

ANNUAL REPORT 2001



SUZUKI MOTOR CORPORATION

PROFILE

Suzuki Motor Corporation designs and manufactures passenger cars, commercial vehicles, motorcycles, outboard motors, generators, general purpose engines and other products. The company continuously and vigorously promotes technical cooperation through numerous joint ventures overseas, and its production facilities are currently located in 31 countries around the world. The established network enables Suzuki to operate as a global organization serving 193 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

ON THE COVER

(Top) The LIANA:

The LIANA was launched at 2001 Geneva motor show. This is the vehicle for the "Life In A New Age", a symbolic model to build a new relationship between vehicles and human beings by offering innovative solutions to the customer's requirements.

(Center) The GSX-R1000:

The new GSX-R1000, an open-class interpretation of the world-beating GSX-R750, rewrites the rules of the big-bore Supersports motorcycling. The GSX-R1000 with 988cc DOHC in-line 4-cylinder engine, offers accurately balanced chassis inherited from the world-winning GP500 machine RGV-T, instantaneous throttle response thanks to the digitally controlled state-of-the-art fuel injection, and lightning-quick braking ability with the new 6-pod calipers. This is a motorcycle true to its own legacy.

(Bottom) 2001 new model DF90, 90 horsepower 4-cycle outboard motor Powered by 1950cc 4-cylinder, 16-valve DOHC engine with Multi-point Sequential Electronic Fuel Injection delivers outstanding throttle response and smoother performance with low noise and vibration. It is also designed for cleaner exhaust emissions to meet the EPA2006 standards set by U.S.Environmental Protection Agency and California Air Resources Board's (CARB) 2008 standards.

A MESSAGE FROM THE MANAGEMENT

With respect to the business environment surrounding our corporate group in this fiscal year, we are still unable to sense much strength in personal consumption in the Japanese domestic market, and harsh economical conditions still prevail. The U.S. economy, on the other hand, stayed strong during the first half of this fiscal year, but signs of slowdown started to become apparent in the second half. Major European markets generally stayed strong, and the Southeast Asian market basically stayed in a recovery phase.

Under such circumstances, Suzuki in the domestic motorcycle market made efforts to increase sales by introducing models such as the large-displacement bike GSX1400 to enhance our product lineup. In the domestic automobile market, we introduced products such as the new passenger car Aerio featuring advanced designs, the compact passenger car Wagon R Solio, along with numerous special-edition models. At the same time, we opened a new subcompact car sales channel in April 2000, named Suzuki Arena, to strengthen our sales network.

Meanwhile, in the overseas markets, we made efforts to increase exports of completed vehicles by introducing new models including the GSX-R1000 in our motorcycle lineup and vehicles such as the Liana, a new-generation subcompact passenger car, and XL-7, a 7-seat SUV. Our efforts to strengthen and enhance our overseas production base included measures such as starting production of Suzuki cars at General Motors de Argentina S.A.

As a result, our net sales in this fiscal year reached ¥1,600,253 million (US\$ 12,916 million), 105.2% of the previous year, and our operating income rose to ¥50,727 million (US\$ 409 million), 119.1% of the previous year. However, our net income, influenced by factors such as exchange rates, dropped to ¥20,248 million (US\$ 163 million), 75.3% of the previous year.

We can only foresee difficult market circumstances in the months ahead. However, we intend to challenge the difficulties with our basic corporate motto for 2001: "Challenge 25-Thoroughly review if it is Smaller, Fewer, Lighter, Shorter and Neater?", through which we intend to actively implement improvements in every aspect of our business and bolster our corporate strength by heightening quality, improving productivity, reducing production costs, further promoting the commonality of parts, and raising the efficiency of our indirect work. We will also make continued efforts to strengthen our existing sales network inside Japan and further enhance Suzuki Arena, the new sales channel for subcompact vehicles which we opened last year, and make sure such efforts will translate into increased sales. In the overseas markets, we will make efforts to boost the competitiveness of our existing production bases, and actively open up new markets around the world. In our alliance with General Motors Corporation, we will make efforts to build up our basic corporate strength through: 1) a mutual utilization of our overseas production bases; 2) joint development of subcompact automobiles, and 3) active technological exchanges. In addition, we will further strengthen our product development efforts to heighten the safety and consumer appeal of our products, and to develop next-generation vehicles such as vehicles powered by hybrid and fuel-cell powerplants for the protection of the global environment. We believe such comprehensive efforts are required of us to further develop our business.

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

June 2001



Osamu Suzuki
Chairman & CEO

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



Masao Toda
President & COO

A stylized, handwritten signature in black ink, appearing to read 'M. TODA' with a long, sweeping horizontal stroke at the end.

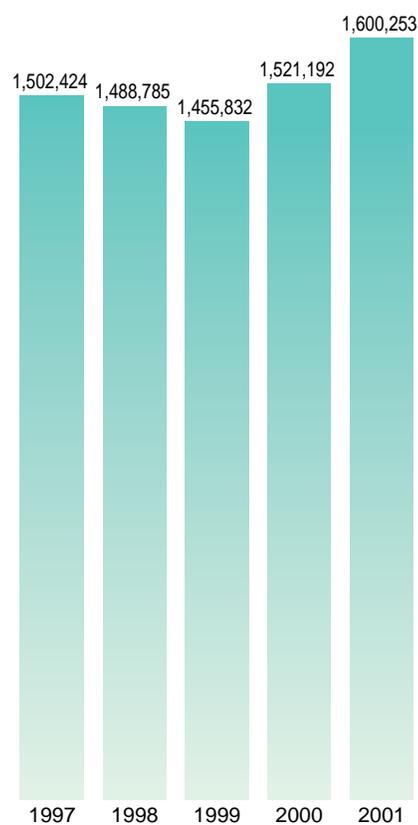
FINANCIAL HIGHLIGHTS

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen (except per share amounts)		Thousands of U.S. dollars (except per share amounts)
	2001	2000	2001
Years ended March 31, 2001 and 2000			
Net sales	¥1,600,253	¥1,521,192	\$12,915,682
Net income	20,248	26,886	163,427
Net income per share:			
Primary	40.41	55.58	0.326
Fully diluted	40.24	55.32	0.324
Cash dividends per share	8.50	8.50	0.068
Shareholders' equity	593,770	497,756	4,792,338
Total current assets	723,844	628,782	5,842,170
Total assets	1,299,859	1,167,216	10,491,196
Depreciation and amortization	75,344	81,784	608,108

Note: Yen amounts have been translated into U.S. dollars, for convenience only, at Yen123.90= US\$1, the prevailing exchange rate on March 30, 2001.

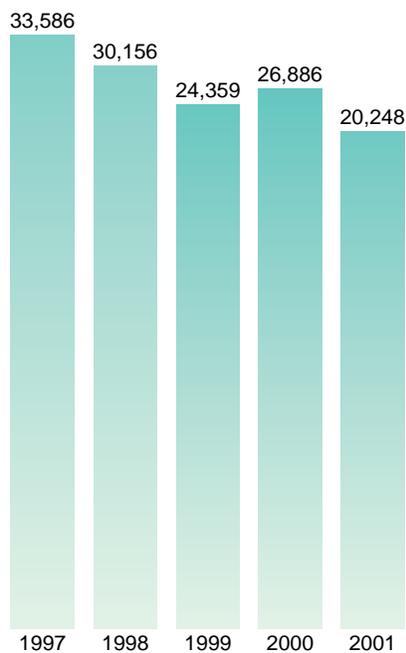
Net Sales

Years ended March 31
(Millions of yen)



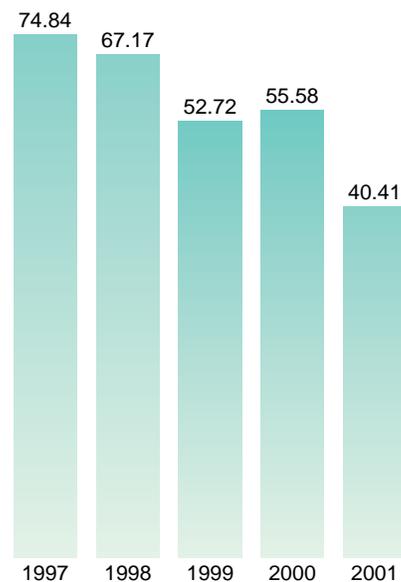
Net Income

Years ended March 31
(Millions of yen)



Net Income Per Share

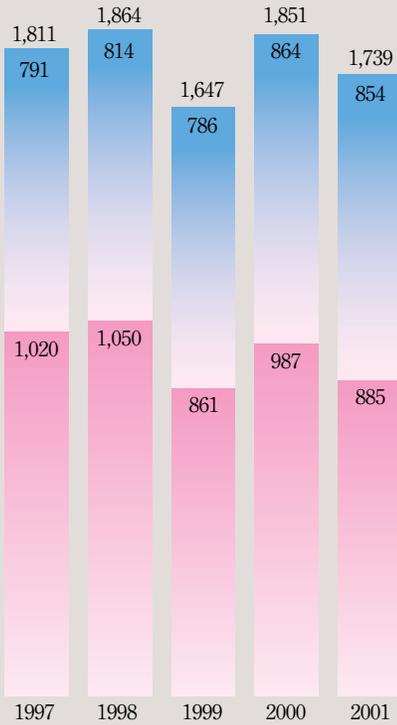
Years ended March 31
(Yen)



YEAR IN REVIEW

Automobiles Unit Products

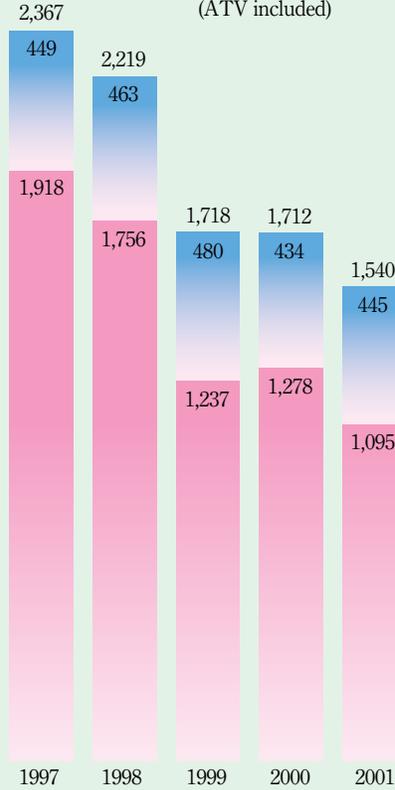
Years ended March 31 (Thousand units)



Motorcycles Unit Products

Years ended March 31 (Thousand units)

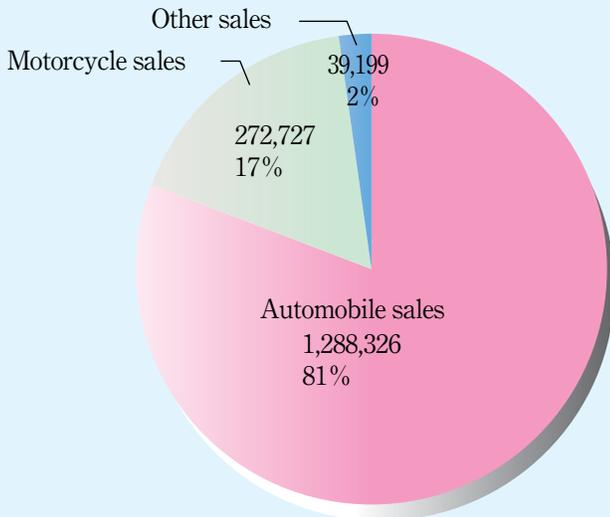
(ATV included)



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

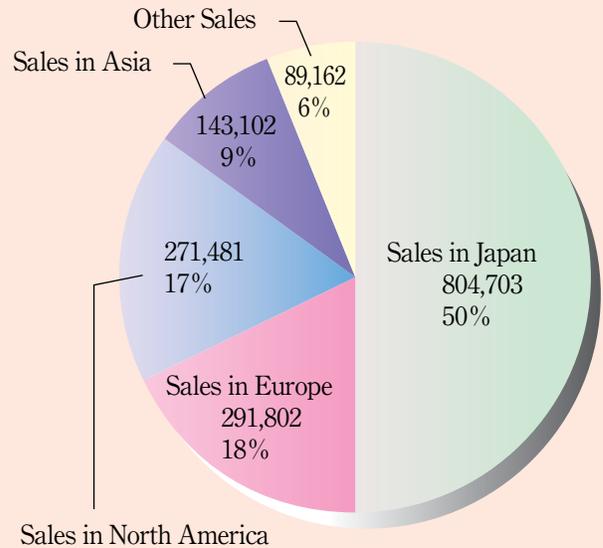
2001 Net Sales By Business

(Millions of yen)



2001 Net Sales By Market

(Millions of yen)



AUTOMOBILES

The Japanese Market

Suzuki's performance in the Japanese domestic market

Total domestic sales of automobiles in the fiscal year 2000 (from April 2000 through March 2001) by all makers numbered 5,980,294 units, 102% of the previous year and surpassing the previous year for the 2nd consecutive year from the fiscal year 1999. The mini vehicle market -- although falling short of the previous year when sales surpassed all previous years -- marked the third largest number of total units sold in a single fiscal year, indicating that the market remains strong. This, together with the fact that the number of registered units (automobiles excluding mini vehicles) exceeded that of the previous year for the first time in four years since the fiscal year 1996, resulted in the growth of the total domestic automobile sales.

Suzuki's total domestic automobile sales totalled 616,304 units, 99% of the previous year. Suzuki's domestic market share in the fiscal year 2000 again exceeded 10%, just as in the last fiscal year. Among the eleven domestic auto manufacturers, Suzuki stood at 4th place in domestic market share, unchanged from the previous year.

Suzuki's sales status

(1) The vigorous strength of the mini vehicle market, which continued ever since their regulatory standards were revised in 1998, is showing signs of stabilizing. Under such circumstances, Suzuki sold 569,804 units (97% of the previous year) -- the second largest figure following the record figure for mini vehicle sales that Suzuki set in the previous year. As a result, Suzuki once again in the fiscal year 2000, marked the largest market share in mini vehicles -- a position Suzuki has maintained for 28 consecutive years.

(2) Suzuki's small and subcompact vehicle sales were 46,500 units, 116% of the previous year -- successful introduction of new models led the figure to exceed that of the year before, for the first time in three years.

Individual model topics

(1) Sales of Wagon R reached 243,755 units -- the largest figure since its introduction -- making it once again the only mini vehicle to surpass the 200,000 mark and the top seller among all mini vehicles for the 6th consecutive year. (*In April 2001, Wagon R marked total domestic sales of 1,500,000 units in only seven years and eight months since it was introduced to the market.)

(2) The Jimny, the first full-fledged 4-wheel-drive mini vehicle, marked aggregate domestic sales of 500,000 units in 2000, the 30th anniversary of its introduction to the market.

(3) The Carry Truck in 2000 once again became the best-selling model in the mini-truck segment, making it the top seller for 30 consecutive years.

(4) In addition, in the fiscal year 2000, Suzuki strengthened sales of small and subcompact vehicles by newly introducing Wagon R Solio 1.3, Grand Escudo and Aerio to our product lineup.



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



ESCUDO
(Export name: GRAND VITARA)



AERIO (Export name: LIANA)



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



SWIFT (Export name: IGNIS)



Kosai Plant
Passenger car assembling plant



Iwata Plant
Multi-purpose vehicle and commercial vehicle assembling plant

The Overseas Markets

The total automobile export volume for this fiscal year amounted to 1,074,000 units, 91% of the previous year, but sales reached 109% of the previous year.

In North America, both the number of units and sales grew thanks to a strong economic climate and introduction of new models; however, the slowdown of the American economy has become noticeable from the latter half of this fiscal year. The European market as a whole has held steady, and sales volume grew considerably. However, the depreciation of the euro against the yen has affected our profits. In the Asian markets, sales volume has been declining due to the sluggish economy; however, signs of recovery can be seen in Southeast Asia.

As for individual products, in North America, the Grand Vitara XL-7 was launched as the new flagship model of our lineup in that market. In the European market, we introduced Ignis, a new multi-purpose compact car. Furthermore, the Liana was introduced at the Geneva Motor Show as Suzuki's proposition for how small cars can meet transportation requirements in the 21st century.

In this fiscal year, Suzuki has continued to actively promote overseas expansion, with the aim of taking 5% share of the global market under the slogan "Global 5." Production of the Wagon R+, which was jointly developed with General Motors Corporation, has been growing both at the Opel plant in Poland and at Magyar Suzuki Corporation, Suzuki's production base in Hungary, in which we increased the capital. In Colombia, we made a capital contribution to General Motors Colmotores S.A., a subsidiary of General Motors Corporation, to strengthen our business alliance with General Motors Corporation in South America.

Business operations at our overseas subsidiaries are performing favorably overall, and we are making the utmost efforts toward full rationalization and maximum efficiency to further heighten our business strengths.



JIMNY



CARRY VAN



WAGON R (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 in the fiscal year 2000 (from April 2000 through March 2001) amounted to 774,000 units (95% of the previous year) in total volume -- a continuing decline that can be attributed to a stagnation in personal consumption due to the long continuing economic downturn and fewer users showing interest in riding motorcycles. Breaking down the figure by displacement classes, the volume for the 50-to-125cc class dropped to 653,000 units (92% of the previous year), while the volume for the 126cc-and-over class grew to 121,000 units (114% of the previous year). The growth of the 126cc-and-over class can be attributed to a large increase in the 126-to-250cc class, in which sales of dual-purpose bikes and scooters, especially to young people, rose to 77,980 units (154% of the previous year).

Within these general conditions, Suzuki managed to increase its shipment to 115,000 units (113% of the previous year) in total volume. Breaking down the figure by displacement classes, the volume for the 50-to-125cc class was 93,000 units (108% of the previous year) and the volume for the 126cc-and-over class was 22,000 units (139% of the previous year), thus marking growth in both classes.

This growth can be attributed to the fact that by the previous fiscal year, we completed our task of reducing distribution inventory through restricting our output, and that our product development program in which we focus on large models is starting to bear fruit.

Looking at individual displacement classes, in the 126cc-and-over class in which the market as a whole is experiencing growth, we introduced the GrassTracker and GrassTracker Bigboy, both



Toyokawa Plant

Motorcycles and outboard motors assembling plant

fashionable bikes targeted to young people, and attained a large growth, to 15,798 units (168% of the previous year).

In the 401cc-and-over class, we introduced the GS1200SS styled with a large cowling and the GSX1400 -- the top-of-the-line naked bike -- to enhance our product lineup of the highly profitable large models. As a result, while the output volume of the four Japanese makers in this displacement class decreased to 17,891 units (72% of the previous year), Suzuki achieved a large growth, to 2,496 units (125% of the previous year).



GS1200SS



GRASS TRACKER



GSX1400



RM250



EIGER LT-A400F

The Overseas Markets

Exports of CBU motorcycles and CKD units in the fiscal year 2000 (from April 2000 to March 2001) stood at 344,000 units, 100% of the previous year, while total sales including components for overseas production was 106% of the previous year.

As for exports of CBU motorcycles, the number of units exported decreased to 99% of the previous year. However, as a result of our efforts to expand sales, especially of large motorcycles, the sales figure increased to 109% of the previous year.

As for new products, we introduced the GSX-R1000 and GSX-R600, which, together with the GSX-R750 introduced in the previous year, complete the trio of our GSX-R series lineup. The GSX-R series is winning high acclaim in magazines and racetracks around the world; it is fully living up to its slogan "Own the Racetrack."

Also, we introduced the VL800 Intruder Volusia, to the middle-class cruiser market, which is showing steady growth especially in North America.

As for exports of components for overseas production, while the market recovered in Indonesia, markets in Thailand and China have shrunk. As a result, the sales figure decreased compared to the previous year.



GSX-R Series

Exports of All Terrain Vehicles (ATVs) increased to 105% of the previous year in the number of units exported.

Also, in January, we established an ATV manufacturing company, Suzuki Manufacturing of America Corporation (SMAC) in Rome, Georgia, U.S.A.; its plants' ground-breaking ceremony was held in March 2001. Production is scheduled to start in spring 2002.

Suzuki is currently exporting completed ATVs to the United States. By switching to local production, we seek to reduce currency exchange rate risks, and reduce component costs as well as product and component transportation costs. We also aim to establish a flexible product supply system by which we can respond quickly to market trends in U.S.A., which is the largest ATV market in the world. This is the first time that Suzuki is establishing a manufacturing base in U.S.A. on its own.



VL800 INTRUDER VOLUSIA



AN400 BURGMAN



UE125

MARINE AND POWER PRODUCTS

Marine Products

Exports of outboard motors in the fiscal year 2000 (from April 2000 to March 2001) reached only 74% of the previous year in units sold, as a result of the appreciation of the yen and depreciation of the euro.

Sales began of 4-cycle outboard motors DF90 and DF115 as 2001 new models. Both models have won high acclaim; they won the "Editors' Choice Awards 2001" in the December 2000 issue of the "Motor Boating Magazine" in the U.S.A. The 70 horsepower model was the largest model in the Suzuki 4-cycle outboard motor lineup prior to these models; now, with the addition of these two larger models, the Suzuki 4-cycle lineup covers the entire horsepower range from 9.9 horsepower to 115 horsepower, further strengthening Suzuki's position as a 4-cycle outboard motor manufacturer.



Suzuki outboard motors provide power for a wide range of boats

As for production of outboard motors in Thailand, following the production of a 2-cycle, 5 horsepower outboard motor which started in September 1999, Suzuki began production of a 2-cycle, 2.2 horsepower outboard motor in June 2000.

Power Products

In contrast to 1999 when there was a large growth in exports of generators with a special surge in demand especially in the North American market due to the Y2K issue, exports of generators to North America in 2000 stagnated due to excess inventory in that market as a whole. The number of units exported to Europe also decreased, to about half of the previous year, due to depreciation of the euro. As a result, the number of units of generators exported reached only 63% of the previous year.

Sales of snowmobile engines to North America reached only 96% of the previous year due to less-than-average snowfall for three consecutive years.

Sales of other power products such as general purpose engines also decreased due to both appreciation of the yen and depreciation of the euro. As a result, the number of units exported reached only 84% of the previous year.



Outboard Motor DF115



Generator SV1000H



General Purpose Engine V420E



Generator SV7500E powered with V420 4-stroke OHV engine

BUSINESS REVIEW

Domestic Automobiles Topics

Suzuki's Expertise: Building Small Cars

Suzuki in this fiscal year translated its expertise in mini vehicles to once again become the top seller of mini vehicles in Japan -- making this the 28th consecutive year Suzuki has been in this position -- an achievement we are truly proud of. In July 2000, Suzuki achieved aggregate domestic mini vehicle sales of 13 million units, and aggregate sales of Wagon R reached 1,300,000 units. The



Wagon R - the best selling mini vehicle in Japan



Suzuki's new subcompact-car sales network - Arena

Wagon R has also been the best-selling mini vehicle in Japan for six consecutive years since 1995. Other achievements include the Jimny -- a full-fledged 4-wheel-drive mini vehicle highly acclaimed since its introduction in 1970 for its superb running performance and mobility over rough roads -- reaching 500,000 units in aggregate domestic sales in October 2000; and the Suzuki Jimny (SJ, Samurai) series' aggregate worldwide sales reaching 2 million units in February 2001.

Mini vehicle ownership in Japan exceeded 20 million units by the end of December 2000 and accounted for about 28% of all automobiles owned in Japan (72,780 thousand units). There is no doubt that the value of mini vehicles, that is, small cars, in Japan's traffic infrastructure can only increase in the future. As for the production and distribution of automobiles, our Kosai Plant achieved in August 2000, an aggregate automobile production volume of 10million units; and operations began at two new facilities for delivering new cars to customers and automobile maintenance inside Japan: the Chiba Pre-delivery Preparation Work Center -- the sixth of such facility -- in November 2000, and the Toyama Pre-delivery preparation work center, in January 2001. In domestic sales, Suzuki is also putting much effort in sales of used cars. In October 2000, Suzuki Auto Auction Hamamatsu (SAA Hamamatsu), a permanent site for auctions of used cars, saw completion and start of operation.

Motor Shows are great opportunities to put Suzuki's advanced technology and expertise on public display. In the Tokyo Motor Show held in October 2000, Suzuki, under the theme "Small Cars for a Big Future," put on display vehicles such as the Suzuki Pu3-commuter Wheelchair Passenger Seat version (concept car), Escudo XL (concept car), Grand Vitara Pickup (concept car) and Every Wagon SV. As for mini vehicles, we offered Suzuki 80th Anniversary versions of models such as the Wagon R, Alto, Kei, Jimny and Every Wagon, plus 21st Century Commemorative Special versions of Every Wagon and Kei. Suzuki also developed and marketed "welfare vehicles", that is, vehicles based on the Wagon R and Every that are tailored to the needs of the elderly and the handicapped. As for subcompact vehicles, we introduced a series of new models, including the Wagon R Solio, a compact passenger car, Grand Escudo, a cross-country wagon, and Aerio, a new passenger car. Furthermore, operations started of Suzuki's new subcompact-car sales network, the Arena dealerships,

from April 2000. The number of Arena dealerships grew to 810 by the end of March, 2001. Suzuki will continue to use its expertise in small cars towards the creation of value-packed products, with the belief that "small cars" will play an even greater role in developing a "big future" of transportation.

Overseas Topics

Suzuki, with its policy of contributing to the local economy and society, has been undertaking numerous local production enterprises. At present, we have established a global manufacturing network of 57 companies in 31countries with production bases for automobiles, motorcycles and other products. Operations recently started at additional Suzuki production bases, including the start of production of Suzuki automobiles (Grand Vitara -- Escudo in the Japanese market) at General Motors de Argentina S.A. in April 2000, start of production of two types of passenger cars at Chongqing Changan Suzuki Automobile Co., Ltd., a joint-venture company in China, in June 2000, and start of production at Thai Suzuki Motor Co., Ltd. of outboard motors for the Japanese market in July 2000. As for the production base of All Terrain Vehicles (ATVs), whose demand is increasing especially in North America, we have

announced the construction of an ATV plant (corporate name: Suzuki Manufacturing of America Corporation [SMAC] in Rome, Georgia, U.S.A.) The construction of the plant started this past March. In Europe in early February 2001, we increased the capital of Magyar Suzuki Corporation, Suzuki's automobile production base in Hungary, from 19,800 million forints (approx. 7,500 million yen) to 81,800 million forints (approx. 31,000 million yen). In South America, we made a capital contribution of approx. 3,600 thousand U.S. dollars to General Motors Colmotores S.A., a production and distribution subsidiary of General Motors Corporation in Colombia, thus strengthening the strategic alliance between Suzuki and General Motors Corporation in South America.

Motorsports Topics

Suzuki participates in numerous motorcycle and automobile races that fascinate motorsports fans worldwide, and has won a great number of titles. We also make sure that the technological knowhows gained from racing activities are fed back to our development work to help us create better products. In automobile racing, the Suzuki Grand Vitara was entered in the 3rd Queenstown Gold Rush International Auto Hillclimb held in Queenstown, New Zealand in April 2000. The Grand Vitara, showing its dynamic slides through turns and overwhelming quickness, clocked in at 8 minutes 40.916 seconds and won a 3-year-consecutive overall victory. In the All Japan Dirt Trial Championship, Suzuki entered in three classes: A1, C1 and D, and became the series champion for the 2000 season in all three classes. In motorcycle racing, on October 7, 2000, in round 14 of the World Road Racing Grand Prix held at Nelson Piquet circuit outside Rio de Janeiro, Brazil, Kenny Roberts Jr. became the newest world champion. For Suzuki, it was its sixth winning of the world championship since Kevin Schwantz last won it in 1993; for Roberts Jr., it was his first winning of the title. Roberts Jr.'s father, Kenny Roberts Senior won the championship in the three consecutive years from 1978 to 1980 -- thus, Roberts Jr. and Roberts Sr. became the first father-and-son world champions in the history of World Road Racing Grand Prix.

Environment Topics

Suzuki is also actively involved in addressing environmental concerns. As a general maker of transportation equipment including automobiles, motorcycles and outboard motors, Suzuki, in addition to its continued efforts towards improving fuel efficiency by making better engines and lighter vehicles and efforts directed at reducing noise and other environmental factors, is also conducting ongoing research on various new methods of addressing environmental concerns, including the development of vehicles that run on electricity and natural gas. Furthermore, systems and arrangements that have lower environmental impact are promptly incorporated in each of the various processes that compose our business: production, product and component distribution, sales and servicing. Suzuki also actively carries out recycling of resources by making efforts to recycle factory waste, in addition to reducing the volume of such waste.

Specific examples of such efforts during the fiscal year 2000 include: CAMI Automotive Inc. in Canada (in June 2000) and the Toyokawa Plant (in December 2000) both received an ISO 14001



The Gazelle released by Changan Suzuki, China



Ground-breaking ceremony at Suzuki Manufacturing of America Corporation



Kenny Roberts Jr. with RGV-Γ

certification. In January 2001, the use of lead was abolished in the painting process at our motorcycle and automobile plants in Japan. In March 2001, we expanded the installation of automobile bumper crushers to all of our distributors in each prefecture in Japan.



Suzuki and GM further strengthen strategic alliance.



YGM-1



Grand Vitara produced at General Motors de Argentina S.A.

Strategic Alliance with General Motors Corporation

On September 14, 2000, Suzuki and General Motors announced the further strengthening of our strategic alliance. This enhancement of our alliance was symbolized by Suzuki issuing new shares by means of the third party allotment to General Motors on January 18, 2001, totaling 58,100 million yen which, together with Suzuki shares already acquired by General Motors, increased General Motors' shareholdings in Suzuki from 10% to 20.1%. Furthermore, in the general shareholders' meeting held in June 2001, General Motors' Chairman John F. Smith, Jr. was elected as a member of the board of directors of Suzuki.

During the fiscal year 2000, Suzuki and General Motors Corporation further strengthened our strategic alliance in various areas:

To facilitate greater development and realization of synergies, a personnel exchange program was initiated. Collaboration in the area of purchasing was enhanced. And steps continued to jointly leverage our respective overseas production bases.

Following the joint development of the Sub-S vehicle (Suzuki Wagon R+/Opel Agila) in Europe early in 2000, Suzuki and General Motors are working on numerous new vehicle joint-development programs. Suzuki and General Motors executed a number of new product launches in South America. For example, the 5-door Grand Vitara was introduced by General Motors de Argentina S.A., the Alto by General Motors Colmotores S.A., and the Grand Vitara lineup of General Motors del Ecuador S.A. was expanded by the addition of a new 2.5-liter V6 model. And now, the YGM-1 Asia Car Project is coming to its execution phase: its production is scheduled to start in the autumn of 2001.

In Asia, including the Japanese domestic market, Suzuki and General Motors are co-operating to utilize each other's distribution networks. In the Philippines, we have begun selling Suzuki products through the GM Autoworld sales network; in Japan, GM Autoworld has begun selling the Chevrolet MW, a version of Suzuki Wagon R+.

Suzuki and General Motors are also collaborating in important joint efforts in the fields of research and development and advanced technologies. These endeavors cover areas such as powertrains, simulation software, and hybrid and fuel-cell-battery power systems.

The two companies will continue to pursue opportunities for further joint efforts in various fields, and seek to realize cost reductions, increased sales and the creation of value for the shareholders of both companies.

The status of the corporate group

1. The outline of the corporate group

The corporate group of the Company consists of subsidiaries of 127 companies and affiliates of 19 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, which is one of GM's affiliates, 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, Suzuki Motor Espana S.A. 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, Maruti Udyog Ltd. 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 logistics services is conducted by a subsidiary, Suzuki Transportation and Packing Co., Ltd.

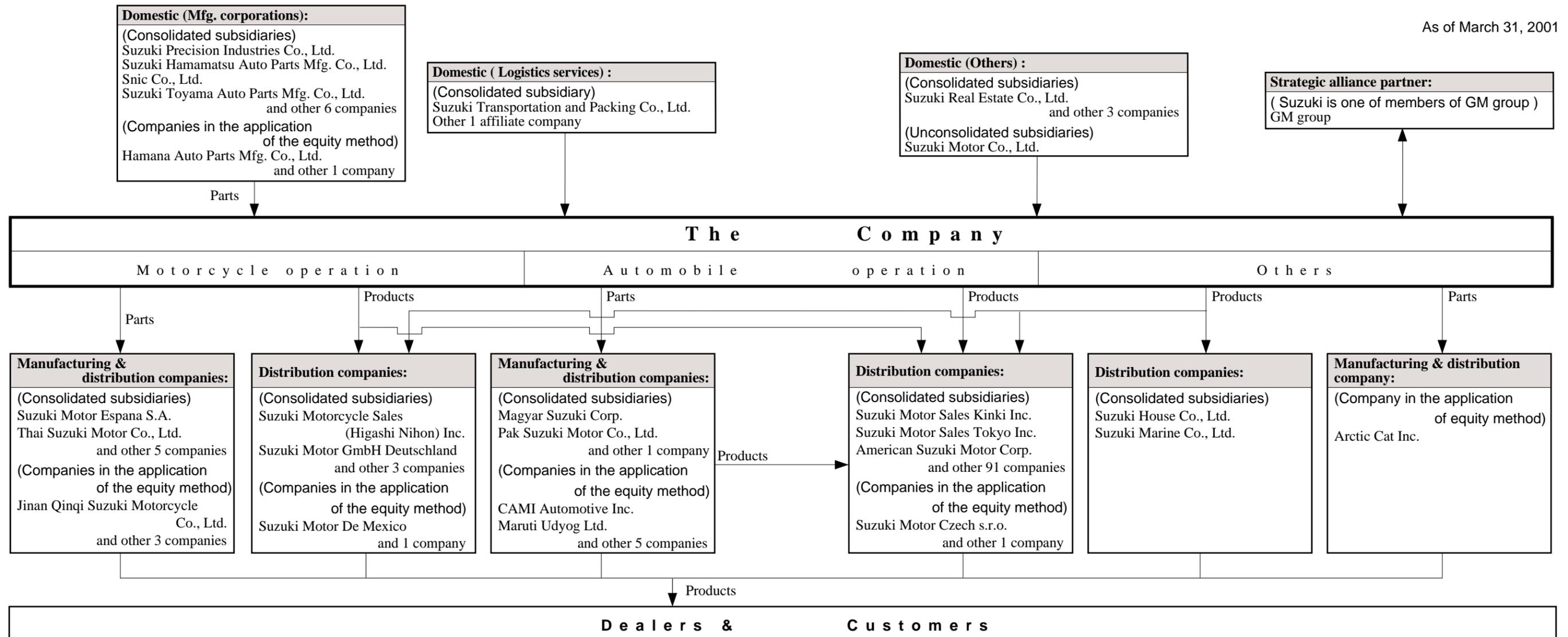
Other operations

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

The marketing of houses is carried out by a subsidiary, Suzuki House Co., Ltd.

Real estate business and the related services are conducted by a subsidiary, Suzuki Real Estate Co., Ltd.

2. Operation flow chart



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

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

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
ASSETS			
Current assets:			
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>
Property, plant and equipment (Note 5):			
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>
Investments and other assets:			
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
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
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>
Long-term liabilities:			
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>
Minority interests	<u>8,776</u>	<u>8,150</u>	<u>70,833</u>
Shareholders' equity (Note 9):			
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>
Contingent liabilities (Note 10)			
	<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
Balance as of March 31, 1999	<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	-
Balance as of March 31, 2000	<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)	-
Balance as of March 31, 2001	<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	
Balance as of March 31, 2000	<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)	-
Balance as of March 31, 2001	<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
Cash flows from operating activities			
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
Cash flows from investing activities			
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)
Cash flows from financing activities			
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	¥72,711	¥ 48,681	\$586,859
Bonds and other	25,561	7,395	206,311
	98,273	56,076	793,170
Market value of marketable securities	¥98,273	¥102,860	\$793,170

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	¥ 5,487	¥ 7,707	\$ 44,286
Unsecured	138,741	122,024	1,119,788
	¥144,228	¥129,731	\$1,164,075
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
	2001	2000	2001
Cash and time deposits	271,392	209,427	2,190,413
Marketable securities	1,156	4,499	9,335
Time deposits with maturities of over three months	(630)	(709)	(5,084)
Marketable securities with maturities of over three months	-	(3,000)	-
	¥271,918	¥210,217	\$2,194,664

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

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
(1) Amounts equivalent to acquisition costs, accumulated depreciation and net balance as of March 31, 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

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
(1) Amounts equivalent to acquisition costs, accumulated depreciation and net balance as of March 31, 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
	2001	2000	2001
Future lease payments			
Due within one year	¥226	¥ 187	\$1,827
Thereafter	706	827	5,702
	<u>¥932</u>	<u>¥1,014</u>	<u>\$7,529</u>
 As a lessor			
	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Future lease revenues			
Due within one year	¥ 45	¥27	\$365
Thereafter	54	32	441
	<u>¥100</u>	<u>¥59</u>	<u>\$807</u>

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	¥3,982	\$32,139
Trade notes discounted	1,866	15,061
	<u>¥5,848</u>	<u>\$47,201</u>

11. Segment Information

(a) Business segment

	Millions of yen				
	Motorcycle	Automobile	2001		Consolidated
Other			Elimination and corporate assets		
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				
	Motorcycle	Automobile	2000		Consolidated
Other			Elimination and corporate assets		
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				
	Motorcycle	Automobile	2001		Consolidated
Other			Elimination and corporate assets		
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

	2001					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

	2000					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

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

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
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>
Long-term liabilities:			
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>
Shareholders' equity			
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>

MEMBERS OF THE BOARD AND AUDITORS

Chairman & CEO

Osamu Suzuki

President & COO

Masao Toda

Executive Vice Presidents

Akira Tsutsui

Sokichi Nakano

Senior Managing Directors

Chuichi Mizuguchi

Katsuhiko Yokota

Director

John F. Smith, Jr.

(Chairman, General Motors Corporation)

Managing Directors

Hiroshi Tsuda

Toshitaka Suzuki

Tsuneo Kobayashi

Takehisa Okabe

Takahira Kiriya

Osamu Matsuoka

Shunichi Wakuda

Kiyoshi Aoshima

Directors

Junzo Sugimori

Yasuhiro Yamada

Takashi Nakayama

Kazuyoshi Suzuki

Shigeaki Hamada

Sadayuki Inobe

Masanori Atsumi

Kenji Yamamoto

Shinzo Nakanishi

Yoshihiko Kakei

Akihiro Sakamoto

Katsumi Takata

Hirohiko Ono

Senior Corporate Auditors

Takeshi Nakamura

Kazuhiko Murata

Corporate Auditors

Tetsuro Maekawa

Takashi Suzuki

Shin Ishizuka

As of July 1, 2001

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: 14,460 (As of April 1, 2001)

MAJOR OVERSEAS SUBSIDIARIES

Suzuki Motor GmbH Deutschland

Heppenheim, Germany

Suzuki Auto GmbH Deutschland

Oberschleissheim, Germany

Suzuki Motor España, S.A.

Gijon, 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 Canada Inc.

Ontario, Canada

Suzuki Motorcycles Pakistan Ltd.

Karachi, Pakistan

Pak Suzuki Motor Co., Ltd.

Karachi, Pakistan

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 do Brasil Automotores Limitada

Barueri, Brazil

Suzuki Motor de Colombia S.A.

Pereira, Colombia



SUZUKI MOTOR CORPORATION
300 TAKATSUKA, HAMAMATSU, JAPAN