FINANCIAL SECTION

CONTENTS

Management policy

1. Business operations basic policy

Ever since establishment, the Suzuki Group has maintained a basic policy of making "value-packed products" to give our customers satisfaction. The opening paragraph of our company's mission statement promises that we will "develop products of superior quality by focusing on the customer". Of course, the value of a product varies with the times as well as the differences between countries and in lifestyles. By keeping on top of the dynamic changes occurring in the marketplace, we strive to create products of real value, products that are always designed to win our customers' approval.

We are committed to making positive developments in the production of mini, small and subcompact vehicles. We are committed to developing vehicles that are environmentally friendly and meet our customers' expectations. Under our "Small Cars for a Big Future" program, we are working to ensure our operations run in an efficient, well-coordinated and well-balanced manner.

2. Profit sharing basic policy

The Company's basic profit sharing policy is focused on maintaining a continuous and stable payout of dividends. At the same time, however, from a middle- and long-term perspective, we are always looking at how to improve our performance, how to increase the dividend payout ratio and how internal reserves can be improved as a basis for enhancing our corporate structure to allow us to expand our business operations in the future.

The Suzuki Group has a structure in which profits are highly dependent on overseas manufacturing plants. These are mainly located in developing countries, and are therefore subject to exchange rate fluctuations. We have plans to actively develop and increase our investment in these overseas manufacturing plants. To achieve stable growth, we need to further enhance our corporate structure and prepare for unforeseen circumstances.

Non-consolidated operating income for the current fiscal year has decreased under such circumstances as mentioned above. However, the Company achieved over 100 billion yen of consolidated ordinary income for the first time. To express our appreciation to our shareholders for their support, dividends for the current fiscal year were approved to be paid at 8.00 yen per share as annual dividends (including interim dividends of 4.00 yen). In addition, special dividends of 2.00 yen has been paid. Therefore, total dividends are 10.00 yen per share. As a result, the dividend payout ratio for the current fiscal year is 15.0% and the dividend rate of shareholders'equity is 1.0%.

Note the Company : Suzuki Motor Corporation
ordinary income : obtained by deducting non-operating income and expenses (interest and dividend income, interest expense, etc.) other than special items from operating income

3. Perspectives and policy for lowering the investment unit of shares

The Company recognizes that improvement in share liquidity and increasing the number of individual shareholders are significant issues for achieving a fair price for our shares. Therefore, we have improved the market environment for investors to purchase shares more easily. From September 2003, the number of shares per unit was reduced from 1,000 shares to 100 shares. Furthermore, we will continue to take into consideration factors such as maximization of shareholders' interests, expansion of the number of individual investors, and improvement of their shares.

4. Medium-term management strategy

In May 2002, the Company unveiled its Medium-term 3-year Plan for a period until March 2005. Upon completion of that term, we see that sales exceeded the initial target of \2 trillion and profits are close to the target figures.

In order for the Suzuki Group to continue to grow as a global corporate entity, the "Suzuki Medium-term 5-year Plan" has been established for a period up to March 2010. The basic policy of the plan is to promote R&D and capital investment for further growth, and to establish a revenue base to support those investments, as well as to develop human resources capable of leading the group to continued growth.

The plan lays out domestic and overseas strategies. In Japan, it calls for strengthened mini, small and subcompact vehicle sales ability and proactive introduction of new products. Meanwhile, overseas, the plan provides for an increase in the capacity of plants in India and Hungary that came online ten and twenty years ago and which are now reaching the limits of their production capacity, as well as capital investment to improve quality, and the introduction of products tailor-made to suit individual foreign markets.

In light of this, the Company's business objectives are: to raise consolidated sales to over \3 trillion (outlined below), consolidated ordinary income to \150 billion, and profitability to over 5% as soon as possible within the period of the 5-year plan. To this end, the Suzuki Group (the Company, its subsidiaries and affiliates) plans \1 trillion in capital investment over five years, and is brimming with enthusiasm to develop new products.

Our worldwide production targets are: 4.4 million motorcycles and 2.7 million automobiles.

The aforementioned \3 trillion in sales is broken down as: \900 billion in domestically produced and sold products; \900 billion in domestically produced, overseas sold products; and \1.2 trillion in overseas produced and sold products. This marks a significant growth in the latter category.

Each and every one of us in the Suzuki Group will band together to ensure that these target figures are reached as early as possible in the forthcoming five-year period.

5. Outstanding issues

The business environment surrounding the Company is extremely unclear due to the fluctuation of exchange rates and the increase in competition among companies. Considering these circumstances, the business environments surrounding the Company has become increasingly tougher.

In order to cope in such difficult circumstances, we are striving to pursue the following motto which represents our basic policy: "In order to survive, let us stop acting in a self-styled manner and get back to basics". We intend to make positive efforts to strengthen our management structure by reviewing our practices in every area of our business.

In our motorcycle operations for the domestic market, we will promote sales increases of our motor driven cycles as well as drive sales of our large-size models. In overseas markets, we will try to boost sales of small-size models in Asia, and large-size models in the European and North American markets. In this way, we intend to establish a highly profitable motorcycle business operation.

In our automobile business, we intend to increase sales of small, subcompact and standard-sized vehicles in the domestic market by upgrading the sales power of "Suzuki Arena"(our sales channel for small and subcompact vehicles), along with enhancing and improving our existing sales network, and by focusing on strengthening our understanding of the market and improving customer satisfaction. In overseas markets, in the marketing and product development stages, we will maintain closer contact with the market. Our overseas plants will be upgraded, further developing automation to facilitate improvements in quality and productivity, as well as finding innovative solutions for cost reduction and the promotion of local procurement of parts. Furthermore, we hope to maximize the business potential of the synergies gained by our strategic alliances with the General Motors Group to reinforce the corporate foundation. Efforts will be taken to develop products in a speedy and effective manner that closely meet demands in each of the four major market regions in the world and to introduce them in a timely fashion.

We are also continuing to further our environmentally friendly technology. Improvements are being sought for a wide range of global issues such as minimizing the environmental impact during the product development process, reducing gas emissions, improving fuel consumption, reducing the amount of resources consumed and recycling. Development programs for advanced next-generation vehicles, such as fuel-cell vehicles, are also being carried out.

6. Corporate governance issues

(1) Basic concepts regarding corporate governance

The Company has made positive efforts towards the implementation of various measures aimed at ensuring our corporate activities are carried out in a fair and efficient manner. We are confident our business organization has the desire to always retain the faith of our shareholders, customers, business partners, and all members of our regional communities.

To highlight the importance of corporate ethics, we have adopted various measures, including establishing a set of guidelines for directors and employees of the Company. The "Suzuki Corporate Ethics Rules", lay out a set of basic points to enable each staff member to act in a fair and faithful manner so to conform to the laws, the norms of the society and company regulations. A set of "Action Standards" has also been clarified in these rules. In addition, a "Corporate Ethics Committee" has been established for the promotion of overall corporate ethics. We have also established a "Corporate Ethics Promotion Headquarters" as its subordinate organization for the promotion of the corporate ethics in each division. The "Suzuki Corporate Ethics Rules" are now accessible on the corporate intranet for directors and employees, so they can be referred to at any time. Lecture sessions are being held to ensure that the employees realize the importance and necessity of the corporate ethics.

(2) Corporate auditing, management supervision and the structure of internal control system

(a)Corporate auditing, management supervision and the structure of internal control system

In the case of directors, their management responsibilities are clarified, and the term of their office is to be the period of one year in order to flexibly address the change in the business environment.

Besides the regular board of directors meetings held every month, special board of directors meetings are held whenever necessary and corporate auditors always participate in board of directors meetings. Discussions in the board of directors meeting are thoroughly conducted and the corporate auditors' function of management supervision is working effectively.

The Company has also adopted a corporate auditor system. Corporate auditors are responsible for the auditing of the proper implementation of management of the Company.

(b)Internal auditing and corporate auditors' auditing

The Company has audit functions for our domestic and overseas subsidiaries and affiliates, in addition to the internal audit group. Thus, along with an audit by corporate auditors and an audit by independent public accountants, three types of audits are executed from the standpoint of compliance with the law, internal control and management efficiency.

The Company has an internal audit system in which the integrity and efficiency of our internal control system are checked periodically and the results of the checks are reported to management together with suggestions regarding improvement and correction of problems. Any important information pertaining to the management of the Company is properly reported to the board of directors.

(3) Independent auditors

Seimei Audit Corporation is assigned as an independent auditor for the Company. Corporate auditors, an internal audit group and the independent auditor create a closer connection by exchanging information whenever the need arises.

Name of Engagement Partners	Auditing company CPA belongs to
Satoru Imamura	Seimei Audit Corporation
Takashi Imamura	Seimei Audit Corporation

Note: 1 Certified public accountant, Mr. Satoru Imamura, has continuously audited for 14 years.
2 The number of other members for audit:
6 of certified public accountants;
1 of assistant certified public accountant; and 1 other.

(4) Relationships with external directors and external corporate auditors

There are relationships with one external director and three external corporate auditors. They have no special interest in the Company.

External director: Mr. Troy A. Clarke - Group Vice President, General Motors Corporation(our strategic alliance partner) and President, General Motors Asia Pacific.

(5) Structure and administration of risk control system

In consideration of the importance of risk control, the Company has set out a "Risk Control Procedure" as part of the "Suzuki Corporate Ethics Rules". In this procedure an "Action Standard" is provided to stop preventable risks such as malpractices or illegal acts by employees. The "Risk Control Procedure" also determines responses to emergencies, such as natural disasters and terrorism, which the company is powerless to prevent.

Whenever the "Corporate Ethics Committee" recognizes risks that could cause urgent and serious damages to the Company's management and business operations, the committee immediately sets up a "Risk Control Headquarters". The Chairman & CEO of the Company will lead this committee, with the President & COO serving as a deputy leader, to form an organization that will decide on the measures to be taken against the occurred risk, in accordance with the "Risk Control Procedure". The "Risk Control Headquarters" organizes discussions to decide policies and measures to be taken and can give instructions to the appropriate divisions and departments. These divisions and departments are then able to communicate with each other to resolve any issues at hand.

(6) Remuneration of directors

Remuneration paid to directors and corporate auditors is as follows:

(Number of payees:persons, Amount:million yen)

	Directors		Corporate Auditors		Total	
	Number of payees	Amount	Number of payees	Amount	Number of payees	Amount
Remuneration based on resolution of shareholders' meeting	34	455	9	49	43	504
Bonus based on appropriation of retained earnings	26	182	5	18	31	200
Retirement bonus based on resolution of shareholders' meeting	5	161	4	28	9	189
Total		798		95		893

(7) Remuneration of independent auditing

The remuneration amount regarding audit certificates, based on audit agreement, is 39 million yen.

Financial review

1. Operating results

Consolidated net sales for the Suzuki Group during the current fiscal year amounted to 2,365,571 million yen (107.6% as against PFY). Operating income amounted to 107,542 million yen (113.0% as against PFY). Net income amounted to 60,506 million yen (138.0% as against PFY). These results were due to increases in exchange loss, R&D expenses and depreciations being absorbed by cost reduction and sales increase.

Factors which significantly influenced the consolidated statement of income are described as follows:

Note: PFY=Previous fiscal year

(1) The operating results by business segmentation

(a) Motorcycle operations

Total domestic demand of the motorcycle industry was stagnant, however the Company's net sales in the domestic market slightly surpassed the previous fiscal year with the introduction of the new scooter "Let's 4" and the new on-road sports model "DR-Z400SM". In the overseas market, sales surpassed those of the previous fiscal year because the Company made efforts to expand sales of a large types of sports models such as "GSF650", and All Terrain Vehicles such as "LT-A700X", and increased local production in Asia. As a result, the net sales of the motorcycle operations reached 460,568 million yen (110.5% as against PFY) and operating income increased to 38,151 million yen (113.4% as against PFY) through the absorption of exchange loss and increased R&D expenses by cost reduction and sales increase.

(b) Automobile operations

In the domestic market, in addition to good sales of the mini vehicle "Wagon R", the Company introduced a new mini vehicle "Alto" and a new subcompact passenger vehicle "Swift". Furthermore, efforts were made to expand sales by the reinforcement of the "Suzuki Arena", the sales channel for small and subcompact vehicles. As a result, the domestic net sales surpassed the previous fiscal year. Overseas sales surpassed the previous fiscal year due to increased sales at overseas manufacturing companies such as "Maruti Udyog Limited" in India and "PT Indomobile Suzuki International" in Indonesia etc, in addition to increased sales in the European region. As a result, net sales of automobile operations amounted to 1,845,763 million yen (107.0% as against PFY). Operating income increased to 60,140 million yen (114.7% as against PFY) by increased sales and cost reduction despite the increase of R&D expenses and exchange loss.

(c) Other businesses

The net sales of other businesses amounted to 59,240 million yen (103.4% as against PFY) and operating income increased to 9,251 million yen (102.2% as against PFY) due to an increase in sales.

(2) The operating results by geographical segmentation

(a) Japan

Net sales amounted to 1,619,887 million yen (105.9% as against PFY) and operating income decreased to 65,653 million yen (96.9% as against PFY) as the increase of R&D expenses and exchange loss could not be absorbed with cost reduction.

(b) Europe

Net sales amounted to 414,328 million yen (110.3% as against PFY) however operating income decreased to 6,691 million yen (74.4% as against PFY) due to increased overhead costs and depreciations for the introduction of the new subcompact passenger vehicle "Swift" at "Magyar Suzuki Corporation", our production plant in Europe.

(c) North America

Net sales amounted to 303,716 million yen (102.6% as against PFY) and operating income was improved to 4,639 million yen (574.8% as against PFY) due to increased motorcycle sales and a lower fleet sales percentage in automobile sales at "American Suzuki Motor Corporation".

(d) Asia

Net sales amounted to 500,062 million yen (107.6% as against PFY) due to increased sales at overseas manufacturing companies such as "Maruti Udyog Limited" in India and "PT Indomobile Suzuki International" in Indonesia and operating income increased to 37,281 million yen (149.4% as against PFY), due to sales increase and cost reduction.

(e) Other areas

Net sales amounted to 26,698 million yen (109.7% as against PFY) and operating income to 1,464 million yen

(255.1% as against PFY) due to increased sales etc.

(3) Selling, general and administrative expenses

The Suzuki Group has made positive efforts to widen our scope of technical development moving beyond the areas of current expertise. By offering competitive and original products which are in line with developments in technical innovation, we are striving to meet the more diversified needs of users under stringent market conditions. As a result, our R&D expenses increased by 11,940 million yen to 86,856 million yen.

(4) Other income and expenses

In the previous fiscal year, the net amount of other income and expenses was a loss of 16,268 million yen due to impairment loss of fixed assets, 17,419 million yen. For this fiscal year, impairment loss of fixed assets was decreased to 3,774 million yen. As a result,the net amount of other income and expenses was a loss of 488 million.

(5) Outlook for results in the next fiscal year

The next fiscal period is the first year of the "Suzuki Medium term 5-year Plan". The Company will positively invest in R&D and plants and equipments, however the profit for the Company will decrease in the next fiscal period as the business environment surrounding the Company is extremely unclear due to the fluctuation of exchange rates. The Suzuki Group will work together towards innovation in every area, engaging in the evolution of business activities to achieve 2,500,000 million yen in net sales and 48,000 million yen in net income.

The above is based on the anticipated foreign exchange rate of 1 US dollar = 100 yen and 1 Euro = 134 yen.

∗The outlook of business results is an estimate, based on the current information available and assumption, including risk and uncertainty. It is requested, therefore, to understand that the actual results may vary extensively as many factors change. Those factors, which may influence the actual results, include economic conditions, and the trend of demand in major markets and the fluctuation of foreign exchange rates (mainly the Yen/US dollar rate; Yen/Euro rate).

2. Liquidity and capital resources

(1) Situation of cash flow

The net cash provided by operating activities increased to 212,427 million yen. This is 77,853 million yen more than the previous fiscal year due to an increase in income before tax, and a decrease in income tax paid.

The net cash used in investing activities decreased to 126,102 million yen by 14,876 million yen. This is less than the previous fiscal year due to proceeds from the sales of marketable securities despite an increase in expenditure for the purchase of property, plants and equipment.

The net cash used in financing activities increased to 44,058 million yen by 5,171 million yen. This is more than the previous fiscal year due to repayment of the short-term loan and redemption of bonds.

As a result, the balance of cash and cash equivalents at the end of this fiscal year increased by 43,137 million yen to 231,397 million yen, compared with the previous fiscal year.

(2) Demand for money

During this fiscal year, we invested a total 136,049 million yen on a number of initiatives, such as new model production, production volume increase, rationalization, R&D for new models and technical innovation, distribution, sales channel and IT related investments. The costs of these investments were covered by retained earnings. Planned capital expenditure spending for the next fiscal year is 214,000 million yen, mainly from our own funds, but we shall also select proper financial sources depending on the circumstances.

3. Significant accounting policies

For information regarding significant accounting policies, please refer to the Notes to Consolidated Financial Statements.

4. Risks in operations

The risks which may possibly affect the operating results, stock price and financial situation of the Suzuki Group are as follows:

(1) Macro-economic changes

Although the domestic economy continues its process of slight recovery, personal consumption remains inactive. It is possible that a prolonged sluggish economy and the reduced purchasing will of consumers could drastically decrease the demand for products, such as motorcycles,automobiles and outboard motors and will adversely affect the business performances of the Suzuki Group.

The Suzuki Group has business operations all over the world and our dependence on overseas manufacturing plants, especially in developing countries in the Asian region, has been increasing year by year. Sudden changes in the economic situation and unexpected events could possibly have an impact on the business performances of the Suzuki Group. Furthermore, it is possible that unexpected changes in and adoptions of different tax systems in each country also could affect our operating results.

(2) Price fluctuation

In the past, the prices of our products have drastically fluctuated within a short period of time in certain markets. These fluctuations were brought on by the various factors, such as sudden changes in demand, supply shortages of parts and materials, unstable economic situations, revisions of import restrictions, and intensified price competition. There is no guarantee that these fluctuations will reduce or that they will never occur in markets where they have never occurred before. It is possible that drastic price fluctuations could damage the operating results in any market where the Suzuki Group operates.

(3) Foreign exchange fluctuation

The Company exports motorcycles, automobiles, outboard motors and their parts, from Japan to many countries in the world. Our overseas manufacturing bases also export products and parts to a number of countries. Foreign exchange fluctuations affect our business operations and our financial situation as well as our competitiveness.

Furthermore, foreign exchange fluctuations affect the pricing of products sold in foreign currencies and the purchasing price of materials. Overseas sales accounted for 62.2% of our consolidated net sales in the fiscal year ending March 31,2005 and a large proportion of our transactions are denominated in foreign currencies, such as the US dollar and the Euro. To reduce the risk of foreign exchange fluctuations, we utilize hedging instruments, such as forward exchange contracts. However, it is impossible to hedge all risks. The appreciation of the Yen against other currencies could possibly adversely affect our operating results.

(4) Environmental restrictions

The manufacturing of motorcycles, automobiles and outboard motors are subject to various laws and regulations regarding exhaust emissions levels, fuel consumption, noise, safety and the amount of the output of contaminated materials from plants. We can reasonably expect such regulations to be revised, and in many cases, strengthened. Expenses for complying with such regulations could possibly impact the operating results of the Suzuki Group.

(5) Disasters, wars, terrorism and labor strikes

Our main manufacturing bases in Japan are located primarily in the Tokai region in the mid-eastern part of Japan. Other facilities such as the Company's head office are also concentrated in the same region. In the event of disasters, such as earthquakes in the Tokai region or off the southeast coast of Japan, our operating results could possibly be affected.Various preventative measures are put in place, including earthquake-proofing and fire-proofing our buildings and facilities and acquiring earthquake insurance. Overseas, the Suzuki Group operates in many countries and the occurrences of unexpected events such as natural disasters, diseases, wars, terrorism and labor strikes could possibly cause delays and halt the purchasing of materials and parts, manufacturing, sales and distribution of products, and provision of services. If these delays or interruptions occur and if they are prolonged, they mayadversely affect the operating results of the Suzuki Group.

Other various risks not mentioned above also remain. Not all the risks for the Suzuki Group are listed here.

FIVE-YEAR SUMMARY

SUZAKI MOTOR CORPORATION

CONSOLIDATED

Years ended March 31	2005	2004	2003	2002	2001	2005
	Millions of yen (except per share amounts)					Thousands of U.S. dollars (except per share amounts)
Net sales	**¥2,365,571**	¥2,198,986	¥2,015,309	¥1,668,251	¥1,600,253	$22,027,860
Net income	**60,506**	43,835	31,024	22,392	20,248	563,428
Net income per share :						
Primary	**112.94**	81.38	57.29	41.40	40.41	1.051
Fully diluted	**109.86**	79.17	55.57	41.16	40.24	1.023
Cash dividends per share	**10.00**	9.00	9.00	8.50	8.50	0.093
Shareholders' equity	**745,016**	692,345	648,357	620,004	593,770	6,937,482
Total current assets	**999,887**	902,263	844,577	773,040	723,844	9,310,806
Total assets	**1,693,353**	1,577,709	1,537,430	1,347,718	1,299,859	15,768,262
Depreciation and amortization	**97,731**	87,858	83,896	75,083	75,344	910,063

NON-CONSOLIDATED

Years ended March 31	2005	2004	2003	2002	2001	2005
	Millions of yen (except per share amounts)					Thousands of U.S. dollars (except per share amounts)
Net sales	**¥1,481,632**	¥1,392,688	¥1,411,418	¥1,320,218	¥1,294,651	$13,796,747
Net income	**35,747**	25,650	19,393	13,912	12,881	332,872
Net income per share:						
Primary	**66.56**	47.46	35.67	25.72	25.71	0.619
Fully diluted	**64.75**	46.17	34.61	25.59	25.61	0.602
Cash dividends per share	**10.00**	9.00	9.00	8.50	8.50	0.093
Shareholders' equity	**540,890**	518,198	483,670	477,053	475,614	5,036,691
Total current assets	**589,848**	519,025	539,322	564,830	503,543	5,492,584
Total assets	**1,098,073**	1,039,261	1,070,708	1,028,709	978,172	10,225,098
Depreciation and amortization	**47,213**	47,836	53,578	54,194	52,814	439,647

Note: Yen amounts are translated into U.S. dollars for convenience only, at ¥107.39 = US$1, the prevailing exchange rate as of March 31, 2005.
The treasury stock indicated on the column of non-consolidated current assets up to the year of 2001 is listed on the column of shareholders' equity from the year of 2002 in accordance with the revision of regulations of financial statements.
Calculation of net income per share is made on the adjusted net income basis that bonuses paid to directors and corporate auditors and the payment of dividends to shareholders of preferred stocks are excluded from net income shown in the income statements from the year of 2003 in accordance with the revision of regulations of financial statements. The figures for 2002 and before are not restated.

CONSOLIDATED FINANCIAL STATEMENTS OF 2005
CONSOLIDATED BALANCE SHEETS
As of March 31, 2005 and 2004

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen 2005	Millions of yen 2004	Thousands of U.S. dollars 2005
ASSETS			
Current assets:			
Cash and time deposits (Note 10)	**¥ 248,679**	¥ 169,539	**$ 2,315,670**
Marketable securities (Note 4)	**79,794**	97,900	**743,030**
Receivables :			
Trade notes and accounts	**221,052**	219,401	**2,058,409**
Less allowance for doubtful receivables	**(3,044)**	(2,786)	**(28,349)**
Inventories (Note 3 and 5)	**287,777**	253,835	**2,679,738**
Other current assets	**165,628**	164,373	**1,542,306**
Total current assets	**999,887**	902,263	**9,310,806**
Property, plant and equipment (Note 5):			
Land	**149,112**	147,737	**1,388,514**
Buildings and structures	**260,302**	250,921	**2,423,896**
Machinery, equipment and vehicles	**925,038**	848,117	**8,613,826**
Construction in progress	**16,853**	11,866	**156,938**
	1,351,307	1,258,643	**12,583,176**
Less accumulated depreciation	**(881,423)**	(830,257)	**(8,207,687)**
	469,883	428,385	**4,375,488**
Investments and other assets:			
Investments in securities (Note 4)	**87,803**	116,383	**817,612**
Investments in affiliates	**21,426**	18,246	**199,520**
Other assets	**114,352**	112,430	**1,064,834**
	223,582	247,060	**2,081,967**
	¥1,693,353	¥1,577,709	**$15,768,262**

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

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Trade notes and accounts payable	**¥ 384,460**	¥ 329,233	**$ 3,580,036**
Short-term bank loans (Note 5)	**85,253**	95,687	**793,872**
Current portion of long-term debt (Note 5)	**502**	17,750	**4,677**
Accrued income taxes	**23,213**	16,483	**216,163**
Accrued expenses	**132,158**	117,417	**1,230,640**
Other current liabilities	**118,235**	109,851	**1,100,990**
Total current liabilities	**743,823**	686,425	**6,926,380**
Long-term liabilities:			
Long-term debt (Note 5)	**37,970**	38,761	**353,571**
Accrued retirement and severance benefits (Note 7)	**54,486**	56,683	**507,368**
Other liabilities	**39,770**	42,252	**370,337**
	132,226	137,697	**1,231,277**
Minority interests	**72,286**	61,241	**673,121**
Shareholders' equity (Note 12):			
Common stock:			
Authorized-1,500,000,000 shares			
Issued,			
as of March 31, 2005—542,647,091	**120,210**	—	**1,119,380**
as of March 31, 2004—542,647,091	—	120,210	—
Additional paid-in capital	**126,578**	126,578	**1,178,682**
Consolidated retained earnings	**513,603**	458,109	**4,782,604**
Net unrealized gains on securities	**20,718**	22,268	**192,931**
Foreign currency translation adjustments	**(21,066)**	(26,281)	**(196,172)**
Less treasury stock, at cost	**(15,028)**	(8,539)	**(139,944)**
	745,016	692,345	**6,937,482**
Contingent liabilities (Note 13)			
	¥1,693,353	¥1,577,709	**$15,768,262**

CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2005 and 2004

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen 2005	Millions of yen 2004	Thousands of U.S. dollars 2005
Net sales	**¥2,365,571**	¥2,198,986	**$22,027,860**
Cost of sales	**1,734,615**	1,610,013	**16,152,487**
Gross profit	**630,956**	588,972	**5,875,372**
Selling, general and administrative expenses	**523,413**	493,832	**4,873,948**
Operating income	**107,542**	95,140	**1,001,424**
Other income and expenses:			
Interest and dividend income	**8,394**	8,258	**78,167**
Interest expense	**(3,237)**	(4,286)	**(30,149)**
Equity in earnings of affiliates	**3,504**	4,024	**32,631**
Other, net (Note 15)	**(9,149)**	(24,264)	**(85,200)**
Income before income taxes	**107,054**	78,872	**996,873**
Income taxes (Note 8):			
Current	**51,241**	43,673	**477,152**
Deferred	**(15,477)**	(17,566)	**(144,125)**
	35,763	26,106	**333,026**
Minority interests in earnings of consolidated subsidiaries	**10,783**	8,929	**100,418**
Net income	**¥ 60,506**	¥ 43,835	**$ 563,428**

	Yen 2005	Yen 2004	U.S. dollars 2005
Net income per share:			
Primary	**¥ 112.94**	¥ 81.38	**$ 1.051**
Fully diluted	**109.86**	79.17	**1.023**
Cash dividends per share	**10.00**	9.00	**0.093**

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

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Years ended March 31, 2005 and 2004

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, 2003	542,647	¥120,210	¥126,577	¥419,209	¥ (8,005)
Net income	—	—	—	43,835	—
Cash dividends	—	—	—	(4,827)	—
Directors' and corporate auditors' bonuses	—	—	—	(200)	—
Gain on disposal of treasury stock	—	—	0	—	—
Treasury stock acquired	—	—	—	—	(533)
Increase resulting from change of consolidation period of subsidiaries and affiliates	—	—	—	92	—
Balance as of March 31, 2004	542,647	¥120,210	¥126,578	¥458,109	¥ (8,539)
Net income	—	—	—	60,506	—
Cash dividends	—	—	—	(4,812)	—
Directors' and corporate auditors' bonuses	—	—	—	(200)	—
Gain on disposal of treasury stock	—	—	0	—	—
Treasury stock acquired	—	—	—	—	(6,489)
Balance as of March 31, 2005	**542,647**	**¥120,210**	**¥126,578**	**¥513,603**	**¥(15,028)**

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Thousands of shares of common stock	Thousands of U.S. dollars			
		Common stock	Additional paid-in capital	Consolidated retained earnings	Treasury stock at cost
Balance as of March 31, 2004	542,647	$1,119,380	$1,178,681	$4,265,848	$ (79,515)
Net income	—	—	—	563,428	—
Cash dividends	—	—	—	(44,809)	—
Directors' and corporate auditors' bonuses	—	—	—	(1,862)	—
Gain on disposal of treasury stock	—	—	1	—	—
Treasury stock acquired	—	—	—	—	(60,429)
Balance as of March 31, 2005	**542,647**	**$1,119,380**	**$1,178,682**	**$4,782,604**	**$(139,944)**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2005 and 2004

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Cash flows from operating activities			
Income before income taxes	**¥107,054**	¥ 78,872	**$ 996,873**
Depreciation and amortization expenses	**97,731**	87,858	**910,063**
Loss of impairment	**3,774**	17,419	**35,143**
Equity in earnings of affiliates	**(3,504)**	(4,024)	**(32,631)**
Increase (decrease) in accrued retirement and severance benefits	**(2,031)**	985	**(18,920)**
Interest and dividend income	**(8,394)**	(8,258)	**(78,167)**
Interest expenses	**3,237**	4,286	**30,149**
Increase in accounts receivable	**(1,312)**	(14,114)	**(12,218)**
(Increase) decrease in inventories	**(27,146)**	14,364	**(252,783)**
Increase in accounts payable	**54,948**	2,136	**511,674**
Others	**27,468**	13,125	**255,781**
Sub Total	**251,825**	192,650	**2,344,963**
Interest and dividends received	**7,964**	8,466	**74,166**
Interest paid	**(2,893)**	(4,448)	**(26,948)**
Income taxes paid	**(44,468)**	(62,094)	**(414,085)**
Net cash provided by operating activities	**212,427**	134,574	**1,978,095**
Cash flows from investing activities			
Deposit in time deposit	**(55,011)**	(25,652)	**(512,259)**
Disbursement from time deposit	**25,652**	252	**238,872**
Purchases of marketable securities	**(67,979)**	(95,376)	**(633,018)**
Proceeds from sales of marketable securities	**99,429**	52,183	**925,873**
Purchases of property, plants and equipment	**(128,833)**	(76,061)	**(1,199,682)**
Proceeds from sales of property, plants and equipment	**1,670**	2,695	**15,558**
Purchases of investment securities	**(1,207)**	(3,375)	**(11,240)**
Proceeds from sales of investment securities	**4,836**	6,216	**45,038**
Increase in loans receivable	**(360)**	(947)	**(3,356)**
Purchases of subsidiaries' stock resulting in the change of scope of consolidation	**(1,890)**	(499)	**(17,600)**
Others	**(2,409)**	(413)	**(22,435)**
Net cash used in investing activities	**(126,102)**	(140,979)	**(1,174,249)**
Cash flows from financing activities			
Net decrease in short term bank loans	**(16,747)**	(28,407)	**(155,950)**
Proceeds from long term debt and issuance of bonds	—	818	—
Repayment from long term debt and redemption of bonds	**(15,407)**	(5,694)	**(143,474)**
Cash dividends paid	**(5,413)**	(5,513)	**(50,410)**
Purchases of treasury stock	**(6,489)**	(536)	**(60,432)**
Others	**0**	445	**3**
Net cash used in financing activities	**(44,058)**	(38,886)	**(410,265)**
Effect of exchange rate change on cash and cash equivalents	**870**	(2,402)	**8,109**
Cash and cash equivalents increased (decreased)	**43,137**	(47,694)	**401,690**
Cash and cash equivalents at beginning of the year	**188,259**	238,743	**1,753,049**
Decrease by change of consolidation period of subsidiaries	—	(2,789)	—
Cash and cash equivalents at end of the year	**¥231,397**	¥188,259	**$2,154,739**

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

1. Basis of presenting consolidated financial statements

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

The preparation of the Consolidated Financial Statements requires the management to select and adopt accounting standards and make estimates and assumptions that affect the reported amount of assets and liabilities, revenue and expenses, and the corresponding methods of disclosure.

As such, the management's estimates are made reasonably based on historical results. But due to the inherent uncertainty involved in making estimates, actual results could differ from these estimates.

For the convenience of readers outside Japan, certain reclassifications and modifications have been made to the original Consolidated Financial Statements. 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, an amount of less than one million yen has 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 107.39 to U.S.$1, the rate of exchange prevailing as of March 31, 2005. 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, 2005 and 2004, include the accounts of the Company and its significant subsidiaries and the number of consolidated subsidiaries are 135 and 152 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.

As for 50 companies of consolidated subsidiaries, their fiscal year end is December 31. "American Suzuki Motor Corporation" and the other 10 companies within above-mentioned 50 companies, their accounts were consolidated based on their financial statements by the preliminary settlement as of March 31, 2005.

(b)Allowance for doubtful receivables

The allowance for doubtful receivables is appropriated into the account for an estimated uncollectible sum. If the financial condition of our customers deteriorates and their level of solvency decreases, additional allowances or bad debt losses may be incurred.

(c)Reserve for warranty costs

The reserve for warranty costs is appropriated into the account to allow for an estimated costs related to maintenance services of the products sold. This estimate, which is affected by the actual defect ratio of products and repairing costs is, in principle, based on warranty agreements and historical results. Therefore if the estimates differ from the actual defect ratio of products and repairing costs, this reserve may need to be revised.

(d)Allowance for product liabilities

With regard to the products exported to the North American market, to prepare for any payment of compensation not covered by "Product Liability Insurance", the anticipated amount to be borne by the Company and its subsidiaries is calculated and provided on the basis of historical results. Therefore if lawsuits increase, this reserve may need to be revised.

(e)Marketable securities, investment in securities

The Company and its subsidiaries hold securities of financial institutions and of our suppliers. These are subject to the risk of price fluctuations and under certain market conditions, we may have to conduct a review of their valuations and downgrade our assessments accordingly, based on the reasonable accounting standards. If the stock market falls, we may incur significant valuation losses of marketable securities.

Securities have to be classified into four categories: trading securities; held-to-maturity debt securities; investments of the Company in equity securities issued by unconsolidated subsidiaries and affiliates; and other securities.

According to this classification, securities held by the Company and its subsidiaries are other securities. Other securities for which market quotations are available are stated at fair value by the 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.

(f)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 and its subsidiaries are principally interest swaps and forward exchange contracts. The related hedged items are trade accounts receivable and investments in securities.

The Company and its subsidiaries have a policy to utilize the above hedging instruments in order to reduce our exposure to the risk of interest rate and foreign exchange fluctuation. Thus, our purchases of the hedging instruments are limited to, at maximum, the amounts of the hedged items. The Company and its subsidiaries evaluate 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.

(g)Foreign currency translation

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

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

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

(h)Inventories

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

(i)Property, plant and equipment

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

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

Effective from the fiscal year ending March 31, 2004, the Company and its subsidiaries have adopted "Accounting Standards for Impairment of Fixed Assets"(Opinion on Establishing Accounting Standards for Impairment of Fixed Assets, issued by Accounting Standards Board of Japan on August 9, 2002) and "Guidance on Application of Accounting Standards for Impairment of Fixed Assets"(Business Accounting Standard Application Guideline No.6, issued on October 31, 2003).

In the measurement of impairments, future cash flow and the discount rate are reasonably estimated. If the future cash flow and the discount rate need to be revised due to drastic changes in the economic environment in the area of operations where an assets group is situated,a large amount of loss of impairment may be posted.

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

(j)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.

(k)Income taxes

The provision for income taxes is computed based on the income before income taxes 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.

In making a valuation for the possibility of collection of deferred tax assets, the Company and its subsidiaries estimate our future taxable income reasonably. If the estimated amount of future taxable income decrease, deferred tax assets may decrease and income taxes expenses may be posted.

(l)Accrued retirement and severance benefits

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

With regard to prior service costs, the amount, prorated on a straight line basis over the period of average length of employees' remaining service years at the time when it

occurs, is treated as expenses. As for the actuarial differences, the amounts prorated on a straight line basis over the period of average length of employees' remaining service years in each year in which the differences occur are respectively treated as expenses from the next term of the year in which they arise.

As for directors, the amount payable to be paid at the end of year is posted pursuant to the Company's regulations on the retirement allowance of directors.

Retirement benefit cost and retirement benefit obligation are calculated on the actuarial assumptions, which include discount rate, assumed return of investment ratio,

revaluation ratio, salary rise ratio, retirement ratio and mortality ratio. Discount rate is decided on the basis of yield on low-risk, long-term bonds, and assumed return of investment ratio is decided based on the investment policies of pension assets of each pension system etc. Decreased yield on long-term bond leads to a decrease in discount rate and has an adverse influence on the calculation of retirement benefit cost. However, the pension system adopted by the Company has a cash balance type plan, and thus the revaluation ratio, which is one of the base ratios, can offset any adverse effects caused by a decrease in the discount rate.

If the investment yield of pension assets is less than the assumed return of investment ratio, it will have an adverse effect on the calculation of retirement benefit cost. But by focusing on low-risk investments, this influence should be minimal in the case of the pension fund systems of the Company and its subsidiaries.

(m)Revenue recognition

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

(n)Amounts per share

Primary net income per share is computed based on the weighted average number of shares issued during the respective years. Fully diluted net income per share is computed assuming that all convertible bonds were converted into common stock, with an applicable adjustment for related interest expense and net of tax. Cash dividends per share are the amounts applicable to the respective periods including dividends to be paid after the end of the period.

(o)Cash and cash equivalents

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

(p)Reclassification

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

3. Inventories

Inventories as of March 31, 2005 and 2004 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Finished products	**¥229,098**	¥211,619	**$2,133,327**
Work in process	**17,063**	12,902	**158,897**
Raw materials and others	**41,615**	29,313	**387,513**
	¥287,777	¥253,835	**$2,679,738**

4. Marketable securities and investments in securities

(a) Marketable securities and investments in securities quoted at an exchange as of March 31, 2005 and 2004

	Millions of yen 2005 Acquisition Cost	Amounts for BS	Valuation
Those whose amount for BS exceeds acquisition cost			
(1) Stocks	¥ 23,302	¥ 57,438	¥ 34,136
(2) Bonds	28,000	28,058	58
(3) Others	35,929	36,126	197
Sub Total	¥ 87,231	¥ 121,623	¥ 34,391
Those whose amount for BS does not exceed acquisition cost			
(1) Stocks	—	—	—
(2) Bonds	¥ 7,000	¥ 6,997	¥ (2)
(3) Others	—	—	—
Sub Total	¥ 7,000	¥ 6,997	¥ (2)
Total	¥ 94,232	¥ 128,621	¥ 34,389

	Millions of yen 2004 Acquisition Cost	Amounts for BS	Valuation
Those whose amount for BS exceeds acquisition cost			
(1) Stocks	¥ 27,893	¥ 64,300	¥ 36,406
(2) Bonds	35,000	35,498	498
(3) Others	38,825	38,874	48
Sub Total	¥101,719	¥ 138,673	¥ 36,953
Those whose amount for BS does not exceed acquisition cost			
(1) Stocks	—	—	—
(2) Bonds	¥ 9,431	¥ 9,413	¥ (17)
(3) Others	—	—	—
Sub Total	¥ 9,431	¥ 9,413	¥ (17)
Total	¥111,151	¥ 148,087	¥ 36,935

	Thousands of U.S.dollars 2005 Acquisition Cost	Amounts for BS	Valuation
Those whose amount for BS exceeds acquisition cost			
(1) Stocks	$ 216,986	$ 534,861	$317,875
(2) Bonds	260,731	261,272	540
(3) Others	334,568	336,403	1,835
Sub Total	$ 812,286	$1,132,538	$320,252
Those whose amount for BS does not exceed acquisition cost			
(1) Stocks	—	—	—
(2) Bonds	$ 65,188	$ 65,163	$ (25)
(3) Others	—	—	—
Sub Total	$ 65,188	$ 65,163	$ (25)
Total	$ 877,475	$1,197,701	$320,226

(b)Other securities sold during 2005 and 2004

	Millions of yen		Thousands of U.S.dollars
	2005	2004	**2005**
Amounts sold	**¥ 104,266**	¥ 56,242	**$ 970,911**
Gains from sales of the other securities	**1,210**	501	**11,268**
Losses from sales of the other securities	**7**	–	**67**

(c)Major securities not revalued by the market

	Millions of yen		Thousands of U.S.dollars
	2005	2004	**2004**
Other securities			
Commercial paper	**¥ 15,993**	¥ 39,986	**$ 148,926**
Unlisted stock	**22,430**	24,100	**208,866**
(Stocks traded over the counter are excluded.)			
Bonds	**25**	1,584	**234**

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

	Millions of yen 2005			
	Within one year	More than one year, within five years	More than five years, within ten years	More than ten years
(1) Bonds				
Government, local gov. bonds, etc.	–	–	–	–
Corporate bonds	¥ 27,069	–	–	–
(2) Others	52,724	–	–	–
Total	¥ 79,794	–	–	–

	Millions of yen 2004			
	Within one year	More than one year, within five years	More than five years, within ten years	More than ten years
(1) Bonds				
Government, local gov. bonds, etc.	¥ 1,350	–	–	–
Corporate bonds	16,721	¥ 20,435	–	–
(2) Others	79,828	–	–	–
Total	¥ 97,900	¥ 20,435	–	–

	Thousands of U.S.dollars 2005			
	Within one year	More than one year, within five years	More than five years, within ten years	More than ten years
(1) Bonds				
Government, local gov. bonds, etc.	–	–	–	–
Corporate bonds	$252,066	–	–	–
(2) Others	490,963	–	–	–
Total	$743,030	–	–	–

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

Short-term bank loans as of March 31, 2005 and 2004 consisted of the following. The annual interest rates of short-term bank loans as of March 31, 2005 were 0.22 percent to 8.13 percent.

	Millions of yen		Thousands of U.S.dollars
	2005	2004	**2005**
Short-term bank loans			
Secured	**¥ 478**	¥ 1,284	**$ 4,457**
Unsecured	**84,775**	94,403	**789,414**
	¥ 85,253	¥ 95,687	**$ 793,872**

Long-term debt as of March 31, 2005 and 2004 consisted of:

	Millions of yen		Thousands of U.S.dollars
	2005	2004	**2005**
Loans maturing through 2010			
Secured	**—**	¥ 264	**—**
Unsecured	**¥ 1,002**	3,896	**$ 9,333**
Unsecured 1.13 percent yen bonds due 2004	**—**	10,000	**—**
Unsecured 0.33 percent yen bonds due 2004	**—**	5,000	**—**
Unsecured zero coupon convertible bonds in yen due 2010	**30,000**	30,000	**279,355**
Secured 11.20 percent Indian Rs. bonds due 2007	**4,980**	4,900	**46,373**
Secured 9.00 percent Indian Rs. bonds due 2007 etc.	**2,490**	2,450	**23,186**
	¥ 38,472	¥ 56,511	**$ 358,248**
Less portion due within one year	**(502)**	(17,750)	**(4,677)**
	¥ 37,970	¥ 38,761	**$ 353,571**

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

If the outstanding convertible bonds were fully converted as of March 31, 2005, 15,000,000 additional shares of common stock would be issued.

As is customary in Japan, both short-term and long-term bank loans are subject to general agreements which provide that the banks may, under certain circumstances, request additional security for those loans, and may treat any security furnished to the banks, as well as cash deposited with them, as security for all present and future indebtedness.

The aggregate annual maturities of long-term debt outstanding as of March 31, 2005 were as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2006	¥ 502	$ 4,677
2007	1,994	18,567
2008	5,976	55,647
2009	—	—
Thereafter	30,000	279,355
	¥38,472	$ 358,248

Assets pledged as collateral as of March 31, 2005:

	Millions of yen	Thousands of U.S. dollars
Inventories	¥ 500	$ 4,664
Property, plant and equipment	11,293	105,167
	¥11,794	$109,831

6. Loan commitment

The Company has the commitment contract with six banks for effective financing. The outstanding balance of this contract as of March 31, 2005 and 2004 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Commitment contract total	**¥100,000**	¥100,000	**$931,185**
Actual loan balance	—	—	—
Variance	**¥100,000**	¥100,000	**$931,185**

7. Accrued retirement and severance benefits

(a) Outline of an adopted retirement benefit system

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

(b) Items related to a retirement benefit obligation

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
a. Retirement benefit obligation	**¥(113,460)**	¥(114,489)	**$(1,056,530)**
b. Pension assets	**54,799**	52,834	**510,284**
c. Unrecognized retirement benefit obligation (a+b)	**¥ (58,661)**	¥ (61,655)	**$ (546,246)**
d. Unrecognized difference by an actuarial calculation	**15,170**	16,739	**141,262**
e. Unrecognized prior service cost (decrease of liabilities)	**(9,739)**	(10,458)	**(90,694)**
f. Accrued retirement and severance benefits (c+d+e)	**¥ (53,230)**	¥ (55,374)	**$ (495,678)**

Remarks: 1) The premium retirement allowance paid on a temporary basis is not included.
2) Some of subsidiaries adopt simplified methods for the calculation of retirement benefits.

(c) Items related to retirement benefit cost

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
a. Service cost	**¥6,100**	¥6,077	**$56,806**
b. Interest cost	**1,470**	2,033	**13,692**
c. Assumed return on investment	**(102)**	(722)	**(956)**
d. Amortized amount of actuarial difference	**1,029**	1,858	**9,584**
e. Amortized amount of prior service cost	**(718)**	(313)	**(6,692)**
f. Retirement benefit cost (a+b+c+d+e)	**¥7,778**	¥ 8,934	**$72,434**
g. Loss from the withdrawal from Employees Pension Funds of some subsidiaries	**(88)**	1,684	**(826)**
h. Total (f+g)	**¥7,689**	¥10,618	**$71,608**

Remarks: The retirement benefit cost of subsidiaries where simplified methods are adopted is accounted for "a. Service cost".

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

a. Term allocation of the estimated amount of retirement benefits	: Period fixed amount basis
b. Discount rate	: 2005 2.00% 2004 2.00%
c. Assumed return of investment ratio	: 2005 0.23% -1.50 % 2004 0.23% -4.39 %
d. Number of years for amortization of prior service cost	: Mainly 15 years To be amortized by straight line method with the employees' average remaining service years at the time when the difference was caused.
e. Number of years for amortization of the difference caused by an actuarial calculation	: Mainly 15 years To be amortized from the next fiscal year by straight line method with the employees' average remaining service years at the time when the difference was caused.

8. Income taxes

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

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Deferred tax assets			
Various reserves	**¥ 35,419**	¥ 35,180	**$ 329,822**
Excess-depreciation	**33,769**	27,045	**314,452**
Unrealized gross profits elimination	**19,892**	19,736	**185,239**
Others	**86,159**	75,564	**802,300**
Deferred tax assets total	**¥175,240**	¥157,526	**$1,631,815**
Deferred tax liabilities			
Net unrealized gains on security	**¥ (13,577)**	¥ (14,646)	**$ (126,432)**
Variance from the complete market value method of newly consolidated subsidiaries	**(8,090)**	(8,121)	**(75,336)**
Reserve for fixed assets advanced depreciation	**(2,363)**	(1,743)	**(22,007)**
Others	**(329)**	(396)	**(3,071)**
Deferred tax liabilities total	**¥ (24,361)**	¥ (24,906)	**$ (226,847)**
Net amounts of deferred tax assets	**¥150,879**	¥(132,619)	**$1,404,967**

The differences between the statutory tax rate and the effective tax rate were summarized as follows.

	2005	2004
Statutory tax rate	**39.8%**	41.1%
Tax rate change	—	2.6%
Tax credit	**(4.5%)**	(6.3%)
Equity in earnings of affiliates	**(1.3%)**	(2.1%)
Others	**(0.5%)**	(2.2%)
Effective tax rate	**33.4%**	33.1%

9. Research and development costs

Research and development costs included in manufacturing cost and selling, general and administrative expenses, for the years ended March 31, 2005 and 2004 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Research and development costs	**¥86,856**	¥75,786	**$808,793**

10. Cash and cash equivalents

Cash and cash equivalents as of March 31, 2005 and 2004 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Cash and time deposits	**¥248,679**	¥169,539	**$2,315,670**
Marketable securities	**79,794**	97,900	**743,030**
Time deposits with maturities of over three months	**(55,013)**	(25,654)	**(512,277)**
Marketable securities with maturities of over three months	**(42,062)**	(53,525)	**(391,683)**
	¥231,397	¥188,259	**$2,154,739**

11. Lease transactions

Finance lease transactions, except for those which meet the conditions that the ownership of the leased assets was substantially transferred to the lessee, as of March 31, 2005 and 2004 were as follows:

As a lessee

(1)Amounts equivalent to acquisition costs, accumulated depreciation and net balance as of March 31, 2005	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Acquisition costs	**¥ 771**	¥ 925	**$ 7,180**
Accumulated depreciation	**(585)**	(660)	**(5,452)**
Net balance	**185**	264	**1,728**
(2)Future lease payments			
Due within one year	**141**	149	**1,318**
Thereafter	**178**	257	**1,664**
	320	407	**2,982**
(3)Lease expenses	**156**	165	**1,457**
Depreciation	**¥ 150**	¥ 176	**$ 1,398**

As a lessor

(1)Amounts of acquisition costs, accumulated depreciation and net balance as of March 31, 2005	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Acquisition costs	**¥ 653**	¥ 750	**$ 6,086**
Accumulated depreciation	**(374)**	(592)	**(3,484)**
Net balance	**279**	157	**2,602**
(2)Future lease revenues			
Due within one year	**123**	94	**1,153**
Thereafter	**239**	121	**2,226**
	362	215	**3,380**
(3)Lease revenues	**120**	123	**1,121**
Depreciation	**¥ 102**	¥ 90	**$ 955**

Operating lease transactions as of March 31, 2005 and 2004 were as follows:

As a lessee

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Future lease payments			
Due within one year	**¥227**	¥196	**$2,119**
Thereafter	**340**	344	**3,168**
	¥567	¥540	**$5,287**

As a lessor

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Future lease revenues			
Due within one year	**¥ 46**	¥ 51	**$ 436**
Thereafter	**70**	98	**653**
	¥117	¥150	**$1,090**

12. Shareholders' equity

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

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

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

According to the revision of the Commercial Code, the Articles of the Company allows to repurchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors.

13. Contingent liabilities

As of March 31, 2005, 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	¥ 7,073	$ 65,865
Trade notes discounted	759	7,076
	¥ 7,833	$ 72,942

14. Segment Information

(a) Business segment

	Millions of yen				
	2005				
	Motorcycle	Automobile	Other	Elimination and corporate assets	Consolidated
Net sales:					
Outside customers	¥460,568	¥1,845,763	¥59,240	¥ —	¥2,365,571
Inter-area	—	—	—	—	—
	460,568	1,845,763	59,240	—	2,365,571
Operating expenses	422,416	1,785,622	49,989	—	2,258,028
Operating income	38,151	60,140	9,251	—	107,542
Assets	244,480	1,083,686	43,107	322,078	1,693,353
Depreciation	15,123	81,028	1,579	—	97,731
Loss of impairment	199	3,525	49	—	3,774
Capital expenditures	¥ 18,419	¥ 115,973	¥ 1,656	¥ —	¥ 136,049

	Millions of yen				
	2004				
	Motorcycle	Automobile	Other	Elimination and corporate assets	Consolidated
Net sales:					
Outside customers	¥416,855	¥1,724,834	¥57,296	¥ —	¥2,198,986
Inter-area	—	—	—	—	—
	416,855	1,724,834	57,296	—	2,198,986
Operating expenses	383,216	1,672,381	48,248	—	2,103,846
Operating income	33,639	52,452	9,048	—	95,140
Assets	235,128	994,211	45,393	302,975	1,577,709
Depreciation	14,356	72,187	1,313	—	87,858
Loss of impairment	628	16,422	368	—	17,419
Capital expenditures	¥ 18,313	¥ 64,699	¥ 1,901	¥ —	¥ 84,914

	Thousands of U.S. dollars				
	2005				
	Motorcycle	Automobile	Other	Elimination and corporate assets	Consolidated
Net sales:					
Outside customers	$4,288,744	$17,187,479	$551,637	$ —	$22,027,860
Inter-area	—	—	—	—	—
	4,288,744	17,187,479	551,637	—	22,027,860
Operating expenses	3,933,485	16,627,460	465,491	—	21,026,436
Operating income	355,259	560,019	86,146	—	1,001,424
Assets	2,276,565	10,091,133	401,415	2,999,148	15,768,262
Depreciation	140,831	754,524	14,709	—	910,063
Loss of impairment	1,857	32,826	459	—	35,143
Capital expenditures	$ 171,520	$ 1,079,924	$ 15,428	$ —	$ 1,266,872

(b) Geographical segment

	Millions of yen						
	2005						
	Japan	Europe	North America	Asia	Other areas*1	Elimination and corporate assets	Consolidated
Net sales:							
Outside customers	¥1,143,813	¥409,605	¥ 302,090	¥483,363	¥26,698	¥ —	¥2,365,571
Inter-area	476,073	4,722	1,625	16,699	0	(499,121)	—
	1,619,887	414,328	303,716	500,062	26,698	(499,121)	2,365,571
Operating expenses	1,554,233	407,636	299,076	462,781	25,233	(490,932)	2,258,028
Operating income	¥ 65,653	¥ 6,691	¥ 4,639	¥ 37,281	¥ 1,464	¥ (8,188)	¥ 107,542
Assets	¥ 863,958	¥213,612	¥ 78,632	¥287,376	¥11,259	¥238,514	¥1,693,353

	Millions of yen						
	2004						
	Japan	Europe	North America	Asia	Other areas*1	Elimination and corporate assets	Consolidated
Net sales:							
Outside customers	¥1,055,969	¥373,212	¥ 294,489	¥450,976	¥24,338	¥ —	¥2,198,986
Inter-area	473,093	2,390	1,495	13,787	0	(490,766)	—
	1,529,062	375,603	295,984	464,763	24,339	(490,766)	2,198,986
Operating expenses	1,461,336	366,610	295,177	439,816	23,765	(482,859)	2,103,846
Operating income	¥ 67,725	¥ 8,993	¥ 807	¥ 24,946	¥ 574	¥ (7,906)	¥ 95,140
Assets	¥ 823,745	¥195,897	¥ 84,881	¥241,398	¥ 9,563	¥222,222	¥1,577,709

	Thousands of U.S. dollars						
	2005						
	Japan	Europe	North America	Asia	Other areas*1	Elimination and corporate assets	Consolidated
Net sales:							
Outside customers	$10,651,027	$3,814,185	$2,813,025	$4,501,010	$248,610	$ —	$22,027,860
Inter-area	4,433,125	43,979	15,134	155,503	(1)	(4,647,742)	—
	15,084,153	3,858,165	2,828,160	4,656,513	248,609	(4,647,742)	22,027,860
Operating expenses	14,472,797	3,795,853	2,784,955	4,309,353	234,970	(4,571,493)	21,026,435
Operating income	$ 611,355	$ 62,312	$ 43,205	$ 347,160	$ 13,639	$ (76,248)	$1,001,424
Assets	$8,045,055	$1,989,128	$ 732,215	$2,676,004	$104,843	$2,221,013	$15,768,262

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

(c) Overseas sales

	Millions of yen				
	2005				
	Europe	North America	Asia	Other areas*2	Consolidated
Overseas sales	¥495,989	¥324,244	¥526,570	¥125,701	¥1,472,505
Consolidated net sales					2,365,571
Ratio of overseas sales to consolidated net sales	21.0%	13.7%	22.3%	5.3%	62.2%

	Europe	North America	Asia	Other areas*2	Consolidated
	Millions of yen				
	2004				
Overseas sales	¥442,342	¥342,712	¥492,704	¥99,225	¥1,376,985
Consolidated net sales					2,198,986
Ratio of overseas sales to consolidated net sales	20.1%	15.6%	22.4%	4.5%	62.6%

	Europe	North America	Asia	Other areas*2	Consolidated
	Thousands of U.S. dollars				
	2005				
Overseas sales	$4,618,580	$3,019,319	$4,903,350	$1,170,512	$13,711,761
Consolidated net sales					22,027,860
Ratio of overseas sales to consolidated net sales	21.0%	13.7%	22.3%	5.3%	62.2%

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

15. Loss of impairment

The assets are divided into two groups, i.e. the assets for business and the assets for rent respectively in business places. Since land prices have dropped due to the burst of the bubble economy, mainly book value of the assets groups as marketing base was decreased to the recoverable amount. As a result of this change, "income before income taxes" decreased by 3,774 million yen. Its breakdown is 3,752 million yen for land and 21 million yen for others. The amount is included in "other income and expenses" of Consolidated Statements of Income.

16. Subsequent events

(a) The following plan for the appropriation of retained earnings for the year ended March 31, 2005 was approved by the ordinary general meeting of shareholders of the Company held on June 29, 2005:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends	¥3,195	$29,753
Bonuses for directors and corporate auditors	200	1,862
	¥3,395	$31,615

(b) The Company established a subsidiary company with the aim of group finance and fund integration of the main European subsidiaries.
Outline of new company:

Company Name: Suzuki Finance Europe B.V.
Address: Amsterdam, the Netherlands
Representative: Hirotaka Ono(Board Member of the Company)
BTM Trust (Holland)B.V.
Capital: Eur.200,000,000(Eur.100,000,000 was invested in June 2005, the rest will be completed by March 2006.)
Planned number of shares acquired: 400,000
Percentage of the Company's share: 100%
Establishment Date: June 30, 2005

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of
Suzuki Motor Corporation

We have audited the accompanying consolidated balance sheets of Suzuki Motor Corporation and its subsidiaries as of March 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese Yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audits.

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

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the consolidated financial position of Suzuki Motor Corporation and its subsidiaries as of March 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan.

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

Seimei Audit Corporation
Tokyo, Japan
June 29, 2005

Seimei Audit Corporation

NON-CONSOLIDATED FINANCIAL STATEMENTS OF 2005
NON-CONSOLIDATED BALANCE SHEETS
As of March 31, 2005 and 2004

SUZUKI MOTOR CORPORATION	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
ASSETS			
Current assets:			
Cash and time deposits	**¥ 162,018**	¥ 101,142	**$ 1,508,695**
Marketable securities	**43,062**	56,524	**400,992**
Receivables:			
Trade notes and accounts	**42,271**	38,148	**393,625**
Subsidiaries and affiliates	**131,029**	126,843	**1,220,130**
Less allowance for doubtful receivables	**(130)**	(132)	**(1,210)**
Inventories	**71,292**	61,825	**663,863**
Other current assets	**140,303**	134,672	**1,306,487**
Total current assets	**589,848**	519,025	**5,492,584**
Property, plant and equipment:			
Land	**74,415**	78,017	**692,949**
Buildings and structures	**167,294**	166,345	**1,557,825**
Machinery and equipment	**522,625**	508,961	**4,866,612**
Construction in progress	**5,496**	2,088	**51,181**
	769,832	755,412	**7,168,568**
Less accumulated depreciation	**(588,444)**	(577,909)	**(5,479,505)**
	181,388	177,503	**1,689,063**
Investments and other assets:			
Investments in securities	**86,733**	115,309	**807,646**
Investments in subsidiaries and affiliates	**146,217**	134,846	**1,361,551**
Other assets	**93,886**	92,577	**874,253**
	326,836	342,732	**3,043,451**
	¥1,098,073	¥1,039,261	**$10,225,098**

	Millions of yen 2005	Millions of yen 2004	Thousands of U.S. dollars 2005
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	**¥ —**	¥ 15,000	**$ —**
Payables:			
Trade notes and accounts	**307,750**	268,211	**2,865,724**
Subsidiaries and affiliates	**21,891**	20,800	**203,851**
Accrued expenses	**87,250**	82,079	**812,464**
Accrued income taxes	**11,651**	6,316	**108,500**
Other current liabilities	**53,046**	51,651	**493,962**
Total current liabilities	**481,590**	444,059	**4,484,503**
Long-term liabilities:			
Long-term debt	**30,000**	30,000	**279,355**
Reserve for retirement allowance	**28,142**	30,131	**262,056**
Other liabilities	**17,450**	16,872	**162,492**
	75,592	77,004	**703,903**
Shareholders' equity			
Common stock:			
Authorized - 1,500,000,000 shares			
Issued, par value ¥50 per share			
as of March 31st, 2005 _ 542,647,091	**120,210**	—	**1,119,380**
as of March 31st, 2004 _ 542,647,091	**—**	120,210	**—**
Additional paid-in capital	**126,578**	126,578	**1,178,682**
Retained earnings	**288,677**	257,942	**2,688,123**
Net unrealized gains on security	**20,425**	21,978	**190,196**
Treasury stock	**(15,001)**	(8,512)	**(139,692)**
	540,890	518,198	**5,036,691**
	¥1,098,073	¥1,039,261	**$10,225,098**

NON-CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2005 and 2004

SUZUKI MOTOR CORPORATION	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Net sales	**¥1,481,632**	¥1,392,688	**$13,796,747**
Cost of sales	**1,140,043**	1,065,170	**10,615,920**
Gross profit	**341,588**	327,518	**3,180,826**
Selling, general and administrative expenses	**288,753**	272,442	**2,688,826**
Operating income	**52,835**	55,075	**492,000**
Other income and expenses:			
Interest and dividend income	**5,742**	5,416	**53,470**
Interest expense	**(210)**	(422)	**(1,959)**
Other, net	**(7,649)**	(19,838)	**(71,231)**
	(2,117)	(14,844)	**(19,720)**
Income before income taxes	**50,718**	40,230	**472,279**
Income taxes	**14,970**	14,580	**139,407**
Net income	**¥ 35,747**	¥ 25,650	**$ 332,872**

	Yen		U.S. dollars
Net income per share:			
Primary	**¥66.56**	¥47.46	**$0.619**
Fully diluted	**64.75**	46.17	**0.602**
Cash dividends per share	**10.00**	9.00	**0.093**

SUZUKI MOTOR CORPORATION
300 TAKATSUKA, HAMAMATSU, JAPAN

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