

# FIVE-YEAR SUMMARY

SUZUKI MOTOR CORPORATION

## Consolidated

Years ended 31st March	Millions of yen (except per share amounts)					Thousands of U.S. dollars (except per share amounts)
	1999	1998	1997	1996	1995	1999
Net sales .....	<b>¥1,455,832</b>	¥1,488,785	¥1,502,424	¥1,381,132	¥1,258,285	<b>\$12,076,582</b>
Net income .....	<b>24,359</b>	30,156	33,586	26,626	20,057	<b>202,067</b>
Net income per share:						
Primary .....	<b>52.72</b>	67.17	74.84	59.35	44.71	<b>0.437</b>
Fully diluted .....	<b>52.40</b>	66.71	74.29	58.91	—	<b>0.434</b>
Cash dividends per share ...	<b>7.50</b>	7.50	8.50	8.50	7.50	<b>0.062</b>
Shareholders' equity .....	<b>438,047</b>	374,566	348,313	318,342	296,256	<b>3,633,743</b>
Total current assets .....	<b>627,232</b>	581,328	603,581	577,219	522,704	<b>5,203,088</b>
Total assets .....	<b>1,131,849</b>	1,037,280	1,009,631	952,603	875,862	<b>9,389,044</b>
Depreciation and amortization ....	<b>82,546</b>	67,263	60,225	57,175	64,572	<b>684,749</b>

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

## Non-consolidated

Years ended 31st March	Millions of yen (except per share amounts)					Thousands of U.S. dollars (except per share amounts)
	1999	1998	1997	1996	1995	1999
Net sales .....	<b>¥1,189,622</b>	¥1,179,136	¥1,182,121	¥1,120,944	¥1,048,804	<b>\$9,868,288</b>
Net income .....	<b>8,855</b>	9,533	11,352	9,452	8,002	<b>73,457</b>
Net income per share:						
Primary .....	<b>19.17</b>	21.23	25.30	21.07	17.84	<b>0.159</b>
Fully diluted .....	<b>19.07</b>	21.12	25.14	20.94	—	<b>0.158</b>
Cash dividends per share ...	<b>7.50</b>	7.50	8.50	8.50	7.50	<b>0.062</b>
Shareholders' equity .....	<b>295,422</b>	247,350	241,780	234,224	228,245	<b>2,450,625</b>
Total current assets .....	<b>442,938</b>	392,663	416,839	402,630	393,473	<b>3,674,313</b>
Total assets .....	<b>806,140</b>	723,487	717,716	690,961	685,168	<b>6,687,186</b>
Depreciation and amortization ....	<b>61,782</b>	47,339	42,987	42,702	50,507	<b>512,507</b>

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

# CONSOLIDATED FINANCIAL STATEMENTS OF 1999

## CONSOLIDATED BALANCE SHEETS

As of 31st March, 1999 and 1998

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and time deposits .....	¥ 233,196	¥ 185,121	\$1,934,440
Short-term investments (Note 4) .....	14,600	20,239	121,114
Receivables (Note 5):			
Trade notes and accounts .....	146,541	134,291	1,215,610
Less allowance for doubtful receivables .....	(2,511)	(2,450)	(20,837)
Inventories (Note 3 and 5) .....	193,462	202,368	1,604,828
Other current assets .....	41,943	41,758	347,931
Total current assets	<u>627,232</u>	<u>581,328</u>	<u>5,203,088</u>
<b>Property, plant and equipment (Note 5):</b>			
Land .....	128,765	126,241	1,068,147
Buildings and structures .....	210,901	201,936	1,749,491
Machinery and equipment .....	619,278	591,180	5,137,112
Construction in progress .....	2,125	4,538	17,631
	961,070	923,897	7,972,382
Less accumulated depreciation .....	(609,632)	(586,908)	(5,057,090)
Property, plant and equipment, net	<u>351,438</u>	<u>336,988</u>	<u>2,915,292</u>
<b>Investments and other assets:</b>			
Investments in securities (Note 4) .....	54,326	32,482	450,655
Investments in non-consolidated subsidiaries and affiliates .....	54,119	52,597	448,935
Other assets .....	12,821	11,278	106,362
Total Investments and other assets	<u>121,267</u>	<u>96,358</u>	<u>1,005,952</u>
<b>Foreign currency translation adjustments</b> .....	<u>31,910</u>	<u>22,605</u>	<u>264,711</u>
	<u>¥1,131,849</u>	<u>¥1,037,280</u>	<u>\$9,389,044</u>

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

	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
<b>LIABILITIES AND SHAREHOLDERS, EQUITY</b>			
<b>Current liabilities:</b>			
Trade notes and accounts payable .....	¥ 267,625	¥ 274,034	\$ 2,220,033
Short-term bank loans (Note 5) .....	122,616	124,524	1,017,141
Commercial paper (Note 5) .....	40,000	—	331,812
Current portion of long-term debt (Note 5) .....	25,154	4,937	208,662
Accrued income taxes (Note 9) .....	17,106	15,744	141,904
Accrued expenses .....	80,373	82,230	666,721
Other current liabilities .....	71,929	72,846	596,676
Total current liabilities	<u>624,804</u>	<u>574,317</u>	<u>5,182,952</u>
<b>Long-term liabilities:</b>			
Long-term debt (Note 5) .....	8,037	30,230	66,671
Accrued retirement and severance benefits .....	26,436	23,932	219,299
Other liabilities .....	26,063	25,934	216,207
Total long-term liabilities	<u>60,537</u>	<u>80,097</u>	<u>502,178</u>
<b>Minority interests</b> .....	<u>8,459</u>	<u>8,298</u>	<u>70,170</u>
<b>Shareholders, equity (Note 7):</b>			
Common stock:			
Authorized-1,500,000,000 shares			
Issued, par value ¥50 per share			
as of 31st March, 1999-483,325,003 .....	85,524	—	709,448
as of 31st March, 1998-448,960,125 .....	—	64,156	—
Additional paid-in capital .....	91,950	70,852	762,760
Retained earnings .....	260,580	239,559	2,161,597
Less treasury stock, at cost .....	(7)	(1)	(63)
Total shareholders' equity	<u>438,047</u>	<u>374,566</u>	<u>3,633,743</u>
<b>Contingent liabilities (Note 8)</b>	<u>¥1,131,849</u>	<u>¥1,037,280</u>	<u>\$9,389,044</u>

# CONSOLIDATED STATEMENTS OF INCOME

Years ended 31st March, 1999 and 1998

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
<b>Net sales</b> .....	<b>¥1,455,832</b>	¥1,488,785	<b>\$12,076,582</b>
<b>Cost of sales</b> .....	<b>1,119,776</b>	1,133,128	<b>9,288,892</b>
Gross profit .....	<b>336,056</b>	355,657	<b>2,787,689</b>
<b>Selling, general and administrative expenses</b> .....	<b>288,794</b>	299,757	<b>2,395,639</b>
Operating income .....	<b>47,261</b>	55,899	<b>392,050</b>
<b>Other income (expenses) :</b>			
Interest and dividend income .....	<b>5,846</b>	4,339	<b>48,500</b>
Interest expense .....	<b>(5,513)</b>	(6,195)	<b>(45,739)</b>
Other, net .....	<b>(856)</b>	(1,201)	<b>(7,103)</b>
Income before income taxes .....	<b>46,738</b>	52,841	<b>387,708</b>
<b>Income taxes:</b>			
Current (Note 9) .....	<b>28,630</b>	38,812	<b>237,502</b>
Deferred .....	<b>1,529</b>	(4,303)	<b>12,683</b>
	<b>30,159</b>	34,508	<b>250,186</b>
Minority interests in earnings of consolidated subsidiaries .....	<b>(27)</b>	(830)	<b>(225)</b>
Equity in earnings of non-consolidated subsidiaries and affiliates .....	<b>7,808</b>	12,654	<b>64,770</b>
<b>Net income</b> .....	<b>¥ 24,359</b>	¥ 30,156	<b>\$ 202,067</b>

	Yen		U.S. dollars
<b>Net income per share:</b>			
Primary .....	<b>¥52.72</b>	¥67.17	<b>\$ 0.437</b>
Fully diluted .....	<b>52.40</b>	66.71	<b>0.434</b>
<b>Cash dividends per share</b> .....	<b>7.50</b>	7.50	<b>0.062</b>

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

# CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Years ended 31st March, 1999 and 1998

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Thousands of shares of common stock	Millions of yen			
		Common stock	Additional paid-in capital	Retained earnings	Treasury stock at cost
<b>Balance as of 1st April, 1997</b>	448,956	¥64,155	¥70,851	¥213,307	¥(1)
Net income .....	—	—	—	30,156	—
Cash dividends .....	—	—	—	(3,816)	—
Directors' and statutory auditors' bonuses .....	—	—	—	(150)	—
Conversion of convertible bonds .....	3	1	0	—	—
Treasury stock acquired .....	—	—	—	—	(0)
Increase resulting from consolidation of additional subsidiaries .....	—	—	—	60	—
<b>Balance as of 31st March, 1998</b>	<u>448,960</u>	<u>¥64,156</u>	<u>¥70,852</u>	<u>¥239,559</u>	<u>¥(1)</u>
Net income .....	—	—	—	24,359	—
Cash dividends .....	—	—	—	(3,368)	—
Directors' and statutory auditors' bonuses .....	—	—	—	(150)	—
Issue of common stock .....	33,600	21,134	21,134	—	—
Conversion of convertible bonds .....	764	233	232	—	—
Treasury stock acquired .....	—	—	—	—	(5)
Increase (decrease) resulting from consolidation of additional subsidiaries and affiliates .....	—	—	(269)	181	—
<b>Balance as of 31st March, 1999</b>	<u>483,325</u>	<u>¥85,524</u>	<u>¥91,950</u>	<u>¥260,580</u>	<u>¥(7)</u>

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY

	Thousands of shares of common stock	Thousands of U.S. dollars			
		Common stock	Additional paid-in capital	Retained earnings	Treasury stock at cost
<b>Balance as of 31st March, 1998</b>	448,960	\$532,196	\$587,746	\$1,987,218	\$(13)
Net income .....	—	—	—	202,067	—
Cash dividends .....	—	—	—	(27,946)	—
Directors' and statutory auditors' bonuses .....	—	—	—	(1,244)	—
Issue of common stock .....	33,600	175,316	175,316	—	—
Conversion of convertible bonds...	764	1,935	1,929	—	—
Treasury stock acquired .....	—	—	—	—	(49)
Increase (decrease) resulting from consolidation of additional subsidiaries and affiliates .....	—	—	(2,231)	1,502	—
<b>Balance as of 31st March, 1999</b>	<b>483,325</b>	<b>\$709,448</b>	<b>\$762,760</b>	<b>\$2,161,597</b>	<b>\$(63)</b>

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

# NOTES TO CONSOLIDATED FINANCIAL 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.

All yen figures have been rounded down to millions of yen. For the convenience of readers, the consolidated financial statements have been presented in U.S. dollars by translating all Japanese yen amounts on the basis of ¥120.55 to U.S.\$1, the rate of exchange prevailing as of 31st March, 1999. 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 31st March, 1999 and 1998, include the accounts of the Company and its significant subsidiaries and the number of consolidated subsidiaries are 135 and 134 respectively. All significant inter-company accounts and transactions are eliminated in consolidation.

Investments in certain significant unconsolidated subsidiaries and affiliated companies (20 per cent. to 50 per cent. owned) are accounted for by the equity method.

The difference at the time of acquisition between the cost and underlying net equity of investments in consolidated subsidiaries and in unconsolidated subsidiaries and affiliated companies accounted for under the equity method is, as a rule, amortized over a period of five years after appropriate adjustments.

### **(b) Foreign currency translations**

Current receivables and payables in foreign currencies of domestic companies are translated into Japanese yen at the exchange rates as of the balance sheet date, and other assets in foreign currencies are translated at the historical rates. Revenue and costs are translated at exchange rates prevailing during the year. Gains or losses resulting from translation of foreign currency transactions are credited or charged to income as incurred.

The balance sheet accounts, revenue and expenses of overseas consolidated subsidiaries

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

are translated into Japanese yen on the basis of the year-end rates except shareholders' equity, which are translated at the historical rates.

Translation differences are shown as "Foreign currency translation adjustments" in the consolidated balance sheets.

### (c) Investments in securities

Marketable securities (current and non-current) are stated at the lower of cost or market value, cost being determined by the moving average method. Non-marketable securities are stated at cost determined by the moving average method.

### (d) Inventories

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

### (e) 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.

Provision for additional depreciation 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.

### (f) 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.

### (g) Income taxes

Income taxes are principally accounted for on an accrual basis. Deferred income taxes pertaining to timing differences are recognized only insofar as they relate to the elimination of unrealized inter-company profits and other adjustments for consolidation purposes.

### (h) Retirement and severance benefits

The Company and certain consolidated subsidiaries have a funded retirement and severance pension plan and/or an unfunded retirement benefit plan, both of which cover all of their employees.

The amount of the retirement and severance benefits is in general determined on the basis of length of service and basic salary at the time of the retirement. The Company and certain consolidated subsidiaries reserve retirement and severance allowances for directors and statutory auditors. The liability for accrued retirement and severance benefits shown on the consolidated balance sheet represents the retirement and severance benefits accrued in respect of the unfunded plan of the Company and certain subsidiaries at the amounts which would be required if all employees voluntarily retired at the balance



sheet date, plus the provisions for retirement and severance benefits of directors and statutory auditors computed by the retirement and severance benefit rule of directors and statutory auditors at the balance sheet date.

(i) Research and development expenses

Research and development expenses are charged to income as incurred.

(j) Revenue recognition

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

(k) 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 at the beginning of the year were converted into common stock, with an applicable adjustment for related interest expense and net of tax.

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

(l) Reclassification

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

### 3. Inventories

Inventories as of 31st March, 1999 and 1998 were as follows:

	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
Finished goods .....	<b>¥154,778</b>	¥166,037	<b>\$1,283,935</b>
Work in process .....	<b>17,967</b>	18,106	<b>149,043</b>
Raw materials and others .....	<b>20,716</b>	18,224	<b>171,848</b>
	<b>¥193,462</b>	¥202,368	<b>\$1,604,828</b>

### 4. Short-term investments and investments in securities

Short-term investments and investments in securities as of 31st March, 1999 and 1998 were as follows:

	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
Marketable securities-			
Equity securities .....	<b>¥36,053</b>	¥25,671	<b>\$299,074</b>
Bonds and other .....	<b>17,308</b>	6,192	<b>143,576</b>
	<b>53,361</b>	31,863	<b>442,650</b>
Other .....	<b>15,565</b>	20,858	<b>129,119</b>
	<b>¥68,926</b>	¥52,721	<b>\$571,770</b>
Market value of marketable securities .....	<b>¥83,973</b>	¥53,668	<b>\$696,583</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**5. Short-term bank loans, commercial paper and long-term debt**

Short-term bank loans were generally represented by short-term notes and/or bank overdrafts. The annual interest rates of short-term bank loans and commercial paper as of 31st March, 1999 were 0.15 per cent to 15.5 per cent.

Short-term bank loans and commercial paper as of 31st March, 1999 and 1998 consisted of:

	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
Short-term bank loans			
Secured .....	¥ 12,395	¥ 10,055	\$ 102,820
Unsecured .....	110,221	114,469	914,320
	<u>¥122,616</u>	<u>¥124,524</u>	<u>\$1,017,141</u>
Commercial paper .....	¥ 40,000	—	\$ 331,812

Long-term debt as of 31st March, 1999 and 1998 consisted of:

	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
Loans maturing through 2009			
Secured .....	¥ 130	¥ 451	\$ 1,084
Unsecured .....	11,458	12,648	95,053
4.75 per cent. yen bonds due 1999 .....	20,000	20,000	165,906
Unsecured 2.1 per cent. convertible bonds in yen due 2003 .....	1,602	2,068	13,289
	<u>¥33,191</u>	<u>¥35,167</u>	<u>\$275,333</u>
Less portion due within one year .....	<u>(25,154)</u>	<u>(4,937)</u>	<u>(208,662)</u>
	<u>¥ 8,037</u>	<u>¥30,230</u>	<u>\$ 66,671</u>

The aggregate annual maturities of long-term debt outstanding as of 31st March, 1999 were as follows:

Year ending 31st March	Millions of yen	Thousands of U.S. dollars
2000 .....	¥25,154	\$208,662
2001 .....	2,211	18,342
2002 .....	3,035	25,181
2003 .....	2,579	21,393
2004 .....	112	933
Thereafter .....	98	820
	<u>¥33,191</u>	<u>\$275,333</u>

Assets pledged as collateral as of 31st March, 1999:

	Millions of yen	Thousands of U.S. dollars
Receivables .....	¥ 415	\$ 3,466
Inventories .....	8,263	68,551
Property, plant and equipment .....	7,476	62,020
	<u>¥16,155</u>	<u>\$134,017</u>

The 2.1 per cent. convertible bonds outstanding as of 31st March, 1999 may be redeemed at the option of the Company, in whole or in part, at prices ranging from 103 per cent. to 100 per cent. of the principal amount under certain conditions as provided in the applicable agreement.

The 2.1 per cent. convertible bonds are convertible into common stock at the options of holders at the conversion price of ¥609.1 per share, after giving effect to the new shares issued to General Motor Corporation (see Note 7). If the outstanding convertible bonds were fully converted as of 31st March, 1999, approximately 2,630,000 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.

## 6. 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 31st March, 1999 and 1998 were as follows:

As a lessee

### (1) Amounts equivalent to acquisition

costs, accumulated depreciation and  
net balance as of 31st March, 1999

	Millions of yen		Thousands of U.S. dollars
	<b>1999</b>	1998	<b>1999</b>
Acquisition costs .....	<b>¥2,093</b>	¥ —	<b>\$17,368</b>
Accumulated depreciation .....	<b>(1,749)</b>	—	<b>(14,513)</b>
Net balance .....	<u><b>344</b></u>	<u>—</u>	<u><b>2,855</b></u>
(2) Future lease payments			
Due within one year .....	<b>325</b>	462	<b>2,696</b>
Thereafter .....	<b>417</b>	602	<b>3,465</b>
	<u><b>742</b></u>	<u>1,064</u>	<u><b>6,162</b></u>
(3) Lease expenses .....	<u><b>470</b></u>	<u>531</u>	<u><b>3,901</b></u>
Depreciation .....	<u><b>¥ 369</b></u>	<u>¥ —</u>	<u><b>\$ 3,062</b></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As a lessor

(1) Amounts equivalent to acquisition costs, accumulated depreciation and net balance as of 31st March, 1999

	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
Acquisition costs .....	¥ 610	¥ —	\$5,060
Accumulated depreciation .....	(263)	—	(2,186)
Net balance .....	346	—	2,874
(2) Future lease revenues			
Due within one year .....	132	74	1,097
Thereafter .....	391	220	3,243
	523	295	4,341
(3) Lease revenues .....	124	73	1,034
Depreciation .....	¥ 180	¥ —	\$1,501

Operating lease transactions as of 31st March, 1999 were as follows:

As a lessee

	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
Future lease payments			
Due within one year .....	¥ 165	¥ 255	\$1,375
Thereafter .....	974	1,101	8,086
	1,140	1,357	9,461

As a lessor

	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
Future lease revenues			
Due within one year .....	29	32	246
Thereafter .....	64	102	533
	¥ 93	¥ 135	\$ 779

### 7. Shareholders, equity

On 19th November, 1998, the Company issued 33,600,000 new shares to General Motor Corporation in the amount of ¥21,134 million by third-party allotment.

Under the Commercial Code of Japan, at least 50 per cent. of the issue price of new shares, with a minimum of the par value, is required to be designated as common stock, and proceeds in excess of the amounts designated as common stock may be transferred to additional paid-in capital.

## 8. Contingent liabilities

As of 31st March, 1999, the Company and certain consolidated subsidiaries had the following contingent liabilities:

	Millions of yen	Thousands of U.S. dollars
Guarantee of indebtedness of non-consolidated subsidiaries, affiliates and others .....	¥ 2,710	\$ 22,481
Trade notes discounted .....	6,348	52,660
	<u>¥ 9,058</u>	<u>\$ 75,142</u>

## 9. Income taxes

The effective income tax rates on income before income taxes in the consolidated financial statements differ from the normal statutory rate in Japan. The principal reasons for such differences are (a) not to provide for deferred income taxes arising from all of the timing differences between financial and tax reporting; (b) certain expenses which are not deductible for income tax purposes; and (c) tax credit for certain qualified expenditures.

## 10. Segment Information

### (a) Information by industry segment

The Company and certain consolidated subsidiaries operate mainly in a single industry segment known as motor business (included motorcycle business). In the fiscal years of both 1999 and 1998, motor business represented more than 90 per cent., all of gross assets, net sales and operating profit.

### (b) Information by geographic area

	Millions of yen				
	<u>1999</u>				
	<u>Japan</u>	<u>Europe</u>	<u>Other areas</u> <sup>1</sup>	<u>Elimination and others</u>	<u>Consolidated</u>
Net sales:					
Outside customers .....	¥1,034,324	¥ 221,420	¥ 200,086	¥ —	¥1,455,832
Inter-area .....	273,570	455	292	(274,318)	—
	<u>1,307,895</u>	<u>221,876</u>	<u>200,379</u>	<u>(274,318)</u>	<u>1,455,832</u>
Costs and expenses .....	<u>1,268,016</u>	<u>217,147</u>	<u>197,724</u>	<u>(274,318)</u>	<u>1,408,570</u>
Operating income .....	<u>¥ 39,879</u>	<u>¥ 4,728</u>	<u>¥ 2,654</u>	<u>¥ (0)</u>	<u>¥ 47,261</u>
Identifiable assets .....	<u>¥ 709,209</u>	<u>¥ 89,533</u>	<u>¥ 72,086</u>	<u>¥ 261,019</u>	<u>¥1,131,849</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Millions of yen					
<b>1998</b>					
	<b>Japan</b>	<b>Europe</b>	<b>Other areas <sup>1</sup></b>	<b>Elimination and others</b>	<b>Consolidated</b>
Net sales:					
Outside customers .....	¥1,069,320	¥ 220,731	¥ 198,733	¥ —	¥1,488,785
Inter-area .....	212,614	816	175	(213,605)	—
	1,281,934	221,548	198,908	(213,605)	1,488,785
Costs and expenses .....	1,238,920	214,465	193,105	(213,605)	1,432,886
Operating income .....	¥ 43,013	¥ 7,082	¥ 5,803	¥ (0)	¥ 55,899
Identifiable assets .....	¥ 691,324	¥ 84,792	¥ 75,983	¥ 185,180	¥1,037,280

Thousands of U.S. dollars					
<b>1999</b>					
	<b>Japan</b>	<b>Europe</b>	<b>Other areas <sup>1</sup></b>	<b>Elimination and others</b>	<b>Consolidated</b>
Net sales:					
Outside customers ....	\$ 8,580,046	\$1,836,753	\$1,659,782	\$ —	\$12,076,582
Inter-area .....	2,269,353	3,779	2,424	(2,275,557)	—
	10,849,400	1,840,532	1,662,206	(2,275,557)	12,076,582
Costs and expenses .....	10,518,590	1,801,308	1,640,189	(2,275,557)	11,684,532
Operating income .....	\$ 330,809	\$ 39,223	\$ 22,016	\$ (0)	\$ 392,050
Identifiable assets .....	\$ 5,883,113	\$ 742,705	\$ 597,983	\$2,165,241	\$ 9,389,044

<sup>1</sup>"Other areas" consists principally of North America and Asia.

(c)Export sales and sales by overseas subsidiaries

Millions of yen					
<b>1999</b>					
	<b>Europe</b>	<b>Asia</b>	<b>North America</b>	<b>Other areas <sup>2</sup></b>	<b>Consolidated</b>
Export sales and sales					
by overseas subsidiaries ...	¥323,867	¥116,674	¥192,508	¥99,766	¥ 732,817
Consolidated net sales .....					1,455,832
Percentage of such sales					
against consolidated net sales .....					50.3%

1998

	<u>Europe</u>	<u>Asia</u>	<u>North America</u>	<u>Other areas</u>	<u>2</u>	<u>Consolidated</u>
Export sales and sales						
by overseas subsidiaries ...	¥297,641	¥195,608	¥177,844	¥107,894	¥	778,989
Consolidated net sales .....						1,488,785
Percentage of such sales						
against consolidated net sales .....						52.3%

Thousands of U. S. dollars

1999

	<u>Europe</u>	<u>Asia</u>	<u>North America</u>	<u>Other areas</u>	<u>2</u>	<u>Consolidated</u>
Export sales and sales						
by overseas subsidiaries ...	\$2,686,580	\$967,854	\$1,596,917	\$827,597	\$	6,078,949
Consolidated net sales .....						12,076,582
Percentage of such sales						
against consolidated net sales .....						50.3%

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

#### 11. Subsequent events

- (a) The meeting of the Board of Directors held on 31st May, 1999 approved the issue of unsecured bonds, due 2003 and 2004, and issued on 28th June, 1999 respectively as follows:

	<u>Millions of yen</u>	<u>Thousands of U.S. dollars</u>
Total issue amount of the bonds .....	¥ 5,000	\$41,476
Issue price .....	¥100 per ¥100 face value	
Interest rate .....	0.89 per cent	
Date of issue of the bonds .....	28th June, 1999	
Date of maturity of the bonds .....	27th June, 2003	
Total issue amount of the bonds .....	¥10,000	\$82,953
Issue price .....	¥100 per ¥100 face value	
Interest rate .....	1.13 per cent	
Date of issue of the bonds .....	28th June, 1999	
Date of maturity of the bonds .....	28th June, 2004	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(b) The following plan for the appropriation of retained earnings for the year ended 31st March, 1999 was approved by the ordinary general meeting of shareholders of the Company held on 29th June, 1999:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends of ¥4.00 per share .....	¥ 1,933	\$16,037
Directors' and statutory auditors' bonuses .....	150	1,244
	¥2,083	\$17,281



# REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of  
Suzuki Motor Corporation

We have examined the accompanying consolidated balance sheets of Suzuki Motor Corporation and its consolidated subsidiaries as of 31st March, 1999 and 1998, and the related consolidated statements of income and earnings for the years then ended, all expressed in Japanese yen. Our examinations were made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, based upon our examinations and the reports of other auditors, the aforementioned consolidated financial statements, expressed in yen, present fairly the financial position of Suzuki Motor Corporation and its consolidated subsidiaries as of 31st March, 1999 and 1998, and the results of their operations for the years then ended, in conformity with generally accepted accounting principles in Japan applied on a consistent basis during the periods.

The accompanying consolidated financial statements as of and for the year ended 31st March, 1999 have been translated into United States dollars solely for the convenience of readers. We have reviewed the translation and, in our opinion, the consolidated financial statements expressed in Japanese yen have been properly translated into United States dollars on the basis set forth in Note 1. to the consolidated financial statements.

Tokyo, Japan  
June 29, 1999

*Seimei Audit Corporation*

Seimei Audit Corporation

# NON-CONSOLIDATED FINANCIAL STATEMENTS OF 1999

## NON-CONSOLIDATED BALANCE SHEETS

As of 31st March, 1999 and 1998

SUZUKI MOTOR CORPORATION	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and time deposits .....	¥191,996	¥146,820	\$1,592,673
Short-term investments .....	9,968	9,971	82,692
Receivables:			
Trade notes and accounts .....	34,879	33,011	289,332
Subsidiaries and affiliates .....	95,908	72,174	795,586
Less allowance for doubtful receivables .....	(788)	(803)	(6,539)
Inventories .....	83,398	102,944	691,820
Other current assets .....	27,575	28,544	228,746
Total current assets	<u>442,938</u>	<u>392,663</u>	<u>3,674,313</u>
<b>Property, plant and equipment:</b>			
Land .....	92,038	90,477	763,484
Buildings and structures .....	145,997	136,885	1,211,093
Machinery and equipment .....	470,207	449,744	3,900,518
Construction in progress .....	985	3,015	8,178
	709,228	680,122	5,883,275
Less accumulated depreciation .....	(488,086)	(472,432)	(4,048,826)
Property, plant and equipment, net	<u>221,142</u>	<u>207,690</u>	<u>1,834,448</u>
<b>Investments and other assets:</b>			
Investments in securities .....	53,117	30,683	440,624
Investments in subsidiaries and affiliates .....	86,430	91,157	716,964
Other assets .....	2,511	1,291	20,835
Total investments and other assets	<u>142,059</u>	<u>123,133</u>	<u>1,178,424</u>
	<u>¥806,140</u>	<u>¥723,487</u>	<u>\$6,687,186</u>

	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
<b>LIABILITIES AND SHAREHOLDERS, EQUITY</b>			
<b>Current liabilities:</b>			
Short-term bank loans .....	¥ 33,680	¥ 35,480	\$ 279,386
Commercial paper.....	40,000	—	331,812
Current portion of long-term debt .....	20,854	854	172,990
Payables:			
Trade notes and accounts .....	232,880	235,108	1,931,813
Subsidiaries and affiliates .....	23,529	20,711	195,185
Accrued expenses .....	72,520	75,820	601,583
Accrued income taxes .....	10,668	9,989	88,498
Other current liabilities .....	<u>38,501</u>	<u>40,536</u>	<u>319,383</u>
Total current liabilities	<u>472,634</u>	<u>418,499</u>	<u>3,920,654</u>
<b>Long-term liabilities:</b>			
Long-term debt.....	3,685	25,011	30,570
Accrued retirement and severance benefits .....	16,760	15,279	139,034
Other liabilities .....	<u>17,636</u>	<u>17,346</u>	<u>146,301</u>
Total long-term liabilities	<u>38,082</u>	<u>57,637</u>	<u>315,906</u>
<b>Shareholders, equity</b>			
Common stock:			
Authorized-1,500,000,000 shares			
Issued, par value ¥50 per share			
as of 31st March, 1999-483,325,003 .....	85,524	—	709,448
as of 31st March, 1998-448,960,125 .....	—	64,156	—
Additional paid-in capital .....	91,950	70,583	762,760
Legal reserve .....	7,189	6,837	59,639
Retained earnings .....	<u>110,758</u>	<u>105,772</u>	<u>918,777</u>
Total shareholders' equity	<u>295,422</u>	<u>247,350</u>	<u>2,450,625</u>
	<u>¥806,140</u>	<u>¥723,487</u>	<u>\$6,687,186</u>

# NON-CONSOLIDATED STATEMENTS OF INCOME

Years ended 31st March, 1999 and 1998

SUZUKI MOTOR CORPORATION	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
<b>Net sales</b> .....	<b>¥1,189,622</b>	¥1,179,136	<b>\$9,868,288</b>
<b>Cost of sales</b> .....	<b>981,622</b>	954,208	<b>8,142,863</b>
Gross profit .....	<b>208,000</b>	224,928	<b>1,725,425</b>
<b>Selling, general and administrative expenses</b> .....	<b>177,667</b>	189,772	<b>1,473,804</b>
Operating income .....	<b>30,332</b>	35,155	<b>251,621</b>
<b>Other income (expenses) :</b>			
Interest and dividend income .....	<b>5,016</b>	4,535	<b>41,616</b>
Interest expense .....	<b>(1,966)</b>	(2,374)	<b>(16,134)</b>
Other, net .....	<b>(5,137)</b>	286	<b>(42,620)</b>
	<b>(2,087)</b>	2,447	<b>(17,317)</b>
Income before income taxes .....	<b>28,245</b>	37,603	<b>234,303</b>
<b>Income taxes:</b>	<b>19,390</b>	28,070	<b>160,846</b>
<b>Net income</b> .....	<b>¥ 8,855</b>	¥ 9,533	<b>\$ 73,457</b>
<b>Net income per share:</b>			
Primary .....	<b>¥19.17</b>	¥21.23	<b>\$ 0.159</b>
Fully diluted .....	<b>19.07</b>	21.12	<b>0.158</b>
<b>Cash dividends per share</b> .....	<b>7.50</b>	7.50	<b>0.062</b>