

FINANCIAL SECTION

CONTENTS

MANAGEMENT POLICY	19
FINANCIAL REVIEW	24
FIVE-YEAR SUMMARY	27
CONSOLIDATED FINANCIAL STATEMENTS OF 2006	
CONSOLIDATED BALANCE SHEETS	28
CONSOLIDATED STATEMENTS OF INCOME	30
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY	31
CONSOLIDATED STATEMENTS OF CASH FLOWS	32
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	33
REPORT OF INDEPENDENT AUDITOR	48
NON-CONSOLIDATED FINANCIAL STATEMENTS OF 2006	
NON-CONSOLIDATED BALANCE SHEETS	49
NON-CONSOLIDATED STATEMENTS OF INCOME	51

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 commits itself to make efforts to promote the “production of mini, small and subcompact vehicles” and the “development of environmentally benign products” needed by customers, and to be small, less, light, short and beautiful on every side of organization, facilities, parts, environment and so on as well as production, with the slogan, “Small Cars for a Big Future”, and has been working for the efficient, well-knit and healthy management.

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.

Under those circumstances, we have paid 10.00 yen per share as common dividends (including interim dividends of 5.00 yen) and, in addition, 1.00 yen as special dividends for the current fiscal year, to reimburse the saved amount of dividends by acquisition of treasury stock to our shareholders. Therefore, total dividends are 11.00 yen per share.

As a result, the current fiscal year’s dividend payout ratio is 15.5% and the dividend rate of shareholders’ equity is 1.5%.

Note: “the Company” = Suzuki Motor Corporation

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 the liquidity improvement of its shares.

4. Medium-term management strategy

In order for the Suzuki Group to continue to grow as a global corporate entity, in May 2005, 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 within the said 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.

Moreover, the Company introduces a new operating officer system, reducing the number of directors by half, for the purpose of agility of management and establishment of clear lines of responsibility in each department. Directors will be in charge of multiple divisions so that they can look after operations from viewpoint of management in a cross-section manner, eliminating the negative effects of bureaucratic sectionalism.

In motorcycle operations, for domestic market, the Company will promote the sales expansion of motor driven cycles and large type of models. In overseas market, the Company will inject the new model which can develop the brand image of being "sporty, young, unique" which have been cultivated by race activity in Europe and North American markets. Through the above-mentioned activities, we will develop the lucrative motorcycle operations. Also in Asian market, as demand for motorcycle is increasing drastically with development of economy, the Company makes effort for maintenance and expansion of production system as well as injection of the new model which accord with market needs.

In automobile operations, for both domestic and overseas market, the marketing activities and products supply in a close contact with the market will be executed. In domestic market, the Company will make efforts to reinforce the sales force by increasing and training sales persons, also to build and enhance "Suzuki Arena Shops", for further expansion of market share. In overseas markets, further level up of overseas bases will be pursued through the automation for quality improvement, progress in productivity, cost reduction activities and promotion of local procurement of parts at overseas plants. Furthermore, the reinforcement of the corporate foundation will be strongly promoted. Moreover, efforts will be made for the development in effective and speedy manner of the products which will match world four-pole markets, and for their introduction in a good timing.

Additionally, for the protection of the global environment, the product development will be pushed ahead, with due considerations to environment, in the areas of reduction of gas emissions, improvement of fuel consumption, resource saving, and recycling, etc. The Company will utilize the effect of technical tie-up with other companies to the utmost extent, such as for diesel engine with Fiat Auto S.p.A. and for development of hybrid vehicle/fuel-cell vehicle with General Motors Corporation (GM) and so on.

Although GM group's equity stake in the Company was lowered to 3.0% by the sale of the shares of the Company it had owned in March, 2006, constructive affiliation has been continued for twenty-five years since August, 1981 between the Company and GM. The Company will positively urge the collaboration with GM in various projects such as joint development of advanced technology, joint venture CAMI operation in Canada and new medium SUV production there, cooperation of power train development, mutual supply of OEM products, joint global procurement of component, etc.

6. Corporate governance issues

(1) Basic concepts regarding corporate governance

The Company has made it a principle to carry out its corporate activities in a fair and efficient manner, and has desired to be a company which achieves a sustainable growth by retaining the faith of all our stakeholders including shareholders, customers, business partners, regional communities and employees, and by making contribution toward international society. For its fulfillment, the Company recognizes that enhancement of corporate governance is one of its most important management issues, and makes positive efforts toward the implementation of various measures.

(2) Organization of the Company**(a) Directors/ board of directors**

The Company has fortified its management foundations and achieved stable growth with twenty-nine directors. Under rapid increase of overseas production and sales, the Company established the “Suzuki Medium-term 5-year Plan (April, 2005 – March, 2010)” one year ago for continuing growth of Suzuki group. On the occasion of enforcement of the Corporation Law (Kaisha-hou), in terms of enhancement of the corporate governance, the Company started to undertake substantial organizational reform aiming at agility of management, speedup of operation and clarification of responsibilities. Specifically, while the number of directors has been reduced by half to fourteen, a new operating officer system (senior operating officers and operating officers) has been introduced so that all directors, excluding the chairman and the president, play a central executive role and participate in decision-making at board meetings through providing on-site information, by concurrently holding the office of senior operating officers.

Furthermore, each director takes charge of plural divisions to supervise operations from viewpoint of management in a cross-section manner, eliminating the negative effects of bureaucratic sectionalism. Besides the above, the Company had stipulated the term of office of directors to be for one year in order to clarify their management responsibilities and to address the change in the business environment flexibly.

In addition to the regular meetings of the board of directors held every month, directors hold a special board meeting whenever necessary, and discussions including viewpoints of regulatory compliance and corporate ethics are thoroughly conducted in those meetings for decision-making. Combined with participation of corporate auditors at all times, the function of management supervision in meetings of the board of directors is working effectively. And management councils are held whenever necessary to discuss the strategic decision on execution of important management issues. Furthermore, directors mutually exchange information through weekly meetings, etc.

Formerly resolution at meetings of the board of directors needed participation of more than one-half in number of directors and a majority of votes of those directors. The Company has introduced the resolution system in the form of a written consent for the purpose of participation by all directors in substance as well as effective and timely decision-making.

(b) Auditors/board of corporate auditors and internal auditing

The Company has adopted a corporate auditor system, and their board consists of five members including three persons of external corporate auditors in order to enhance the audit function. And the Company has audit department which audit on our domestic and overseas subsidiaries and affiliates, in addition to the internal audit group. Thus, along with auditing by independent auditor, audits are executed in three different ways, from the standpoint of compliance, internal control and management efficiency respectively.

As to corporate auditors, they execute audits on proper management of the Company, in accordance with the rules of the board of corporate auditors and audit policies of the corresponding fiscal year, by holding meetings of the board of corporate auditors, participating in meetings of the board of directors, perusing approval documents and various minutes, and receiving reports and explanation from directors on execution of business, etc.

As to internal auditing, the audit department checks the integrity and efficiency of the Company's internal control system periodically, and results of the checks are reported to management together with suggestions regarding improvement and correction of problems. As to audit on our subsidiaries and affiliates, the audit department helps to make rules for enhancement of their management structures, conducts guidance, supporting and auditing for regulatory compliance. It also promotes efficiency and standardization of their business.

Corporate auditors adjust audit plans and auditing themes of the audit department, attend its audit and receive reports and explanation on all its audits whenever necessary. Corporate auditors also execute internal auditing and auditing on subsidiaries as corporate auditors' auditing in cooperation with the audit department.

(c) Independent auditor

Seimei Audit Corporation is assigned as an independent auditor for the Company. Corporate auditors receive explanation from independent auditor on audit plans for the corresponding fiscal year, reports on audit on interim and year-end, and also reports on audit on subsidiaries. Corporate auditors, audit department and independent auditor create a closer connection by exchanging information whenever necessary.

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

Note: The number of other assistant members for audit:
Seven certified public accountants and two others.

(d) Relationships with external corporate auditors

Three external corporate auditors have no special interest in the Company.

(3) Development of internal control system and risk management system

In order to enhance corporate governance, the Company is making efforts to keep everyone informed about compliance and to strengthen internal control system. Based on the Corporation Law (Kaisha-hou), resolution of the board of directors regarding the basic policy for construction of internal control system was passed on May 15, 2006. Basic approach and its development are as follows:

(a) Compliance system for directors

Directors respect the "Mission Statement" and the "Suzuki Action Charter" and execute their duties in compliance with the "Rules of the Board of Directors", the "Approval Procedures" and other rules of the Company, and mutually supervise their execution of duties through meetings of the board of directors, etc. And directors enhance closer connection by being in charge of multiple divisions and eliminate the negative effects of bureaucratic sectionalism. Besides the above, the Company established the "Suzuki Corporate Ethics Rules" (April, 2002) which lays out a set of basic points for directors and employees to act in a fair and faithful manner in compliance with the law, the norms of the society and company rules. It is revised whenever necessary. And corporate auditors audit the execution of duties of directors in accordance with the audit policies and work responsibilities set by the board of corporate auditors.

(b) Compliance system for employees

In order to ensure that employees execute their duties in compliance with the law and the Articles of Incorporation of the Company, the Company is making effort to keep everyone informed about the "Suzuki Employees' Action Charter" which lays out the norms of action of employees, the "Approval Procedures" and the "Job Description" which set up the proceedings of execution of their duties in details, and other rules of the Company. It is revised whenever necessary. Furthermore, in accordance with the "Suzuki Corporate Ethics Rules", the Company has developed compliance system for employees including internal report system, and has educated them through various training and in-house seminars regarding compliance. And, in accordance with the "Rule of Internal Auditing", the audit department audits on the integrity and efficiency of various control systems, organizations and rules, and properness of function of internal control, etc.

(c) Risk management system

The Company has set up the "Risk Management Procedure" as part of the "Suzuki Corporate Ethics Rules" to cope with risks such as malpractices or illegal acts which could occur inside and outside the Company or such as natural disasters and terrorism which the Company can not 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 "Risk Management Headquarters", in accordance with the "Risk Management Procedure", as an organization that will decide on the measures to be taken against the occurred risk. "Risk Management Headquarters" immediately discuss and 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.

(d) System to ensure proper business operation of the corporate group

To ensure a proper business operation of the corporate group which consists of the Company and its subsidiaries, the Company has established the "Rules of Business Control Supervision". They are revised whenever necessary. The subsidiaries and affiliates report to the Company on their business operation and consult with the Company on important matters in accordance with those rules, and departments in charge give guidance and advice to them to enhance their management structure. And our audit department helps to make rules for the subsidiaries and affiliates, conducts guidance, supporting and auditing for their regulatory compliance. It also promotes efficiency and standardization of their business.

(4) Remuneration for 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	30	505	5	52	35	558
Bonus based on appropriation of retained earnings	29	175	5	25	34	200
Total		680		77		758

(5) Remuneration for independent auditing

(a) The remuneration amount to be paid by the Company to independent auditors is 39 million yen.

(b) Of the amount shown in (a), the remuneration amount to be paid for audit certification is 39 million yen.

Note: Since the audit agreement between the Company and independent auditors does not distinguish the remuneration for auditing based on the "Law for Special Exceptions to the Commercial Code Concerning Audits, etc.", of Kabushiki Kaisha" from that for auditing based on the "Securities and Exchange Law", the Company can not specify respective amounts substantially and has described the total amount for those audits.

FINANCIAL REVIEW

1. Operating results

Consolidated net sales for the Suzuki Group during the current fiscal year amounted to 2,746,453 million yen (116.1% as against PFY). Operating income amounted to 113,865 million yen (105.9% as against PFY). Net income amounted to 65,945 million yen (109.0% as against PFY). These results were due to increases in R&D expenses and depreciations being absorbed by cost reduction, sales increase and exchange gain.

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

The net sales in domestic market increased over the previous fiscal year with the total domestic demand being slightly increased, thanks to good selling of scooter model "Let's 4" and "Address V125", etc.

In overseas market, sales increased greatly over the previous fiscal year with good sales of large size model "GSX-R1000" and "Boulevard", etc., introduction of new sports ATV "LT-R 450", increase of local product in Asian region and so on.

As a result, the net sales of motorcycle operation reached 561,306 million yen (121.9% as against PFY) and operating income increased to 45,931 million yen (120.4% as against PFY) through the absorption of increased R&D expenses and other expenses, etc. by cost reduction and sales increase.

(b) Automobile operations

In the domestic market, in addition to good sales of the subcompact passenger vehicle "Swift" and the mini vehicle "Wagon R", the Company introduced a new SUV "Escudo" and also "Every" and "MR Wagon" in mini section. As a result, the domestic net sales increased over the previous fiscal year.

Overseas sales increased over the previous fiscal year as well by good selling of "Swift" whose production and sales as world strategic vehicle started in Hungary, India and China and "Grand Vitara" (export model of "Escudo") whose export started from Japan. As a result, net sales of automobile operations amounted to 2,119,940 million yen (114.9% as against PFY). Operating income decreased to 57,928 million yen (96.3% as against PFY) by increased depreciation, R&D expenses and other expenses, etc. in spite of cost reduction and sales increase.

(c) Other businesses

The net sales of other businesses amounted to 65,206 million yen (110.1% as against PFY) and operating income increased to 10,005 million yen (108.2% as against PFY) due to sales increase etc.

(2) The operating results of geographical segmentation

(a) Japan

Net sales amounted to 1,818,378 million yen (112.3% as against PFY) and operating income decreased to 60,776 million yen (92.6% as against PFY) as the increase of depreciation, R&D expenses and other expenses, etc. could not be absorbed by cost reduction and sales increase.

(b) Europe

Net sales amounted to 492,049 million yen (118.8% as against PFY) by introduction of new subcompact passenger vehicle "Swift", etc. and operating income increased to 7,768 million yen (116.1% as against PFY) through absorption of increase of depreciation with increase of production of "Swift" at "Magyar Suzuki Ltd.", and start of production of new sports crossover vehicle "SX 4", and other expenses.

(c) North America

Net sales amounted to 392,885 million yen (129.4% as against PFY) by introduction of new SUV "Grand Vitara" and good selling of large size motorcycle model. Also operating income increased to 7,222 million yen (155.7% as against PFY) by increase of sales.

(d) Asia

Net sales amounted to 606,735 million yen (121.3% as against PFY) by sales start of new subcompact passenger vehicle "Swift" at "Maruti Uddyog Limited" in India and sales increase at "PT Indomobile Suzuki International" in Indonesia and operating income increased to 45,386 million yen (121.7% as against PFY) by sales increase and cost reduction, etc.

(e) Other areas

Net sales amounted to 42,227 million yen (158.2% as against PFY) and operating income to 2,518 million yen (172.0% as against PFY) by increase of sales, etc.

(3) Selling, general and administrative expenses

In this fiscal year, the amount of selling, general and administrative expenses increased by 76,441 million yen to 599,855 million yen. The expense of dispatch, advertising, sales promotion and warranty reserve increased according to increase of sales. Also R&D expenses increased due to development of new product, advanced safety technology, next generation vehicle of fuel cell vehicle etc.

(4) Other income and expenses

In this fiscal year, the net amount of other income and expenses was a profit of 7,978 million yen due to increase of interest income and gain on sales of investment in securities and decrease of impairment loss of fixed assets to zero yen against loss of 3,774 million yen in the previous fiscal year. As a result, the net profit of this fiscal year increase by 8,467 million yen against previous fiscal year.

(5) Outlook for results in the next fiscal year

Next fiscal period is the second year of “Suzuki Medium term 5-year Plan”. Although the Company will positively push the precedence investment in R&D and plant and equipments, the Company and its group will work all together for innovation in every area, getting engaged in evolution of business activities to achieve 2,800 billion yen in net sales, 120 billion yen in ordinary income and 66 billion yen in net income. The above is based on the anticipated foreign exchange rate of 1 US dollar = 112 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 240,043 million yen. This is 27,615 million yen more than the previous fiscal year due to an increase in income before tax, depreciation and amortization expenses.

The net cash used in investing activities decreased to 104,215 million yen by 21,887 million yen. This is less than the previous fiscal year due to decrease of term deposit over three months despite an increase in expenditure for the purchase of property, plants and equipment.

The net cash used in financing activities increased to 160,725 million yen by 116,667 million yen. This is more than the previous fiscal year due to purchases of treasury stock despite borrowing for capital investment in India.

As a result, the balance of cash and cash equivalents at the end of this fiscal year decreased by 14,774 million yen to 216,623 million yen, compared with the previous fiscal year.

(2) Demand for money

During this fiscal year, the Company and the major subsidiaries and affiliates invested a total 245,908 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. These costs were covered by retained earnings.

Planned capital expenditure spending for the next fiscal year is 260,000 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

It is possible that prolonged sluggish economy and the reduced purchasing will of consumers could drastically decrease demand for products, such as motorcycles, automobiles and outboard motors and 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 and purchasing cost fluctuation

It is possible that drastic fluctuation of the prices and purchasing cost of our products are brought on by the various factors, such as sudden changes in demand, supply shortages and price-up 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 66.0% of our consolidated net sales of this fiscal year 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, making plan of operating recovery 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 may adversely 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

SUZUKI MOTOR CORPORATION

CONSOLIDATED

Years ended March 31	Millions of yen (except per share amounts)					Thousands of U.S. dollars (except per share amounts)
	2006	2005	2004	2003	2002	2006
Net sales	¥2,746,453	¥2,365,571	¥2,198,986	¥2,015,309	¥1,668,251	\$23,380,045
Net income	65,945	60,506	43,835	31,024	22,392	561,379
Net income per share:						
Primary	125.64	112.94	81.38	57.29	41.40	1.069
Fully diluted	122.14	109.86	79.17	55.57	41.16	1.039
Cash dividends per share	11.00	10.00	9.00	9.00	8.50	0.093
Shareholders' equity	616,770	745,016	692,345	648,357	620,004	5,250,451
Total current assets	1,067,709	999,887	902,263	844,577	773,040	9,089,213
Total assets	1,849,714	1,693,353	1,577,709	1,537,430	1,347,718	15,746,271
Depreciation and amortization	126,520	97,731	87,858	83,896	75,083	1,077,047

NON-CONSOLIDATED

Years ended March 31	Millions of yen (except per share amounts)					Thousands of U.S. dollars (except per share amounts)
	2006	2005	2004	2003	2002	2006
Net sales	¥1,690,169	¥1,481,632	¥1,392,688	¥1,411,418	¥1,320,218	\$14,388,092
Net income	37,271	35,747	25,650	19,393	13,912	317,282
Net income per share:						
Primary	70.78	66.56	47.46	35.67	25.72	0.602
Fully diluted	68.82	64.75	46.17	34.61	25.59	0.585
Cash dividends per share	11.00	10.00	9.00	9.00	8.50	0.093
Shareholders' equity	364,127	540,890	518,198	483,670	477,053	3,099,747
Total current assets	518,728	589,848	519,025	539,322	564,830	4,415,836
Total assets	1,082,344	1,098,073	1,039,261	1,070,708	1,028,709	9,213,791
Depreciation and amortization	59,362	47,213	47,836	53,578	54,194	505,342

Note: Yen amounts are translated into U.S. dollars for convenience only, at ¥117.47 = US\$1, the prevailing exchange rate as of March 31, 2006. 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 is not restated.

CONSOLIDATED FINANCIAL STATEMENTS OF 2006

CONSOLIDATED BALANCE SHEETS

As of March 31, 2006 and 2005

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
ASSETS			
Current assets:			
Cash and time deposits ^{*NOTE 10}	¥ 182,895	¥ 248,679	\$ 1,556,951
Marketable securities ^{*NOTE 4}	82,115	79,794	699,037
Receivables:			
Trade notes and accounts	249,425	221,052	2,123,309
Less allowance for doubtful receivables	(2,998)	(3,044)	(25,527)
Inventories ^{*NOTE 3}	354,687	287,777	3,019,388
Other current assets	201,584	165,628	1,716,053
Total current assets	<u>1,067,709</u>	<u>999,887</u>	<u>9,089,213</u>
Property, plant and equipment: ^{*NOTE 5}			
Land	155,756	149,112	1,325,929
Buildings and structures	278,919	260,302	2,374,393
Machinery, equipment and vehicles	1,010,772	925,038	8,604,518
Construction in progress	41,555	16,853	353,757
	<u>1,487,005</u>	<u>1,351,307</u>	<u>12,658,598</u>
Less accumulated depreciation	(945,712)	(881,423)	(8,050,672)
	<u>541,293</u>	<u>469,883</u>	<u>4,607,925</u>
Investments and other assets:			
Investments in securities ^{*NOTE 4}	102,368	87,803	871,442
Investments in affiliates	25,577	21,426	217,733
Other assets	112,766	114,352	959,956
	<u>240,711</u>	<u>223,582</u>	<u>2,049,132</u>
	<u>¥1,849,714</u>	<u>¥1,693,353</u>	<u>\$15,746,271</u>

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

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Trade notes and accounts payable	¥ 505,129	¥ 384,460	\$ 4,300,070
Short-term bank loans *NOTE 5	126,115	85,253	1,073,595
Current portion of long-term debt *NOTE 5	801	502	6,818
Accrued income taxes	30,165	23,213	256,790
Accrued expenses	145,215	132,158	1,236,193
Other current liabilities	166,193	118,235	1,414,772
Total current liabilities	<u>973,619</u>	<u>743,823</u>	<u>8,288,241</u>
Long-term liabilities:			
Long-term debt *NOTE 5	71,594	37,970	609,472
Accrued retirement and severance benefits *NOTE 7	53,457	54,486	455,074
Other liabilities	40,709	39,770	346,554
Total long-term liabilities	<u>165,762</u>	<u>132,226</u>	<u>1,411,101</u>
Minority interests	<u>93,562</u>	<u>72,286</u>	<u>796,477</u>
Shareholders' equity: *NOTE 12			
Common stock:			
Authorized-1,500,000,000 shares			
Issued,			
as of March 31, 2006—542,647,091	120,210	—	1,023,327
as of March 31, 2005—542,647,091	—	120,210	—
Additional paid-in capital	129,192	126,578	1,099,792
Consolidated retained earnings	573,516	513,603	4,882,241
Net unrealized gains on securities	38,285	20,718	325,917
Foreign currency translation adjustments	(1,499)	(21,066)	(12,767)
Less treasury stock, at cost	(242,934)	(15,028)	(2,068,059)
Total shareholders' equity	<u>616,770</u>	<u>745,016</u>	<u>5,250,451</u>
Contingent liabilities *NOTE 13			
	<u>¥1,849,714</u>	<u>¥1,693,353</u>	<u>\$15,746,271</u>

CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2006 and 2005

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Net sales	¥2,746,453	¥2,365,571	\$23,380,045
Cost of sales	2,032,732	1,734,615	17,304,272
Gross profit	713,721	630,956	6,075,772
Selling, general and administrative expenses	599,855	523,413	5,106,453
Operating income	113,865	107,542	969,319
Other income and expenses:			
Interest and dividend income	11,771	8,394	100,210
Interest expense	(3,554)	(3,237)	(30,259)
Equity in earnings of affiliates	3,933	3,504	33,487
Other, net	(4,171)	(9,149)	(35,514)
Income before income taxes	121,844	107,054	1,037,242
Income taxes: *NOTE 8			
Current	61,119	51,241	520,295
Deferred	(21,293)	(15,477)	(181,263)
	39,826	35,763	339,031
Minority interests in earnings of consolidated subsidiaries	16,073	10,783	136,832
Net income	¥ 65,945	¥ 60,506	\$ 561,379
Net income per share:			
Primary	¥ 125.64	¥ 112.94	\$ 1.069
Fully diluted	122.14	109.86	1.039
Cash dividends per share	11.00	10.00	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, 2006 and 2005

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, 2004	<u>542,647</u>	<u>¥120,210</u>	<u>¥126,578</u>	<u>¥458,109</u>	<u>¥ (8,539)</u>
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	<u>542,647</u>	<u>¥120,210</u>	<u>¥126,578</u>	<u>¥513,603</u>	<u>¥ (15,028)</u>
Net income	—	—	—	65,945	—
Cash dividends	—	—	—	(5,832)	—
Directors' and corporate auditors' bonuses	—	—	—	(200)	—
Gain on disposal of treasury stock	—	—	2,613	—	—
Treasury stock acquired	—	—	—	—	(227,906)
Balance as of March 31, 2006	<u>542,647</u>	<u>¥120,210</u>	<u>¥129,192</u>	<u>¥573,516</u>	<u>¥(242,934)</u>

	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, 2005	<u>542,647</u>	<u>\$1,023,327</u>	<u>\$1,077,540</u>	<u>\$4,372,212</u>	<u>\$ (127,935)</u>
Net income	—	—	—	561,379	—
Cash dividends	—	—	—	(49,648)	—
Directors' and corporate auditors' bonuses	—	—	—	(1,702)	—
Gain on disposal of treasury stock	—	—	22,252	—	—
Treasury stock acquired	—	—	—	—	(1,940,124)
Balance as of March 31, 2006	<u>542,647</u>	<u>\$1,023,327</u>	<u>\$1,099,792</u>	<u>\$4,882,241</u>	<u>\$(2,068,059)</u>

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2006 and 2005

 SUZUKI MOTOR CORPORATION
 AND CONSOLIDATED SUBSIDIARIES

Millions of yen

 Thousands of
 U.S. dollars

	2006	2005	2006
Cash flows from operating activities			
Income before income taxes	¥121,844	¥ 107,054	\$1,037,242
Depreciation and amortization expenses	126,520	97,731	1,077,047
Loss of impairment	—	3,774	—
Equity in earnings of affiliates	(3,933)	(3,504)	(33,487)
Decrease in accrued retirement and severance benefits	(1,210)	(2,031)	(10,305)
Interest and dividend income	(11,771)	(8,394)	(100,210)
Interest expenses	3,554	3,237	30,259
Increase in accounts receivable	(22,942)	(1,312)	(195,307)
Increase in inventories	(54,935)	(27,146)	(467,656)
Increase in accounts payable	115,988	54,948	987,385
Others	14,519	27,468	123,612
Sub Total	<u>287,634</u>	<u>251,825</u>	<u>2,448,580</u>
Interest and dividends received	10,795	7,964	91,895
Interest paid	(3,505)	(2,893)	(29,839)
Income taxes paid	(54,881)	(44,468)	(467,192)
Net cash provided by operating activities	<u>240,043</u>	<u>212,427</u>	<u>2,043,445</u>
Cash flows from investing activities			
Deposit in time deposit	(108,942)	(55,011)	(927,402)
Disbursement from time deposit	142,311	25,652	1,211,471
Purchases of marketable securities	(68,314)	(67,979)	(581,545)
Proceeds from sales of marketable securities	83,582	99,429	711,519
Purchases of property, plants and equipment	(160,256)	(128,833)	(1,364,231)
Proceeds from sales of property, plants and equipment	4,005	1,670	34,101
Purchases of investment securities	(52)	(1,207)	(449)
Proceeds from sales of investment securities	14,779	4,836	125,817
Increase in other investment	(7,921)	—	(67,436)
Increase in loans receivable	(1,747)	(360)	(14,878)
Purchases of subsidiaries' stock resulting in the change of scope of consolidation ...	—	(1,890)	—
Others	(1,659)	(2,409)	(14,127)
Net cash used in investing activities	<u>(104,215)</u>	<u>(126,102)</u>	<u>(887,162)</u>
Cash flows from financing activities			
Net increase (decrease) in short term bank loans	38,233	(16,747)	325,473
Proceeds from long term debt and issuance of bonds	39,472	—	336,025
Repayment from long term debt and redemption of bonds	(6,480)	(15,407)	(55,163)
Cash dividends paid	(6,650)	(5,413)	(56,614)
Purchases of treasury stock	(235,782)	(6,489)	(2,007,174)
Others	10,481	0	89,227
Net cash used in financing activities	<u>(160,725)</u>	<u>(44,058)</u>	<u>(1,368,225)</u>
Effect of exchange rate change on cash and cash equivalents	<u>9,890</u>	<u>870</u>	<u>84,194</u>
Cash and cash equivalents increased (decreased)	<u>(15,006)</u>	<u>43,137</u>	<u>(127,748)</u>
Cash and cash equivalents at beginning of year	<u>231,397</u>	<u>188,259</u>	<u>1,969,843</u>
Increase by inclusion of newly consolidated subsidiaries	<u>232</u>	<u>—</u>	<u>1,976</u>
Cash and cash equivalents at end of year	<u>¥216,623</u>	<u>¥231,397</u>	<u>\$1,844,071</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 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 117.47 to U.S.\$1, the rate of exchange prevailing as of March 31, 2006. 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.

NOTE 2: Summary of significant accounting policies

(a) Principles of consolidation

The Consolidated Financial Statements for the years ended March 31, 2006 and 2005, include the accounts of the Company and its significant subsidiaries and the number of consolidated subsidiaries are both 135.

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 11 companies within above-mentioned 50 companies, their accounts were consolidated based on their financial statements by the preliminary settlement as of March 31, 2006.

(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 recycling end-of-life products

The reserve is appropriated for an estimated expense related to the recycling end-of-life products of the Company based on actual sales.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) Inventories

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

(j) 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.

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

(k) 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.

(l) 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.

(m) 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.

(n) Revenue recognition

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

(o) 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.

(p) Cash and cash equivalents

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

(q) Reclassification

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

NOTE 3: Inventories

Inventories as of March 31, 2006 and 2005 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Finished products	¥290,945	¥229,098	\$2,476,767
Work in process	19,483	17,063	165,863
Raw materials and others	44,257	41,615	376,757
	¥354,687	¥287,777	\$3,019,388

NOTE 4: Marketable securities and investments in securities

(a) Marketable securities and investments in securities quoted at an exchange as of March 31, 2006 and 2005

	Millions of yen		
	Acquisition Cost	2006 Amounts for BS	Valuation
Those whose amount for BS exceeds acquisition cost			
(1) Stocks	¥19,647	¥ 82,522	¥62,874
(2) Bonds	3,000	3,017	17
(3) Others	51,846	52,523	676
Sub Total	¥74,494	¥138,063	¥63,569
Those whose amount for BS does not exceed acquisition cost			
(1) Stocks	—	—	—
(2) Bonds	¥15,000	¥ 14,992	¥ (7)
(3) Others	—	—	—
Sub Total	¥15,000	¥ 14,992	¥ (7)
Total	¥89,494	¥153,056	¥63,562
	Millions of yen		
	Acquisition Cost	2005 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
	Thousands of U.S. dollars		
	Acquisition Cost	2006 Amounts for BS	Valuation
Those whose amount for BS exceeds acquisition cost			
(1) Stocks	\$167,254	\$ 702,494	\$535,240
(2) Bonds	25,538	25,691	152
(3) Others	441,361	447,121	5,759
Sub Total	\$634,153	\$1,175,306	\$541,152
Those whose amount for BS does not exceed acquisition cost			
(1) Stocks	—	—	—
(2) Bonds	\$127,692	\$ 127,631	\$ (60)
(3) Others	—	—	—
Sub Total	\$127,692	\$ 127,631	\$ (60)
Total	\$761,846	\$1,302,938	\$541,092

(b) Other securities sold during 2006 and 2005

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Amounts sold	¥98,361	¥104,266	\$837,337
Gains from sales of the other securities	1,845	1,210	15,709
Losses from sales of the other securities	36	7	313

(c) Major securities not revalued by the market

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Other securities			
Commercial paper	¥ 9,997	¥15,993	\$ 85,103
Unlisted stock	16,867	22,430	143,588
(Stocks traded over the counter are excluded.)			
Bonds	—	25	—

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

	Millions of yen			
	2006			
	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	¥14,992	—	—	—
(2) Others	67,123	—	—	—
Total	¥82,115	—	—	—

	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	—	—	—

	Thousands of U.S. dollars			
	2006			
	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	\$127,631	—	—	—
(2) Others	571,405	—	—	—
Total	\$699,037	—	—	—

NOTE 5: Short-term bank loans and long-term debt

Short-term bank loans as of March 31, 2006 and 2005 consisted of the following. The annual interest rates of short-term bank loans as of March 31, 2006 were 0.17 percent to 8.43 percent.

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Short-term bank loans			
Secured	¥ 200	¥ 478	\$ 1,702
Unsecured	125,915	84,775	1,071,892
	<u>¥126,115</u>	<u>¥85,253</u>	<u>\$1,073,595</u>

Long-term debt as of March 31, 2006 and 2005 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Loans maturing through 2010			
Secured	—	—	—
Unsecured	¥40,535	¥ 1,002	\$345,072
Unsecured zero coupon convertible bonds			
in yen due 2010	29,991	30,000	255,307
Secured 11.20 percent Indian Rs. bonds due 2007	—	4,980	—
Secured 9.00 percent Indian Rs. bonds due 2007 etc.	1,869	2,490	15,910
	<u>¥72,395</u>	<u>¥38,472</u>	<u>\$616,290</u>
Less portion due within one year	(801)	(502)	(6,818)
	<u>¥71,594</u>	<u>¥37,970</u>	<u>\$609,472</u>

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, 2006, 14,995,500 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, 2006 were as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2007	¥ 801	\$ 6,818
2008	1,068	9,091
2009	2,329	19,832
2010	39,542	336,617
Thereafter	28,654	243,930
	<u>¥72,395</u>	<u>\$616,290</u>

Assets pledged as collateral as of March 31, 2006:

	Millions of yen	Thousands of U.S. dollars
Property, plant and equipment	¥4,979	\$42,385

NOTE 6: Loan commitment

The Company has the commitment contract with five banks for effective financing.

The outstanding balance of this contract as of March 31, 2006 and 2005 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Commitment contract total	¥150,000	¥100,000	\$1,276,921
Actual loan balance	—	—	—
Variance	<u>¥150,000</u>	<u>¥100,000</u>	<u>\$1,276,921</u>

NOTE 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
	2006	2005	2006
a. Retirement benefit obligation	¥(113,848)	¥(113,460)	\$(969,172)
b. Pension assets	57,867	54,799	492,619
c. Unrecognized retirement benefit obligation (a + b)	¥ (55,980)	¥ (58,661)	\$(476,552)
d. Unrecognized difference by an actuarial calculation	13,403	15,170	114,101
e. Unrecognized prior service cost (decrease of liabilities)	(9,020)	(9,739)	(76,793)
f. Accrued retirement and severance benefits (c+d+e)	<u>¥ (51,598)</u>	<u>¥ (53,230)</u>	<u>\$(439,245)</u>

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
	2006	2005	2006
a. Service cost	¥6,444	¥6,100	\$54,861
b. Interest cost	1,472	1,470	12,533
c. Assumed return on investment	(108)	(102)	(920)
d. Amortized amount of actuarial difference	961	1,029	8,183
e. Amortized amount of prior service cost	(718)	(718)	(6,118)
f. Retirement benefit cost (a+b+c+d+e)	¥8,051	¥7,778	\$68,538
g. Loss from the withdrawal from Employees Pension Funds of some subsidiaries	—	(88)	—
h. Total (f+g)	¥8,051	¥7,689	\$68,538

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 : **2006** 2.00%
2005 2.00%
- c. Assumed return of investment ratio : **2006** 0.23% - 1.50%
2005 0.23% - 1.50%
- 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.

NOTE 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
	2006	2005	2006
Deferred tax assets			
Various reserves	¥ 37,012	¥ 35,419	\$ 315,082
Excess-depreciation	42,663	33,769	363,188
Unrealized gross profits elimination	23,565	19,892	200,606
Others	92,905	86,159	790,884
Deferred tax assets total	<u>¥196,146</u>	<u>¥175,240</u>	<u>\$1,669,762</u>
Deferred tax liabilities			
Net unrealized gains on security	¥ (25,196)	¥ (13,577)	\$ (214,492)
Variance from the complete market value method of newly consolidated subsidiaries	(7,636)	(8,090)	(65,005)
Reserve for fixed assets advanced depreciation	(2,519)	(2,363)	(21,450)
Others	(539)	(329)	(4,589)
Deferred tax liabilities total	<u>¥ (35,891)</u>	<u>¥ (24,361)</u>	<u>\$ (305,538)</u>
Net amounts of deferred tax assets	<u>¥160,255</u>	<u>¥150,879</u>	<u>\$1,364,224</u>

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

	2006	2005
Statutory tax rate	39.8%	39.8%
Tax credit	(4.1%)	(4.5%)
Equity in earnings of affiliates	(1.3%)	(1.3%)
Others	(1.7%)	(0.5%)
Effective tax rate	<u>32.7%</u>	33.4%

NOTE 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, 2006 and 2005 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Research and development costs	¥89,917	¥86,856	\$765,446

NOTE 10: Cash and cash equivalents

Cash and cash equivalents as of March 31, 2006 and 2005 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Cash and time deposits	¥182,895	¥248,679	\$1,556,951
Marketable securities	82,115	79,794	699,037
Time deposits with maturities of over three months ..	(21,644)	(55,013)	(184,251)
Marketable securities with maturities of over three months	(26,743)	(42,062)	(227,666)
	¥216,623	¥231,397	\$1,844,071

NOTE 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, 2006 and 2005 were as follows:

As a lessee

(1) Amounts equivalent to acquisition

costs, accumulated depreciation and
net balance as of March 31, 2006

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Acquisition costs	¥679	¥771	\$5,787
Accumulated depreciation	(514)	(585)	(4,383)
Net balance	164	185	1,404

(2) Future lease payments

Due within one year	131	141	1,115
Thereafter	156	178	1,334
	287	320	2,450

(3) Lease expenses

Depreciation	¥149	¥150	\$1,272
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As a lessor

(1) Amounts of acquisition costs,

accumulated depreciation and
net balance as of March 31, 2006

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Acquisition costs	¥836	¥653	\$7,118
Accumulated depreciation	(400)	(374)	(3,408)
Net balance	435	279	3,710

(2) Future lease revenues

Due within one year	165	123	1,405
Thereafter	408	239	3,479
	573	362	4,885

(3) Lease revenues

Depreciation	¥183	¥102	\$1,564
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Operating lease transactions as of March 31, 2006 and 2005 were as follows:

As a lessee	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Future lease payments			
Due within one year	¥224	¥227	\$1,914
Thereafter	183	340	1,566
	<u>¥408</u>	<u>¥567</u>	<u>\$3,480</u>
 As a lessor			
	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Future lease revenues			
Due within one year	¥53	¥ 46	\$457
Thereafter	36	70	311
	<u>¥90</u>	<u>¥117</u>	<u>\$769</u>

NOTE 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.

NOTE 13: Contingent liabilities

As of March 31, 2006, 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 .	¥5,748	\$48,932
Trade notes discounted	1,369	11,662
	<u>¥7,118</u>	<u>\$60,594</u>

NOTE 14: Segment Information

(a) Business segment

	Millions of yen				
	2006			Elimination and corporate assets	Consolidated
	Motorcycle	Automobile	Other		
Net sales:					
Outside customers	¥561,306	¥2,119,940	¥65,206	¥ —	¥2,746,453
Inter-area	—	—	—	—	—
	561,306	2,119,940	65,206	—	2,746,453
Operating expenses	515,375	2,062,012	55,200	—	2,632,588
Operating income	45,931	57,928	10,005	—	113,865
Assets	284,816	1,311,647	47,688	205,562	1,849,714
Depreciation	16,287	108,545	1,686	—	126,520
Loss of impairment	0	0	0	—	0
Capital expenditures	¥ 29,495	¥ 155,803	¥ 2,080	¥ —	¥ 162,068
	Millions of yen				
	2005			Elimination and corporate assets	Consolidated
	Motorcycle	Automobile	Other		
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
	Thousands of U.S. dollars				
	2006			Elimination and corporate assets	Consolidated
	Motorcycle	Automobile	Other		
Net sales:					
Outside customers	\$4,778,298	\$18,046,657	\$555,091	\$ —	\$23,380,045
Inter-area	—	—	—	—	—
	4,778,298	18,046,657	555,091	—	23,380,045
Operating expenses	4,387,291	17,553,524	469,912	—	22,410,727
Operating income	391,008	493,133	85,179	—	969,319
Assets	2,424,585	11,165,809	405,962	1,749,914	15,746,271
Depreciation	138,655	924,031	14,361	—	1,077,047
Loss of impairment	0	0	0	—	0
Capital expenditures	\$ 251,086	\$ 1,326,323	\$ 17,713	\$ —	\$ 1,379,657

(b) Geographical segment

	Millions of yen						
	2006						
	Japan	Europe	North America	Asia	Other areas*1	Elimination and corporate assets	Consolidated
Net sales:							
Outside customers	¥1,230,148	¥486,350	¥391,306	¥596,420	¥42,227	¥ —	¥2,746,453
Inter-area	588,229	5,698	1,578	10,314	—	(605,822)	—
	<u>1,818,378</u>	<u>492,049</u>	<u>392,885</u>	<u>606,735</u>	<u>42,227</u>	<u>(605,822)</u>	<u>2,746,453</u>
Operating expenses	<u>1,757,602</u>	<u>484,281</u>	<u>385,663</u>	<u>561,348</u>	<u>39,708</u>	<u>(596,015)</u>	<u>2,632,588</u>
Operating income	<u>¥ 60,776</u>	<u>¥ 7,768</u>	<u>¥ 7,222</u>	<u>¥ 45,386</u>	<u>¥ 2,518</u>	<u>¥ (9,806)</u>	<u>¥ 113,865</u>
Assets	<u>¥ 950,037</u>	<u>¥237,427</u>	<u>¥ 97,232</u>	<u>¥401,592</u>	<u>¥18,818</u>	<u>¥144,606</u>	<u>¥1,849,714</u>

	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)	—
	<u>1,619,887</u>	<u>414,328</u>	<u>303,716</u>	<u>500,062</u>	<u>26,698</u>	<u>(499,121)</u>	<u>2,365,571</u>
Operating expenses	<u>1,554,233</u>	<u>407,636</u>	<u>299,076</u>	<u>462,781</u>	<u>25,233</u>	<u>(490,932)</u>	<u>2,258,028</u>
Operating income	<u>¥ 65,653</u>	<u>¥ 6,691</u>	<u>¥ 4,639</u>	<u>¥ 37,281</u>	<u>¥ 1,464</u>	<u>¥ (8,188)</u>	<u>¥ 107,542</u>
Assets	<u>¥ 863,958</u>	<u>¥213,612</u>	<u>¥ 78,632</u>	<u>¥287,376</u>	<u>¥11,259</u>	<u>¥238,514</u>	<u>¥1,693,353</u>

	Thousands of U.S. dollars						
	2006						
	Japan	Europe	North America	Asia	Other areas*1	Elimination and corporate assets	Consolidated
Net sales:							
Outside customers	\$10,472,026	\$4,140,214	\$3,331,117	\$5,077,216	\$359,470	\$ —	\$23,380,045
Inter-area	5,007,490	48,511	13,440	87,807	—	(5,157,250)	—
	<u>15,479,517</u>	<u>4,188,725</u>	<u>3,344,558</u>	<u>5,165,023</u>	<u>359,470</u>	<u>(5,157,250)</u>	<u>23,380,045</u>
Operating expenses	<u>14,962,137</u>	<u>4,122,594</u>	<u>3,283,076</u>	<u>4,778,656</u>	<u>338,032</u>	<u>(5,073,771)</u>	<u>22,410,727</u>
Operating income	<u>\$ 517,379</u>	<u>\$ 66,131</u>	<u>\$ 61,481</u>	<u>\$ 386,367</u>	<u>\$ 21,438</u>	<u>\$ (83,478)</u>	<u>\$ 969,319</u>
Assets	<u>\$8,087,492</u>	<u>\$2,021,179</u>	<u>\$ 827,720</u>	<u>\$3,418,681</u>	<u>\$160,194</u>	<u>\$1,231,008</u>	<u>\$15,746,271</u>

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

(c) Overseas sales

Millions of yen					
2006					
	Europe	North America	Asia	Other areas*2	Consolidated
Overseas sales	¥587,429	¥411,327	¥647,695	¥165,496	¥1,811,948
Consolidated net sales	2,746,453				
Ratio of overseas sales to consolidated net sales	21.4%	15.0%	23.6%	6.0%	66.0%

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%

Thousands of U. S. dollars					
2006					
	Europe	North America	Asia	Other areas*2	Consolidated
Overseas sales	\$5,000,679	\$3,501,551	\$5,513,707	\$1,408,840	\$15,424,778
Consolidated net sales	23,380,045				
Ratio of overseas sales to consolidated net sales ...	21.4%	15.0%	23.6%	6.0%	66.0%

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

NOTE 15: 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, 2006:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends	¥2,647	\$22,541
Bonuses for directors and corporate auditors	260	2,213
	<u>¥2,907</u>	<u>\$24,754</u>

(b) Based on the resolution of meeting of the board of directors at June 2, 2006, the Company issued the unsecured zero coupon convertible bonds with 130% call option (with special option of limited pari passu among CB).

The summary is as follows.

- 1) Total issued amounts
¥ 150,000,000,000
- 2) Issued amounts
¥ 100 per ¥ 100 nominal amount
- 3) Issued price
¥ 102.5 per ¥ 100 nominal amount
- 4) Interest rate
0 %
- 5) Maturity value
¥ 100 per ¥ 100 nominal amount
- 6) Maturity Date
March 29, 2013
- 7) Regarding Booking right on common stock
 - a) Kind of stock which is the purpose of the right
Common stock of Suzuki
 - b) Issued number of the right
30,000 units
 - c) Conversion price
¥ 3,054 per share
 - d) Term of exercise
From August 1, 2006 to March 28, 2013
- 8) Due date of payment (issuing date)
June 27, 2006
- 9) Security
unsecured
- 10) Purpose of use of cash
The Company will allocate this cash for capital investment and investment to subsidiaries for capital investment of each companies.
- 11) 130% call option clause
In case that the stock price of Suzuki common stock is over 130% of conversion price for 20 consecutive days, the Company can redeem the balance which is not redeemed yet before maturity anytime for after August 1, 2009.
The maturity value in this case is ¥ 100 per ¥ 100 nominal amount.

REPORT OF INDEPENDENT AUDITOR

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, 2006 and 2005, 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, 2006 and 2005, 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.

As describe in Note 15(b), Suzuki Motor Corporation issued the unsecured zero coupon convertible bonds with 130% call option, based on the resolution of meeting of the board of directors at June 2, 2006.

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

Seimei Audit Corporation
Tokyo, Japan
June 29, 2006

NON-CONSOLIDATED FINANCIAL STATEMENTS OF 2006

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2006 and 2005

SUZUKI MOTOR CORPORATION	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
ASSETS			
Current assets:			
Cash and time deposits	¥ 46,209	¥ 162,018	\$ 393,373
Marketable securities	27,749	43,062	236,223
Receivables:			
Trade notes and accounts	61,276	42,271	521,639
Subsidiaries and affiliates	124,084	131,029	1,056,303
Less allowance for doubtful receivables	(74)	(130)	(629)
Inventories	98,655	71,292	839,833
Other current assets	160,827	140,303	1,369,093
Total current assets	<u>518,728</u>	<u>589,848</u>	<u>4,415,836</u>
Property, plant and equipment:			
Land	75,829	74,415	645,521
Buildings and structures	174,604	167,294	1,486,376
Machinery and equipment	551,673	522,625	4,696,290
Construction in progress	14,480	5,496	123,270
	<u>816,587</u>	<u>769,832</u>	<u>6,951,459</u>
Less accumulated depreciation	<u>(602,726)</u>	<u>(588,444)</u>	<u>(5,130,894)</u>
	<u>213,861</u>	<u>181,388</u>	<u>1,820,564</u>
Investments and other assets:			
Investments in securities	101,350	86,733	862,775
Investments in subsidiaries and affiliates	169,847	146,217	1,445,882
Other assets	78,555	93,886	668,731
	<u>349,753</u>	<u>326,836</u>	<u>2,977,389</u>
	<u>¥1,082,344</u>	<u>¥1,098,073</u>	<u>\$9,213,791</u>

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term bank loans	¥ 20,000	¥ —	\$ 170,256
Payables:			
Trade notes and accounts	402,923	307,750	3,430,015
Subsidiaries and affiliates	24,537	21,891	208,882
Accrued expenses	91,396	87,250	778,042
Accrued income taxes	14,104	11,651	120,069
Other current liabilities	89,325	53,046	760,410
Total current liabilities	<u>642,288</u>	<u>481,590</u>	<u>5,467,677</u>
Long-term liabilities:			
Long-term debt	29,991	30,000	255,307
Reserve for retirement allowance	26,762	28,142	227,821
Other liabilities	19,175	17,450	163,237
	<u>75,928</u>	<u>75,592</u>	<u>646,366</u>
Shareholders' equity			
Common stock:			
Authorized - 1,500,000,000 shares			
Issued, par value ¥50 per share			
as of March 31, 2006 - 542,647,091	120,210	—	1,023,327
as of March 31, 2005 - 542,647,091	—	120,210	—
Additional paid-in capital	129,192	126,578	1,099,792
Retained earnings	319,916	288,677	2,723,388
Net unrealized gains on security	37,715	20,425	321,067
Treasury stock	(242,907)	(15,001)	(2,067,828)
	<u>364,127</u>	<u>540,890</u>	<u>3,099,747</u>
	<u>¥1,082,344</u>	<u>¥1,098,073</u>	<u>\$9,213,791</u>



SUZUKI MOTOR CORPORATION
300 TAKATSUKA, HAMAMATSU, JAPAN