Corporation and its subsidiaries changed their accounting policy for accrued retirement & severance benefits.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying consolidated financial statements.

Seimei Audit Corporation
Tokyo, Japan
June 27, 2003



NON-CONSOLIDATED FINANCIAL STATEMENTS OF 2003

NON-CONSOLIDATED BALANCE SHEETS

As of March 31st, 2003 and 2002

SUZUKI MOTOR CORPORATION	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
ASSETS			
Current assets:			
Cash and time deposits	**¥ 102,390**	¥ 168,792	**$ 851,834**
Marketable securities	**55,178**	47,080	**459,056**
Receivables:			
Trade notes and accounts	**37,292**	40,471	**310,253**
Subsidiaries and affiliates	**113,656**	113,191	**945,557**
Less allowance for doubtful receivables	**(132)**	(343)	**(1,098)**
Inventories	**90,215**	71,896	**750,546**
Other current assets	**140,721**	123,740	**1,170,727**
Total current assets	**539,322**	564,830	**4,486,877**
Property, plant and equipment:			
Land	**94,926**	95,031	**789,737**
Buildings and structures	**164,547**	160,309	**1,368,951**
Machinery and equipment	**509,052**	497,519	**4,235,046**
Construction in progress	**929**	1,458	**7,735**
	769,456	754,319	**6,401,471**
Less accumulated depreciation	**(570,215)**	(544,675)	**(4,743,889)**
	199,241	209,643	**1,657,581**
Investments and other assets:			
Investments in securities	**107,497**	70,958	**894,324**
Investments in subsidiaries and affiliates	**131,750**	105,946	**1,096,095**
Other assets	**92,896**	77,331	**772,849**
	332,144	254,235	**2,763,268**
	¥1,070,708	¥1,028,709	**$8,907,727**

	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term bank loans	**¥ 32,600**	¥ 32,580	**$ 271,214**
Current portion of long-term debt	**5,000**	1,590	**41,597**
Payables:			
Trade notes and accounts	**274,201**	246,754	**2,281,206**
Subsidiaries and affiliates	**23,821**	25,287	**198,183**
Accrued expenses	**91,404**	80,733	**760,439**
Accrued income taxes	**24,153**	14,702	**200,942**
Other current liabilities	**42,227**	41,260	**351,311**
Total current liabilities	**493,408**	442,909	**4,104,895**
Long-term liabilities:			
Long-term debt	**45,000**	50,067	**374,376**
Accrued retirement & severance benefits	**31,219**	40,496	**259,725**
Other liabilities	**17,410**	18,182	**144,848**
	93,629	108,746	**778,949**
Shareholders' equity			
Common stock:			
Authorized - 1,500,000,000 shares			
Issued,			
as of March 31st, 2003 - 542,647,091	**120,210**	—	**1,000,085**
as of March 31st, 2002 - 541,082,074	**—**	119,736	**—**
Additional paid-in capital	**126,577**	126,105	**1,053,061**
Earned surplus	**—**	8,269	**—**
Retained earnings	**237,319**	214,436	**1,974,375**
Net unrealized gains on security	**7,540**	8,560	**62,734**
Treasury stock	**(7,978)**	(54)	**(66,374)**
	483,670	477,053	**4,023,883**
	¥1,070,708	¥1,028,709	**$8,907,727**

NON-CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31st, 2003 and 2002

SUZUKI MOTOR CORPORATION	Millions of yen		Thousands of U.S. dollars
	2003	2002	**2003**
Net sales	**¥1,411,418**	¥1,320,218	**$11,742,252**
Cost of sales	**1,085,451**	1,026,515	**9,030,378**
Gross profit	**325,967**	293,703	**2,711,873**
Selling, general and administrative expenses	**272,135**	251,139	**2,264,026**
Operating income	**53,831**	42,563	**447,847**
Other income(expenses):			
Interest and dividend income	**6,958**	4,055	**57,891**
Interest expense	**(527)**	(504)	**(4,391)**
Other, net	**(22,520)**	(22,655)	**(187,360)**
	(16,089)	(19,103)	**(133,859)**
Income before income taxes	**37,741**	23,459	**313,987**
Income taxes	**18,347**	9,547	**152,641**
Net income	**¥ 19,393**	¥ 13,912	**$ 161,346**

	Yen		U.S. dollars
Net income per share:			
Primary	**¥35.67**	¥25.72	**$ 0.296**
Fully diluted	**34.61**	25.59	**0.287**
Cash dividends per share	**9.00**	8.50	**0.074**

ON THE COVER

The GRAND VITARA XL-7

The GRAND VITARA XL-7 is Suzuki's flagship sport utility vehicle. With a 2.7 litre, fuel-injected V6 engine and the Drive Select 4X4 system, it has a real 4X4 capability.

Yet it's also ultimate in family transport thanks to seven seats, an abundance of flexible space and outstanding standard equipment.

GSX-R1000

The Suzuki GSX-R1000 was launched with the goal of owning the racetrack. For 2003, there's even more power; weight has been pared back even further; and
a new frame has been added to give truly breathtaking handling. Compact 988cc 4-stroke, 4-cylinder, liquid-cooled engine with gear-driven counterbalancer features new ventilation system to equalize lower-cylinder pressure and reduce mechanical loss. Plus, the GSX-R1000 has a new, aggressive, more aerodynamic style to show that the assault on the world's circuits only just begun.

DF140

The DF140, a current flagship of Suzuki 4 stroke outboard motors, delivers 140 ps (103 kW) with a 2044cc, 4-stroke, 4-cylinder DOHC 16-valve engine. It delivers high performance for various boats with its lightweight, compact design and high-power engine, and features multi point sequential electronic fuel injection which makes starting smooth and which presents superb throttle response, as well as environmentally aware performance - low emissions - and low fuel consumption.

※This pamphlet is printed on recycled paper using environmentally friendly soybeen-based ink.

SUZUKI MOTOR CORPORATION
300 TAKATSUKA, HAMAMATSU, JAPAN

Shizuoka International Garden and Horticulture Exhibition
PACIFIC FLORA 2004 JAPAN
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