

# 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)
	2001	2000	1999	1998	1997	2001
Net sales .....	<b>¥1,600,253</b>	¥1,521,192	¥1,455,832	¥1,488,785	¥1,502,424	<b>\$12,915,682</b>
Net income .....	<b>20,248</b>	26,886	24,359	30,156	33,586	<b>163,427</b>
Net income per share:						
Primary .....	<b>40.41</b>	55.58	52.72	67.17	74.84	<b>0.326</b>
Fully diluted .....	<b>40.24</b>	55.32	52.40	66.71	74.29	<b>0.324</b>
Cash dividends per share .....	<b>8.50</b>	8.50	7.50	7.50	8.50	<b>0.068</b>
Shareholders' equity .....	<b>593,770</b>	497,756	438,047	374,566	348,313	<b>4,792,338</b>
Total current assets .....	<b>723,844</b>	628,782	627,232	581,328	603,581	<b>5,842,170</b>
Total assets .....	<b>1,299,859</b>	1,167,216	1,131,849	1,037,280	1,009,631	<b>10,491,196</b>
Depreciation and amortization ...	<b>75,344</b>	81,784	82,546	67,263	60,225	<b>608,108</b>

## NON-CONSOLIDATED

Years ended March 31	Millions of yen (except per share amounts)					Thousands of U.S. dollars (except per share amounts)
	2001	2000	1999	1998	1997	2001
Net sales .....	<b>¥1,294,651</b>	¥1,273,907	¥1,189,622	¥1,179,136	¥1,182,121	<b>\$10,449,165</b>
Net income .....	<b>12,881</b>	12,745	8,855	9,533	11,352	<b>103,963</b>
Net income per share:						
Primary .....	<b>25.71</b>	26.35	19.17	21.23	25.30	<b>0.207</b>
Fully diluted .....	<b>25.61</b>	26.24	19.07	21.12	25.14	<b>0.206</b>
Cash dividends per share .....	<b>8.50</b>	8.50	7.50	7.50	8.50	<b>0.068</b>
Shareholders' equity .....	<b>475,614</b>	392,619	295,422	247,350	241,780	<b>3,838,700</b>
Total current assets .....	<b>503,543</b>	441,690	442,938	392,663	416,839	<b>4,064,111</b>
Total assets .....	<b>978,172</b>	870,242	806,140	723,487	717,716	<b>7,894,855</b>
Depreciation and amortization ...	<b>52,814</b>	59,701	61,787	47,344	42,992	<b>426,267</b>

Note: Yen amounts have been translated into U.S.dollars, for convenience only, at ¥123.90 = US\$1, the prevailing exchange rate on March 30, 2001.

# CONSOLIDATED FINANCIAL STATEMENTS OF 2001

## CONSOLIDATED BALANCE SHEETS

As of March 31, 2001 and 2000

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and time deposits(Note 7) .....	¥ 271,392	¥ 209,427	\$ 2,190,413
Marketable securities (Note 4 and 7) .....	1,156	4,499	9,335
Receivables :			
Trade notes and accounts .....	154,414	147,670	1,246,281
Less allowance for doubtful receivables .....	(2,353)	(2,045)	(18,994)
Inventories (Note 3 and 5) .....	222,791	197,097	1,798,153
Other current assets .....	76,443	72,133	616,980
Total current assets .....	<u>723,844</u>	<u>628,782</u>	<u>5,842,170</u>
<b>Property, plant and equipment (Note 5):</b>			
Land .....	131,732	129,121	1,063,217
Buildings and structures .....	220,858	212,829	1,782,555
Machinery, equipment and vehicles .....	660,680	632,716	5,332,372
Construction in progress .....	7,156	10,384	57,757
	<u>1,020,428</u>	<u>985,052</u>	<u>8,235,903</u>
Less accumulated depreciation .....	(666,423)	(636,968)	(5,378,724)
	<u>354,004</u>	<u>348,083</u>	<u>2,857,178</u>
<b>Investments and other assets:</b>			
Investments in securities (Note 4 and 5) .....	102,778	71,458	829,530
Investments in affiliates (Note 4) .....	53,021	48,653	427,940
Other assets .....	66,209	70,239	534,376
	<u>222,009</u>	<u>190,350</u>	<u>1,791,848</u>
	<u>¥1,299,859</u>	<u>¥1,167,216</u>	<u>\$10,491,196</u>

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

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Trade notes and accounts payable .....	¥ 293,706	¥ 272,183	\$ 2,370,514
Short-term bank loans (Note 5) .....	144,228	129,731	1,164,075
Commercial paper (Note 5) .....	0	20,000	0
Current portion of long-term debt (Note 5) .....	2,923	1,369	23,593
Accrued income taxes .....	12,535	9,767	101,173
Accrued expenses .....	86,711	79,632	699,854
Other current liabilities .....	72,865	68,995	588,097
Total current liabilities .....	<u>612,971</u>	<u>581,679</u>	<u>4,947,308</u>
<b>Long-term liabilities:</b>			
Long-term debt (Note 5) .....	18,621	26,914	150,294
Reserve for retirement allowance (Note 6) .....	38,478	26,906	310,558
Other liabilities .....	27,241	25,808	219,864
	<u>84,340</u>	<u>79,629</u>	<u>680,716</u>
<b>Minority interests</b> .....	<u>8,776</u>	<u>8,150</u>	<u>70,833</u>
<b>Shareholders' equity (Note 9):</b>			
Common stock:			
Authorized-1,500,000,000 shares			
Issued, par value ¥50 per share			
as of March 31, 2001-540,731,723 .....	119,629	-	965,536
as of March 31, 2000-489,160,819 .....	-	90,546	-
Additional paid-in capital .....	125,999	96,967	1,016,943
Consolidated retained earnings .....	376,949	362,486	3,042,364
Net unrealized gains on securities .....	16,597	-	133,962
Foreign currency translation adjustments .....	(45,403)	(52,234)	(366,449)
Less treasury stock, at cost .....	(2)	(9)	(18)
	<u>593,770</u>	<u>497,756</u>	<u>4,792,338</u>
<b>Contingent liabilities (Note 10)</b>			
	<u>¥1,299,859</u>	<u>¥1,167,216</u>	<u>\$10,491,196</u>



# CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Years ended March 31, 2001 and 2000

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
<b>Balance as of March 31, 1999</b>	<u>483,325</u>	<u>¥ 85,524</u>	<u>¥ 91,950</u>	<u>¥260,580</u>	<u>¥(7)</u>
Net income .....	-	-	-	26,886	-
Cash dividends .....	-	-	-	(3,624)	-
Directors' and corporate auditors' bonuses .....	-	-	-	(150)	-
Issue of common stock .....	5,780	5,005	4,999	-	-
Conversion of convertible bonds ....	55	17	16	-	-
Treasury stock acquired .....	-	-	-	-	(2)
Increase resulting from consolidation of additional subsidiaries and affiliates .....	-	-	-	418	-
Cumulative effects of adopting tax effect accounting .....	-	-	-	78,375	-
<b>Balance as of March 31, 2000</b>	<u>489,160</u>	<u>¥ 90,546</u>	<u>¥ 96,967</u>	<u>¥362,486</u>	<u>¥(9)</u>
Net income .....	-	-	-	20,248	-
Cash dividends .....	-	-	-	(4,129)	-
Directors' and corporate auditors' bonuses .....	-	-	-	(150)	-
Issue of common stock .....	51,561	29,080	29,028	-	-
Conversion of convertible bonds ....	9	3	2	-	-
Treasury stock acquired .....	-	-	-	-	8
Increase resulting from consolidation of additional subsidiaries and affiliates .....	-	-	-	(1,506)	-
<b>Balance as of March 31, 2001</b>	<u>540,731</u>	<u>¥119,629</u>	<u>¥125,999</u>	<u>¥376,949</u>	<u>¥(2)</u>

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Thousands of shares of common stock	Thousands of U.S. dollars			Treasury stock at cost
		Common stock	Additional paid-in capital	Consolidated retained earnings	
<b>Balance as of March 31, 2000</b>	<u>489,160</u>	<u>\$730,803</u>	<u>\$ 782,627</u>	<u>\$2,925,640</u>	<u>\$(80)</u>
Net income .....	-	-	-	163,427	-
Cash dividends .....	-	-	-	(33,331)	-
Directors' and corporate auditors' bonuses .....	-	-	-	(1,210)	-
Issue of common stock .....	51,561	234,708	234,292	-	-
Conversion of convertible bonds ....	9	24	24	-	-
Treasury stock acquired .....	-	-	-	-	65
Increase resulting from consolidation of additional subsidiaries and affiliates .....	-	-	-	(12,160)	-
<b>Balance as of March 31, 2001</b>	<u>540,731</u>	<u>\$965,536</u>	<u>\$1,016,943</u>	<u>\$3,042,364</u>	<u>\$(18)</u>

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

# CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2001 and 2000

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
<b>Cash flows from operating activities</b>			
Income before income taxes etc. ....	¥ 40,060	¥ 45,291	\$ 323,332
Depreciation and amortization expenses .....	75,344	81,784	608,108
Equity in earnings of affiliates .....	(644)	(6,676)	(5,198)
Increase in reserve for retirement allowance .....	11,533	-	93,089
Interest and dividend income .....	(4,598)	(4,395)	(37,114)
Interest expense .....	5,469	3,988	44,144
Increase in accounts receivable .....	(4,715)	(3,664)	(38,057)
Increase in inventories .....	(19,531)	(18,759)	(157,641)
Increase in accounts payable .....	18,858	8,992	152,204
Other .....	1,680	(2,261)	13,563
Sub Total	123,457	104,298	996,431
Interest and dividend received .....	5,333	4,924	43,045
Interest paid .....	(5,479)	(4,469)	(44,226)
Income taxes paid .....	(22,346)	(29,903)	(180,356)
Net cash provided by operating activities	100,965	74,849	814,893
<b>Cash flows from investing activities</b>			
Purchases of marketable securities .....	-	(3,000)	-
Proceeds from sales of marketable securities .....	3,000	4,975	24,213
Purchases of property, plants and equipment .....	(75,399)	(82,529)	(608,550)
Proceeds from sales of property, plant and equipment .....	2,013	1,408	16,248
Purchases of investment securities .....	(13,223)	(21,379)	(106,724)
Proceeds from sales of investment securities .....	7,554	6,020	60,969
Other .....	307	(4,273)	2,478
Net cash used in investing activities	(75,748)	(98,777)	(611,366)
<b>Cash flows from financing activities</b>			
Net increase in short term bank loan .....	8,311	10,697	67,080
Proceeds from long term debt and issuance of bonds .....	100	22,249	807
Repayment from long term debt and redemption of bonds .....	(6,899)	(24,862)	(55,686)
Net decrease in commercial paper .....	(20,000)	(20,000)	(161,420)
Proceeds from issuance of stocks .....	58,109	10,005	469,001
Cash dividends paid .....	(4,141)	(3,785)	(33,424)
Other .....	5	236	45
Cash provided by(used in) financing activities	35,485	(5,458)	286,403
Effect of exchange rate change on cash and cash equivalents	998	(2,563)	8,061
Cash and cash equivalents increased(decreased)	61,701	(31,949)	497,991
Cash and cash equivalents at the beginning of year	210,217	242,167	1,696,672
Cash and cash equivalents at the end of year	¥ 271,918	¥210,217	\$2,194,664

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.

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 ¥123.90 to U.S.\$1, the rate of exchange prevailing as of March 30, 2001. 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, 2001 and 2000, include the accounts of the Company and its significant subsidiaries and the number of consolidated subsidiaries are 126 and 125 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) Financial instruments

Effective from the year ended March 31, 2001, the Company and its subsidiaries adopted the new Japanese accounting standard for financial instruments, which is effective for periods beginning on or after April 1, 2000. As a result of the application of the new accounting standard, when compared with the case where a previous standard was applied, both ordinary income and income before income taxes were increased by 1,580 million Yen.

#### ① Marketable securities, investment in securities

Under the new standard, 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. At the beginning of each fiscal year, the holding purpose of existing securities is reviewed and securities within one year due is classified as current assets, and the others as investment in securities.



≠ 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.

(c) Foreign currency translation

Effective from the year ended March 31, 2001, the Company and its subsidiaries adopted the new Japanese accounting standard for foreign currency translation, which is effective for periods beginning on or after April 1, 2000. Under the new standard, 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. The adoption of the new method had no material impact on the accompanying consolidated financial statements.

Under this standard, 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 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.

The effect of adopting the new accounting standard on the accompanying consolidated financial statements was immaterial.

(d) Inventories

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### (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

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.

### (h) Reserve for retirement allowance

Effective from the year ended March 31, 2001, the Company and its subsidiaries adopted the new Japanese accounting standard for retirement benefits, which is effective for periods beginning on or after April 1, 2000. In accordance with the new standard, the reserve for retirement benefits as of March 31, 2001 represents the estimated present value of projected benefit obligations in excess of the fair value of the plan assets except that, as permitted under the new standard, the unrecognized transition amount arising from adopting the new standard of 53,896 million yen at April 1, 2000 (the beginning of year) is amortized on a straight-line basis over 5 years, and unrecognized actuarial differences are amortized on a straight-line basis over the employees' average remaining service years from the next year in which they arise. As a result of the application of the new accounting standard, when compared with the case where a previous standard was applied, retirement benefits expenses was increased by 11,704 million Yen, ordinary income was decreased by 911 million Yen, and income before income taxes was decreased by 11,691 million Yen.

### (i) Revenue recognition

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

### (j) 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.

### (k) Cash and cash equivalents

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

### (l) Reclassification

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

### 3. Inventories

Inventories as of March 31, 2001 and 2000 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Finished products .....	¥191,642	¥168,000	\$1,546,755
Work in process .....	15,773	15,314	127,307
Raw materials and others .....	15,374	13,782	124,090
	<u>¥222,791</u>	<u>¥197,097</u>	<u>\$1,798,153</u>

### 4. Marketable securities and investments in securities

Marketable securities and investments in securities quoted at an exchange as of March 31, 2001 were as follows:

	Millions of yen		
	Acquisition Cost	Amounts for BS	Valuation
<u>Those whose amount for BS exceeds acquisition cost</u>			
(1) Stocks	¥22,731	¥53,377	¥30,645
(2) Bonds	12,394	12,691	296
(3) Others	11	11	0
<u>Sub Total</u>	<u>¥35,137</u>	<u>¥66,079</u>	<u>¥30,942</u>
<u>Those whose amount for BS does not exceed acquisition cost</u>			
(1) Stocks	¥21,958	¥19,334	(¥2,623)
(2) Bonds	12,997	12,858	(138)
(3) Others	1	1	(0)
<u>Sub Total</u>	<u>34,956</u>	<u>32,194</u>	<u>(2,762)</u>
<u>Total</u>	<u>¥70,094</u>	<u>¥98,273</u>	<u>¥28,179</u>

	Thousands of U.S. dollars		
	Acquisition Cost	Amounts for BS	Valuation
<u>Those whose amount for BS exceeds acquisition cost</u>			
(1) Stocks	\$183,469	\$430,807	\$247,337
(2) Bonds	100,038	102,431	2,393
(3) Others	88	90	1
<u>Sub Total</u>	<u>\$283,597</u>	<u>\$533,329</u>	<u>\$249,731</u>
<u>Those whose amount for BS does not exceed acquisition cost</u>			
(1) Stocks	\$177,225	\$156,052	\$(21,173)
(2) Bonds	104,899	103,778	(1,120)
(3) Others	11	9	(1)
<u>Sub Total</u>	<u>\$282,136</u>	<u>\$259,841</u>	<u>\$(22,295)</u>
<u>Total</u>	<u>\$565,734</u>	<u>\$793,170</u>	<u>\$227,436</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Stocks .....	<b>¥72,711</b>	¥ 48,681	<b>\$586,859</b>
Bonds and other .....	<b>25,561</b>	7,395	<b>206,311</b>
	<b>98,273</b>	56,076	<b>793,170</b>
Market value of marketable securities .....	<b>¥98,273</b>	¥102,860	<b>\$793,170</b>

Stocks and bonds not traded in stock exchanges or other regulated markets are not included in the above.

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

Short-term bank loans and commercial paper as of March 31, 2001 and 2000 consisted of the following. The annual interest rates of short-term bank loans as of March 31, 2001 were 0.39 percent to 18.93 percent.

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Short-term bank loans			
Secured .....	<b>¥ 5,487</b>	¥ 7,707	<b>\$ 44,286</b>
Unsecured .....	<b>138,741</b>	122,024	<b>1,119,788</b>
	<b>¥144,228</b>	¥129,731	<b>\$1,164,075</b>
Commercial paper .....	-	¥ 20,000	-

Long-term debt as of March 31, 2001 and 2000 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Loans maturing through 2009			
Secured .....	¥ 281	¥ 101	\$ 2,274
Unsecured .....	4,700	11,615	37,941
Unsecured 2.1 percent convertible bonds			
in yen due 2003 .....	1,562	1,568	12,606
Unsecured 0.89 percent yen bonds due 2003 .....	5,000	5,000	40,355
Unsecured 1.13 percent yen bonds due 2004 .....	10,000	10,000	80,710
	<u>¥21,544</u>	<u>¥28,284</u>	<u>\$173,888</u>
Less portion due within one year .....	(2,923)	(1,369)	(23,593)
	<u>¥18,621</u>	<u>¥26,914</u>	<u>\$150,294</u>

The aggregate annual maturities of long-term debt outstanding as of March 31, 2001 were as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2002 .....	2,923	23,593
2003 .....	3,398	27,429
2004 .....	5,145	41,532
2005 .....	10,077	81,332
Thereafter .....	-	-
	<u>¥21,544</u>	<u>\$173,888</u>

Assets pledged as collateral as of March 31, 2001:

	Millions of yen	Thousands of U.S. dollars
Investment in securities .....	¥ 264	\$ 2,130
Inventories .....	5,087	41,058
Property, plant and equipment .....	5,379	43,420
	<u>¥10,730</u>	<u>\$86,610</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The 2.1 percent convertible bonds outstanding as of March 31, 2001 may be redeemed at the option of the Company, in whole or in part, at prices ranging from 101 percent to 100 percent of the principal amount under certain conditions as provided in the applicable agreement.

The 2.1 percent convertible bonds are 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. If the outstanding convertible bonds were fully converted as of March 31, 2001, approximately 2,581,000 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. Reserve for retirement allowance

### (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.

### (b). Items related to a retirement benefit obligation (as of March 31, 2001)

	Millions of yen	Thousands of U.S. dollars
a. Retirement benefit obligation	¥(227,411)	\$(1,835,443)
b. Pension assets	130,294	1,051,613
c. Unrecognized retirement benefit obligation (a + b)	¥ (97,116)	\$ (783,830)
d. Non-amortized amount of difference caused at the time of alteration of an accounting standard	43,117	348,000
e. Unrecognized difference by an actuarial calculation	17,028	137,436
f. Reserve for retirement allowance (c+d+e)	¥ (36,970)	\$ (298,392)

Remarks:1). The part of employees' pension plan is included in the figures written down above. In connection with the amendment of the Welfare Pension Insurance Law in 2000, the raising of the age for the start of payment is studied concerning the partial part carried out for the employees' pension fund and therefore decrease takes place of the liability for the service in the past by 8,792 million yen from next fiscal year.

2). The premium retirement allowance paid on a temporary basis is not included.

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

### (c). Items related to retirement benefit cost (as of March 31, 2001)

	Millions of yen	Thousands of U.S. dollars
a. Service cost	¥ 7,872	\$ 63,538
b. Interest cost	4,854	39,182
c. Assumed return on investment	(4,975)	(40,161)
d. The amount of difference to be amortized, which was caused at the time when the accounting standard was changed	10,779	87,000
e. Retirement benefit cost (a+b+c+d)	¥18,530	\$149,560

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".

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (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:
 

	3.00%
--	-------
  - c. Assumed return of investment ratio:
 

	4.00% ~ 5.14%
--	---------------
  - d. Number of years for amortization of the difference caused by an actuarial calculation:
 

	To be amortized from the next fiscal year by fixed amount 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 at the time when the accounting standard was changed:
 

	5 years
--	---------

### 7. Cash and cash equivalents

Cash and cash equivalents as of March 31, 2001 and 2000 consisted of:

	Millions of yen		Thousands of U.S. dollars
	<b>2001</b>	2000	<b>2001</b>
Cash and time deposits .....	<b>271,392</b>	209,427	<b>2,190,413</b>
Marketable securities .....	<b>1,156</b>	4,499	<b>9,335</b>
Time deposits with maturities of over three months .....	<b>(630)</b>	(709)	<b>(5,084)</b>
Marketable securities with maturities of over three months	-	(3,000)	-
	<b>¥271,918</b>	¥210,217	<b>\$2,194,664</b>



## 8. 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, 2001 and 2000 were as follows:

As a lessee

(1) Amounts equivalent to acquisition costs, accumulated depreciation and net balance as of March 31, 2001	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Acquisition costs	¥1,534	¥2,098	\$12,385
Accumulated depreciation	(1,251)	(1,816)	(10,104)
Net balance	282	282	2,280
(2) Future lease payments			
Due within one year .....	169	276	1,364
Thereafter .....	266	350	2,154
	435	627	3,518
(3) Lease expenses .....	238	334	1,925
Depreciation .....	¥ 170	¥ 247	\$ 1,373

As a lessor

(1) Amounts equivalent to acquisition costs, accumulated depreciation and net balance as of March 31, 2001	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Acquisition costs	¥848	¥713	\$6,845
Accumulated depreciation	(570)	(426)	(4,603)
Net balance	277	286	2,241
(2) Future lease revenues			
Due within one year .....	174	152	1,412
Thereafter .....	255	338	2,061
	430	491	3,474
(3) Lease revenues .....	168	147	1,363
Depreciation .....	¥143	¥163	\$1,159

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Operating lease transactions as of March 31, 2001 were as follows:

As a lessee	Millions of yen		Thousands of U.S. dollars
	<u>2001</u>	<u>2000</u>	<u>2001</u>
Future lease payments			
Due within one year .....	<b>¥226</b>	¥ 187	<b>\$1,827</b>
Thereafter .....	<b>706</b>	827	<b>5,702</b>
	<b><u>¥932</u></b>	<b><u>¥1,014</u></b>	<b><u>\$7,529</u></b>
 As a lessor			
	Millions of yen		Thousands of U.S. dollars
	<u>2001</u>	<u>2000</u>	<u>2001</u>
Future lease revenues			
Due within one year .....	<b>¥ 45</b>	¥27	<b>\$365</b>
Thereafter .....	<b>54</b>	32	<b>441</b>
	<b><u>¥100</u></b>	<b><u>¥59</u></b>	<b><u>\$807</u></b>

### 9.Shareholders' equity

On January 18, 2001, the Company issued 51,561,000 new shares to General Motors of Canada Limited in the amount of ¥58,109 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.

### 10.Contingent liabilities

As of March 31, 2001, 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 .....	<u>¥3,982</u>	<u>\$32,139</u>
Trade notes discounted .....	<u>1,866</u>	<u>15,061</u>
	<b><u>¥5,848</u></b>	<b><u>\$47,201</u></b>

## 11. Segment Information

### (a) Business segment

	Millions of yen				
	<b>Motorcycle</b>	<b>Automobile</b>	<b>2001 Other</b>	<b>Elimination and corporate assets</b>	<b>Consolidated</b>
Net sales:					
Outside customers .....	¥272,727	¥1,288,326	¥39,199	¥ -	¥1,600,253
Inter-area .....	-	-	-	-	-
	272,727	1,288,326	39,199	-	1,600,253
Operating expenses .....	256,407	1,256,229	36,888	-	1,549,525
Operating income .....	16,320	32,096	2,310	-	50,727
Assets .....	182,170	748,573	51,245	317,870	1,299,859
Depreciation .....	11,018	62,377	1,948	-	75,344
Capital expenditures .....	¥ 11,619	¥ 62,855	¥ 1,884	¥ -	¥ 76,359
	Millions of yen				
	<b>Motorcycle</b>	<b>Automobile</b>	<b>2000 Other</b>	<b>Elimination and corporate assets</b>	<b>Consolidated</b>
Net sales:					
Outside customers .....	¥246,215	¥1,234,846	¥40,130	-	¥1,521,192
Inter-area .....	-	-	-	-	-
	246,215	1,234,846	40,130	-	1,521,192
Operating expenses .....	239,536	1,200,546	38,510	-	1,478,592
Operating income .....	6,678	34,300	1,620	-	42,599
Assets .....	160,742	728,367	41,458	236,647	1,167,216
Depreciation .....	12,699	67,690	1,394	-	81,784
Capital expenditures .....	¥ 14,261	¥ 63,457	¥ 873	¥ -	¥ 78,592
	Thousands of U.S. dollars				
	<b>Motorcycle</b>	<b>Automobile</b>	<b>2001 Other</b>	<b>Elimination and corporate assets</b>	<b>Consolidated</b>
Net sales:					
Outside customers .....	\$2,201,190	\$10,398,112	\$316,378	\$ -	\$12,915,682
Inter-area .....	-	-	-	-	-
	2,201,190	10,398,112	316,378	-	12,915,682
Operating expenses .....	2,069,468	10,139,057	297,730	-	12,506,256
Operating income .....	131,722	259,055	18,648	-	409,426
Assets .....	1,470,302	6,041,751	413,600	2,565,541	10,491,196
Depreciation .....	88,931	503,453	15,723	-	608,108
Capital expenditures .....	\$ 93,778	\$ 507,305	\$ 15,212	\$ -	\$ 616,295

Effective this term, business segmentation was changed from the former segmentation based on the similarity of their market and sales method, to the new segmentation including the factor of our business organization as an additional criterion. As the result of this change, ATV business is now categorized in "Motorcycle" business segment, previously categorized in "Others" business segment. Previous term business segments figures have been restated to reflect this change.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(b)Geographical segment

Millions of yen

	<b>2001</b>					Consolidated
	Japan	Europe	North America	Other areas*1	Elimination and corporate assets	
Net sales:						
Outside customers .....	¥1,094,580	¥238,337	¥213,336	¥53,999	¥ -	¥ 1,600,253
Inter-area .....	338,835	799	90	1,040	(340,766)	-
	<u>1,433,416</u>	<u>239,136</u>	<u>213,427</u>	<u>55,039</u>	<u>(340,766)</u>	<u>1,600,253</u>
Operating expenses .....	<u>1,383,886</u>	<u>238,587</u>	<u>211,702</u>	<u>55,227</u>	<u>(339,879)</u>	<u>1,549,525</u>
Operating income .....	<u>¥ 49,529</u>	<u>¥ 548</u>	<u>¥ 1,724</u>	<u>¥ (187)</u>	<u>¥ (887)</u>	<u>¥ 50,727</u>
Assets .....	<u>¥ 803,723</u>	<u>¥141,642</u>	<u>¥ 45,364</u>	<u>¥35,028</u>	<u>¥ 274,100</u>	<u>¥ 1,299,859</u>

Millions of yen

	<b>2000</b>					Consolidated
	Japan	Europe	North America	Other areas*1	Elimination and corporate assets	
Net sales:						
Outside customers .....	¥1,111,486	¥229,328	¥130,445	¥49,931	¥ -	¥1,521,192
Inter-area .....	288,974	554	140	479	(290,148)	-
	<u>1,400,461</u>	<u>229,882</u>	<u>130,586</u>	<u>50,410</u>	<u>(290,148)</u>	<u>1,521,192</u>
Operating expenses .....	<u>1,363,415</u>	<u>227,518</u>	<u>128,916</u>	<u>50,468</u>	<u>(291,725)</u>	<u>1,478,592</u>
Operating income .....	<u>¥ 37,045</u>	<u>¥ 2,364</u>	<u>¥ 1,670</u>	<u>¥ (57)</u>	<u>¥ 1,577</u>	<u>¥ 42,599</u>
Assets .....	<u>¥ 778,854</u>	<u>¥108,031</u>	<u>¥ 42,298</u>	<u>¥31,174</u>	<u>¥ 206,857</u>	<u>¥1,167,216</u>

Thousands of U.S. dollars

	<b>2001</b>					Consolidated
	Japan	Europe	North America	Other areas*1	Elimination and corporate assets	
Net sales:						
Outside customers .....	\$8,834,384	\$1,923,624	\$1,721,843	\$435,829	\$ -	\$12,915,682
Inter-area .....	2,734,752	6,454	731	8,396	(2,750,334)	-
	<u>11,569,136</u>	<u>1,930,078</u>	<u>1,722,574</u>	<u>444,226</u>	<u>(2,750,334)</u>	<u>12,915,682</u>
Operating expenses .....	<u>11,169,380</u>	<u>1,925,648</u>	<u>1,708,658</u>	<u>445,744</u>	<u>(2,743,175)</u>	<u>12,506,256</u>
Operating income .....	<u>\$ 399,756</u>	<u>\$ 4,429</u>	<u>\$ 13,916</u>	<u>\$ (1,517)</u>	<u>\$ (7,159)</u>	<u>\$ 409,426</u>
Assets .....	<u>\$6,486,873</u>	<u>\$1,143,201</u>	<u>\$ 366,136</u>	<u>\$282,713</u>	<u>\$2,212,271</u>	<u>\$10,491,196</u>

\*1 "Other areas" consists principally of Asia.

Effective this term, "North America" region has been disclosed as an independent item.

Previous term geographical segments figures have been restated to reflect this change.

(c)Overseas sales

Millions of yen					
<b>2001</b>					
	<b>Europe</b>	<b>North America</b>	<b>Asia</b>	<b>Other areas *2</b>	<b>Consolidated</b>
Overseas sales .....	¥291,802	¥271,481	¥143,102	¥89,162	¥795,549
Consolidated net sales .....					1,600,253
Ratio of overseas sales to consolidated net sales .....					49.7%

Millions of yen					
<b>2000</b>					
	<b>Europe</b>	<b>North America</b>	<b>Asia</b>	<b>Other areas *2</b>	<b>Consolidated</b>
Overseas sales .....	¥320,573	¥191,705	¥137,476	¥80,978	¥730,734
Consolidated net sales .....					1,521,192
Ratio of overseas sales to consolidated net sales .....					48.0%

Thousands of U. S. dollars					
<b>2001</b>					
	<b>Europe</b>	<b>North America</b>	<b>Asia</b>	<b>Other areas *2</b>	<b>Consolidated</b>
Overseas sales .....	\$2,355,145	\$2,191,137	\$1,154,986	\$719,629	\$6,420,900
Consolidated net sales .....					12,915,682
Ratio of overseas sales to consolidated net sales .....					49.7%

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

## 12.Subsequent events

The following plan for the appropriation of retained earnings for the year ended March 31, 2001 was approved by the ordinary general meeting of shareholders of the Company held on June 28, 2001:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends of ¥5.00 per share .....	¥2,549	\$20,576
Bonuses for directors and corporate auditors .....	200	1,614
	<u>¥2,749</u>	<u>\$22,191</u>

## 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 March 31, 2001 and 2000, the related consolidated statements of income, retained earnings and cash flows 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 March 31, 2001 and 2000, the results of their operations for the years then ended, and their cash flows for the year ended March 31, 2001, in conformity with generally accepted accounting principles in Japan applied on a consistent basis during the periods.

As described in Notes 2, effective for the year ended March 31, 2001, Suzuki Motor Corporation and its subsidiaries have adopted the new Japanese accounting standards for financial instruments, retirement benefits, and foreign currency translation.

The accompanying consolidated financial statements as of and for the year ended March 31, 2001 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, 2001

*Seimei Audit Corporation*

Seimei Audit Corporation

# NON-CONSOLIDATED FINANCIAL STATEMENTS OF 2001

## NON-CONSOLIDATED BALANCE SHEETS

As of March 31st, 2001 and 2000

SUZUKI MOTOR CORPORATION	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and time deposits .....	<b>¥217,306</b>	¥164,600	<b>\$1,753,886</b>
Marketable securities .....	<b>0</b>	3,000	<b>0</b>
Receivables:			
Trade notes and accounts .....	<b>37,489</b>	35,747	<b>302,579</b>
Subsidiaries and affiliates .....	<b>95,751</b>	93,546	<b>772,814</b>
Less allowance for doubtful receivables .....	<b>(475)</b>	(577)	<b>(3,833)</b>
Inventories .....	<b>81,539</b>	75,248	<b>658,103</b>
Other current assets .....	<b>71,931</b>	70,125	<b>580,561</b>
Total current assets	<b>503,543</b>	441,690	<b>4,064,111</b>
<b>Property, plant and equipment:</b>			
Land .....	<b>89,805</b>	88,792	<b>724,822</b>
Buildings and structures .....	<b>152,828</b>	148,712	<b>1,233,485</b>
Machinery and equipment .....	<b>489,209</b>	478,835	<b>3,948,418</b>
Construction in progress .....	<b>5,985</b>	4,649	<b>48,309</b>
	<b>737,829</b>	720,990	<b>5,955,036</b>
Less accumulated depreciation .....	<b>(527,302)</b>	(509,895)	<b>(4,255,874)</b>
	<b>210,526</b>	211,094	<b>1,699,162</b>
<b>Investments and other assets:</b>			
Investments in securities .....	<b>100,563</b>	67,772	<b>811,646</b>
Investments in subsidiaries and affiliates .....	<b>104,971</b>	87,425	<b>847,226</b>
Other assets .....	<b>58,568</b>	62,258	<b>472,708</b>
	<b>264,102</b>	217,456	<b>2,131,581</b>
	<b>¥978,172</b>	¥870,242	<b>\$7,894,855</b>

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Short-term bank loans .....	¥ 32,680	¥ 32,680	\$ 263,761
Commercial paper .....	0	20,000	0
Current portion of long-term debt .....	240	240	1,944
Payables:			
Trade notes and accounts .....	258,562	235,306	2,086,862
Subsidiaries and affiliates .....	26,643	24,664	215,039
Accrued expenses .....	75,808	70,768	611,853
Accrued income taxes .....	7,956	6,549	64,217
Other current liabilities .....	40,236	37,101	324,752
Total current liabilities	<u>442,128</u>	<u>427,312</u>	<u>3,568,430</u>
<b>Long-term liabilities:</b>			
Long-term debt .....	16,870	17,117	136,164
Reserve for retirement allowance .....	24,817	16,561	200,301
Other liabilities .....	18,741	16,630	151,259
	<u>60,429</u>	<u>50,310</u>	<u>487,724</u>
<b>Shareholders' equity</b>			
Common stock:			
Authorized - 1,500,000,000 shares			
Issued, par value ¥50 per share			
as of March 31st, 2001 - 540,731,723 .....	119,629	-	965,536
as of March 31st, 2000 - 489,160,819 .....	-	90,546	-
Additional paid-in capital .....	125,999	96,967	1,016,943
Earned surplus .....	7,994	7,566	64,527
Retained earnings .....	205,711	197,538	1,660,304
Net unrealized gains on security .....	16,279	-	131,388
	<u>475,614</u>	<u>392,619</u>	<u>3,838,700</u>
	<u>¥978,172</u>	<u>¥870,242</u>	<u>\$7,894,855</u>



