

5 August 2021

Suzuki Announces Financial Results for FY2021 First Quarter (April to June 2021)

- Net sales and profit for the first quarter increased year-on-year. Net sales and profit decreased compared to the second preceding fiscal year.
- Forecasts decrease in operating profit year-on-year mainly owing to shortage of semiconductors, increase of raw material cost, and increase of R&D expenses.

1. Outline of Financial Results for FY2021 First Quarter

Consolidated net sales of FY2021 first quarter (April to June 2021) increased by ¥420.1 billion to ¥845.4 billion compared to the corresponding period of the previous fiscal year, which had been seriously impacted by the global Novel Coronavirus pandemic. Operating profit increased by ¥53.2 billion to ¥54.5 billion year-on-year, owing to increase in sales, especially from sales promotion of inventory models and foreign exchange gains. Meanwhile, net sales decreased by ¥62.1 billion and operating profit decreased by ¥8.2 billion compared to the corresponding period of the second preceding fiscal year. They have not yet recovered to the level of the second preceding fiscal year mainly owing to reduction of production due to the resurgence of Novel Coronavirus infections in India and shortage of semiconductors in Japan, increase of raw material cost, and increase of R&D expenses.

Ordinary profit increased by ¥96.3 billion to ¥110.8 billion year-on-year, mainly owing to improvement of financial revenue of ¥38.0 billion. With respect to profit attributable to owners of parent, as compared to the previous fiscal year which recorded loss on COVID-19 of ¥15.4 billion, it increased by ¥83.0 billion to ¥84.8 billion year-on-year, mainly owing to gain on sale of former Toyokawa plant site of ¥18.0 billion.

2. Operating Results by Segment

(1) Automobile business

Net sales increased by ¥391.3 billion (106.5%) to ¥758.8 billion year-on-year. Operating profit became ¥42.0 billion, owing to increase in sales, especially from sales promotion of inventory models and foreign exchange gains.

(2) Motorcycle business

Net sales increased by ¥22.6 billion (64.5%) to ¥57.5 billion year-on-year, operating profit became profitable to ¥4.4 billion, and operating profit margin was 7.7%, owing to the impact of the new Hayabusa launch, and advancement in the improvement of motorcycle business quality.

(3) Marine business

Net sales increased by ¥5.8 billion (28.7%) to ¥26.0 billion year-on-year, and operating profit increased by ¥3.0 billion (77.9%) to ¥6.8 billion year-on-year, due to the continued strong sales of outboard motors in North America.

(4) Other business

Net sales increased by ¥0.4 billion (14.3%) to ¥3.1 billion year-on-year, and operating profit increased by ¥0.8 billion (167.8%) to ¥1.3 billion year-on-year.

(5) Operating results by geographic region

Net sales and profit increased in all areas.

3. Forecasts for Consolidated Operating Results

As the outlook for semiconductor shortage is unclear, forecasts for the consolidated operating results for FY2021 are based on the assumption that the impact on plant operations will continue until the end of the fiscal year. Operating profit is expected to decrease, also due to the increase of raw material cost, and increase of R&D expenses, etc. R&D expenses are expected to increase by ¥43.8 billion to ¥190.0 billion year-on-year, and we will actively promote research and development, mainly on electrification.

The Group will work as one to reform in every field, and implement measures to improve profitability, such as fixed cost reduction, to accomplish more than the below forecasts for the consolidated operating results.

(Forecasts for the consolidated operating results-Full Year)

Net Sales	¥3,400.0	billion	(up 7.0% year-on-year)
Operating Profit	¥170.0	billion	(down 12.6% year-on-year)
Ordinary Profit	¥220.0	billion	(down 11.4% year-on-year)
Profit attributable to owners of parent	¥150.0	billion	(up 2.4% year-on-year)
(Foreign Exchange Rate)	¥108/US\$		
	¥129/Euro		
	¥1.47/Indian Rupee		
	¥0.76/100 Indonesian Rupiah		
	¥3.36/Thai Baht		

*Forecasts for the consolidated operating results are based on currently available information and assumptions, contain risks and uncertainty and do not constitute guarantees of future achievement. Please note that the actual results may greatly vary by the changes of various factors. Those factors, which may influence the future results, include economic conditions and the trend of demand in major markets and the fluctuations of foreign exchange rates (mainly U.S. dollar/Yen rate, Euro/Yen rate, Indian Rupee/Yen rate).