

## FINANCIAL SECTION

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# Management Policy

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## 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. Basic policies for profit distribution

We determine the profit distribution based on the performances, dividend payout ratio, strengthening of the corporate nature and full internal reserve for future business developments from the medium- to long-term viewpoint, with the emphasis on the continuous and stable distribution.

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. To achieve stable growth, we need to further enhance our corporate structure and prepare for unforeseen circumstances.

The management environment drastically changed in the latter half of this fiscal year, and the situation has become severer, but the Company recorded profits for the full year. Therefore we have paid ¥16 as the ordinary dividend (including ¥8 of interim dividend), the same as the previous fiscal year, for the full year of this fiscal year.

In future years, under the foregoing point of view, we will also determine the profit distribution based on the performance of fiscal year.

Note: “the Company” = Suzuki Motor Corporation

## 3. Outstanding issues

We have placed “In order to survive, let us stop acting in a self-styled manner and get back to the basics” as our basic policy in promoting the growth strategy, reviewed every aspect of our business to strengthen our management practices.

Automobile sales have dropped in various parts of the world, however, on account of the world financial crisis, and we are faced with unprecedented crisis with the prospect of more than 30% fall in expected sales for the next year compared to previous fiscal year.

To overcome this crisis, we have been making concerted efforts as a group with the slogan of “Try our ingenuity to overcome difficulties.”

As specific measures, facing the fact of a large reduction in sales squarely, we promote the establishment of system to ensure profits in the declining sales by cost reduction by “reduction of a gram and cost reduction of 1 yen per part,” squeezing of fixed expenses by “internal cost reduction activities” and further reviewing of organizations and systems.

Next, as for the issues challenged by our major businesses of motorcycle business and automobile business, we will promote launching of products fit for the market needs, strengthening of sales forces and improving of the quality and productivity for motorbikes. Especially, we will strengthen the small motorbike business in the Asian region where further growth can be expected.

In automobile business, the marketing activities and products supply in a close contact with the market will be executed. In domestic market, we 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, we will try to improve SUZUKI brand image by using the slogan of “Way of life” and increase the level of overseas bases through promotion of local procurement of parts, cost reduction activities, further improvement of quality and further progress in productivity, as well as sales enhancement. As to the business in North America that the profit has been declining, we will try to rebuild by reviewing the system of sales etc.

In addition, in research and development, the environmentally friendly product development for protecting global environment such as reduced emission gas, improved mileage, resource saving and recycling has become more and more important.

In the limited research and development resources, we will consolidate power trains, standardize parts and concentrate funding on environmental technologies.

Further, we make efforts for the development of high-mileage and low-emission technologies such as diesel engine cars, hybrid cars and electric cars mainly with the product development abilities for small cars, the strength of our Group, based on the alliance with each company.

Meanwhile, on June 1, 2009 (local time in the USA), General Motors Corporation (GM), our alliance partner, filed for Chapter 11 bankruptcy-court protection of the U.S. Bankruptcy Code, and GM is expected to be restructured as the New GM through bankruptcy reorganization. And we intend to continue existing individual projects with the New GM.

We have decided to review “Suzuki medium term three-year plan (April 2008 - March 2011)” which was the targeted management indexes and medium-term corporate management strategies on account of a substantial change in the economic environment. We plan to announce the new plans based on the external environment at the appropriate time.

## 4. 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 reduced the number of directors (eleven directors as of issuance of this report), and introduced an new managing officer system (senior managing executive officers and managing executive officers) aiming at agility of management, speedup of operation and clarification of responsibilities. All directors, excluding Chairman & CEO, are appointed executive general manager or other of main divisions or functions, and they participate in decision-making at board meeting through providing on-site information. Further, we have established a dedicated department to find cross-sectional issues and to speed up such issues solving process in order to proceed with decision-making at board meeting company-wide promptly without the negative effects by 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.

#### (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
Satoru Imamura	Seimei Audit Corporation
Akira Iwama	Seimei Audit Corporation

Note: The number of other assistant members for audit: Eight certified public accountants and seven 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. The basic policy for construction of internal control system 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 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 and observes the same. It is revised whenever necessary by “Corporate Ethics Committee” which promotes corporate ethics in the Company. 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”. It is 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: person, Amount of remuneration: million yen)

Classification	Number of payees	Amount of remuneration	Amount of remuneration limit per month
Directors	13	495	80
Corporate Auditors (of which outside Corporate Auditors)	5 (3)	74 (39)	8
Total	18	570	—

- Note:
- The amount of remuneration limit for directors was resolved at the 135th ordinary general meeting of shareholders held on June 28, 2001 (however, salaries for employees are not included).
  - The amount of remuneration limit for corporate auditors was resolved at the 123rd ordinary general meeting of shareholders held on June 29, 1989.
  - The above-mentioned remuneration includes the following amount recorded as provision for directors' bonuses at the end of this fiscal year and treated as expenses of this fiscal year.
    - Eleven directors: ¥198 million
    - Five corporate auditors (including three outside corporate auditors): ¥22 million (including ¥10 million for outside corporate auditors)
  - The above-mentioned directors include two directors who resigned at the completion of the 142nd ordinary general meeting of shareholders held on June 27, 2008.
  - There are following payments in addition to the above.
    - ¥36 million have been paid to a retiring director as retirement benefit allowance in accordance with a resolution of the 140th ordinary general meeting of shareholders held on June 29, 2006.
    - ¥78 million shall be paid as the amount equivalent to salaries (including bonuses) for directors who are also employees.

#### (5) Remuneration for independent auditing

- The remuneration amount to be paid by the Company to independent auditors is ¥72 million.
- The remuneration amount to be paid by the Suzuki Group to independent auditors is ¥74 million.
- Of the amount shown in (a), the remuneration amount to be paid for audit certification is ¥72 million.

Note: Since the audit agreement between the Company and independent auditors does not distinguish the remuneration for auditing based on the Companies Act of Japan from that for auditing based on the Financial Instruments and Exchange Act of Japan, the Company can not specify respective amounts substantially and has described the total amount for those audits.

#### (Reference)

##### Internal Control Report System under the Financial Instruments and Exchange Act of Japan

Effective from this fiscal year, Internal Control Report System is applied under the Financial Instruments and Exchange Act of Japan. The Company has established a project team to enhance the system for assessment of the effectiveness of internal controls over the financial reporting.

Our management executive assessed the effectiveness of internal control over financial reporting as of March 31, 2009 in accordance with "On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" published by the Business Accounting Council of Financial Services Agency, the Japanese government. Based on that assessment, our management executive concluded that our Group's internal control over financial reporting was effective as of March 31, 2009.

Seimei Audit Corporation, the Company's independent auditor, has audited the Internal Control Report made by our management executive, and expressed an unqualified opinion regarding effectiveness of the Group's internal control over financial reporting as of March 31, 2009.

# Financial Review

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## 1. Operating results

For the management environment of the Suzuki Group during this fiscal year, the world economy, mostly in the US and Europe, increasingly slowed down on account of the US subprime loan issue and the soaring of the crude oil and raw material prices in the first half, and in the second half, the economy rapidly deteriorated in various parts of the world by the worsening of the financial crisis, being in the extremely severe situation. The management environment in Japan was also drastically changed as a result of the large reduction in manufacturing by the decreased exports, the rapid yen appreciation and the stock price fall, and we are faced with the unprecedented critical situation.

Under these circumstances, consolidated sales were ¥3,004,888 million (85.8% y-o-y) for this fiscal year, below consolidated sales of the previous year, on account of the overseas sales reduction and yen appreciation. As for consolidated profits, operating income, ordinary income and net income declined to ¥76,926 million (51.5% y-o-y), ¥79,675 million (50.8% y-o-y) and ¥27,429 million (34.2% y-o-y), respectively, because the reduced costs, reduced depreciation/amortization and operating expenses, etc were unable to cover the reduced profits on account of the reduced sales, increased raw material costs, exchange influences and increased research and development expenses.

In addition, non-consolidated sales declined to ¥1,685,777 million (83.0% y-o-y) for this fiscal year. As for non-consolidated profits, operating income, ordinary income and net income declined to ¥11,422 million (16.9% y-o-y), ¥4,133 million (6.7% y-o-y) and ¥3,287 million (8.0% y-o-y), respectively, because the reduced costs, reduced depreciation/amortization and operating expenses, etc were unable to cover the reduced profits on account of the reduced sales, exchange influences and increased research and development expenses.

### (1) The operating results by business segmentation

#### (a) Motorcycle operations

In the rapid slowdown of the world economy, sales of the motorcycle business were ¥454,349 million (76.8% y-o-y) on account of the large sales decline in North America and Europe as well as the exchange influences by rising yen. Operating income declined to minus ¥6,416 million because the reduced costs, reduced depreciation/amortization and operating expenses, etc. were unable to cover the reduced profits by reduced sales and exchange influences.

#### (b) Automobile operations

While the overall domestic demand is declining, the Suzuki Group tried to expand sales by completely changing the models of "Wagon R" and "Alto Lapin" for mini vehicles and launching compact car the "Splash" by Magyar Suzuki Corporation Ltd. in Hungary. Domestic sales, however, were slightly below sales of the previous fiscal year. On the other hand, overseas sales were below those of the previous fiscal year on account of the large sales decline in North America, Europe and Asia as well as the exchange influences by rising yen despite the sales expansion efforts such as the new launching of the "Splash" in Europe and the "A-star" in India. As a result, sales of the automobile business were ¥2,524,012 million (89.1% y-o-y), and operating income declined to ¥69,049 million (60.6% y-o-y) because the reduced costs, reduced depreciation/amortization and operating expenses, etc. were unable to cover the reduced profits by reduced sales, increased raw material prices and exchange influences.

#### (c) Marine and Power products, etc

Sales and operating income of marine and power products, etc were ¥66,720 million (87.1% y-o-y) and ¥9,234 million (71.6% y-o-y), respectively, on account of reduced sales of outboard motors in North America and Europe.

#### (d) Financial Services

The financial services business is newly classified from this fiscal year to indicate the business details of the Suzuki Group more clearly. Sales and operating income for this fiscal year were ¥78,693 million and ¥3,993 million, respectively.

### (2) The operating results of geographical segmentation

#### (a) Japan

Sales were ¥1,823,866 million (83.1% y-o-y) on account of export sales reduction for North America and Europe. Operating income declined to ¥28,782 million (33.9% y-o-y) because the reduced costs, reduced depreciation/amortization and operating expenses, etc. were unable to cover the reduced profits by reduced sales, increased raw material costs and exchange influences.

#### (b) Europe

Sales declined to ¥618,636 million (79.6% y-o-y) on account of reduced sales in the economic recession and the exchange influences by rising yen. Operating income declined to ¥3,110 million (23.2% y-o-y) on account of reduced sales and the change in the sales composition of automobiles.

#### (c) North America

Sales declined to ¥225,601 million (55.6% y-o-y) on account of reduced sales in the economic recession and credit crunch started by the financial crisis. Operating income declined to minus ¥24,143 million.

(d) Asia

Sales declined to ¥752,900 million (88.9% y-o-y) on account of the exchange influences by rising yen. Operating income declined to ¥35,320 million (62.9% y-o-y) on account of the increased raw material costs and exchange influences.

(e) Other regions

Sales increased to ¥89,750 million (101.5% y-o-y) because of a sales increase in Africa despite sales reduction in Oceania and Middle and South America, but operating income declined to ¥1,744 million (37.8% y-o-y) on account of the increased operating expenses, etc.

**(3) Selling, general and administrative expenses**

In this fiscal year, the amount of selling, general and administrative expenses decreased by ¥109,130 million to ¥612,003 million. Because the expense of dispatch, advertising and sales promotion decreased on account of the reduced sales.

**(4) Other income and expenses**

In this fiscal year, increased loss on valuation of securities were covered by interest income, foreign exchange gains and gain on sales of noncurrent assets. However, the net amount of other income and expenses was a profit of ¥3,178 million, down ¥4,879 million from the previous fiscal year.

**(5) Forecast of next fiscal year**

The recovery of the automobile sales decline in each country is unforeseeable, but we are determined to make concerted efforts as a group for reform in every aspect to aspire for profits on a consolidated basis.

	FY 2009 Forecast	FY 2008 Actual
Net sales	¥2,300 billion	¥3,004 billion
Operating income	¥10 billion	¥76 billion
Net income	¥5 billion	¥27 billion
Exchange rate	1 US dollar = 90 yen	1 US dollar = 101 yen
	1 Euro = 115 yen	1 Euro = 144 yen

\* The business forecasts mentioned above are calculated based on currently available information and assumptions and contain risks and uncertainty. Please note that the actual results may greatly vary by the changes of various factors. 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 rate (mainly Yen/US dollar rate, Yen/Euro rate).

**2. Liquidity and capital resources**

**(1) Cash flow**

As for the cash flow conditions for this fiscal year, funds of ¥34,241 million was obtained from operating activities as a result of income, depreciation/amortization and reduced inventories despite a decline in accounts payable-trade due to the large decreased production. On the other hand, free cash flow was minus ¥228,666 million as a result of the payment of funds of ¥262,908 million for the purchase of property, plant and equipment, etc. in the investment activities. Funds of ¥232,870 million was obtained from financing activities by the proceeds from long-term and short-term loans payable.

As a result, the balance of cash and cash equivalents at the end of this fiscal year declined to ¥427,797 million, down ¥28,571 million from the end of the previous fiscal year.

**(2) Demand for money**

During this fiscal year, the Company and main subsidiaries and affiliates invested a total ¥216,168 million of capital expenditures (including ¥12,174 million of capital expenditures of main subsidiaries and affiliates) on a number of initiatives, such as new model production, production volume increase, efficiency-enhancing and rationalization investment, R&D investments for new models and technical innovation, distribution, sales channel and IT related investments. These expenditures were covered by our own funds and loans payable.

Capital expenditure project for the next fiscal year is ¥185,000 million (including ¥12,000 million of capital expenditures project of main subsidiaries and affiliates). The required fund will be covered mainly by our own funds and others.

**3. Significant accounting policies**

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

## 4. Risks in operations

Risks which may possibly affect on 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 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 not be prolonged nor that these fluctuations will never occur in markets where they have never occurred before. It is possible that drastic price and cost fluctuations could damage our operating results in any market where the Suzuki Group is operating.

### (3) Foreign exchange fluctuation

The Company exports motorcycles, automobiles, outboard motors and their parts from Japan to many countries in the world and 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 68% of our consolidated net sales in the current 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) Quality assurance

The Suzuki Group recognizes safety of products as a matter of the highest priority. We strive to maintain the globally same level of quality, keeping a strict quality assurance system through product development to sales. Regarding product liability, although the Group is purchasing product liability insurance, there is a risk that all liabilities are not covered fully. If a large-scale recall was made for our customers' safety and incurred major expenses, it could adversely affect the operating results of the Group.

### (6) Alliance with other businesses

We conduct various alliance activities with other companies, including General Motors Corporation (GM) and other domestic and foreign automobile manufacturers, for research and development, manufacturing, sales and finance, but factors that may not be controlled by the Suzuki Group such as situations inherent to the alliance partners could adversely affect the operating results and financial conditions of the Group.

In addition, GM filed for Chapter 11 bankruptcy-court protection of the U.S. Bankruptcy Code, and we will pay close attention to the reorganization proceedings of GM and deal appropriately.

### (7) Disasters, wars, terrorism and labor strikes

Our main manufacturing bases in Japan are located chiefly in the Tokai region in the mid-eastern part of Japan, and 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 preventive measures are put in place, including earthquake-proofing and fire-proofing our buildings and facilities, making plan of operation recovery and carrying earthquake insurance.

Overseas, the Suzuki Group operates in many countries and occurrences of unexpected events, such as natural disasters, diseases, wars, terrorism and labor strikes, etc., could possibly cause delays and bring a halt to 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 Group.

Other various risks not mentioned above also remain - not all the risks for the 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)
	2009	2008	2007	2006	2005	2009
Net sales .....	<b>¥3,004,888</b>	¥3,502,419	¥3,163,669	¥2,746,453	¥2,365,571	<b>\$30,590,332</b>
Net income .....	<b>27,429</b>	80,254	75,008	65,945	60,506	<b>279,235</b>
Net income per share:						
Primary .....	<b>61.68</b>	177.96	169.41	125.64	112.94	<b>0.627</b>
Fully diluted .....	<b>53.97</b>	155.89	151.41	122.14	109.86	<b>0.549</b>
Cash dividends per share .....	<b>16.00</b>	16.00	14.00	11.00	10.00	<b>0.162</b>
Net Assets .....	<b>742,915</b>	902,894	855,973	616,770	745,016	<b>7,563,016</b>
Total current assets .....	<b>1,267,790</b>	1,483,038	1,435,405	1,067,709	999,887	<b>12,906,347</b>
Total assets .....	<b>2,157,849</b>	2,409,165	2,321,441	1,849,714	1,693,353	<b>21,967,315</b>
Depreciation and amortization .	<b>141,203</b>	161,600	149,910	126,520	97,731	<b>1,437,482</b>

### NON-CONSOLIDATED

Years ended March 31	Millions of yen (except per share amounts)					Thousands of U.S. dollars (except per share amounts)
	2009	2008	2007	2006	2005	2009
Net sales .....	<b>¥1,685,777</b>	¥2,031,639	¥1,939,806	¥1,690,169	¥1,481,632	<b>\$17,161,532</b>
Net income .....	<b>3,287</b>	40,864	43,054	37,271	35,747	<b>33,462</b>
Net income per share:						
Primary .....	<b>7.39</b>	90.60	97.23	70.78	66.56	<b>0.075</b>
Fully diluted .....	<b>6.50</b>	79.39	86.91	68.82	64.75	<b>0.066</b>
Cash dividends per share .....	<b>16.00</b>	16.00	14.00	11.00	10.00	<b>0.162</b>
Net Assets .....	<b>405,434</b>	453,374	429,730	364,127	540,890	<b>4,127,401</b>
Total current assets .....	<b>705,203</b>	758,848	758,005	518,728	589,848	<b>7,179,108</b>
Total assets .....	<b>1,402,420</b>	1,430,088	1,381,889	1,082,344	1,098,073	<b>14,276,902</b>
Depreciation and amortization .	<b>72,942</b>	76,584	73,881	59,362	47,213	<b>742,566</b>

Note: Yen amounts are translated into U.S. dollars for convenience only, at ¥98.23 = US\$1, the prevailing exchange rate as of March 31, 2009. Calculation of net income per share of 2006 and 2005 is made on the adjusted net income basis excluding the bonuses paid to directors and corporate auditors and the payment of cash dividends to shareholders of preferred stocks from net income shown in the income statements in accordance with the revision of regulations of financial statements.  
Figures in "Net assets" of 2006 and 2005 are referred to "Shareholder's equity" in previous, respectively.

# Consolidated Financial Statements of 2009

## Consolidated Balance Sheets

As of March 31, 2009 and 2008

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and deposits .....	¥ 136,915	¥ 129,447	\$ 1,393,827
Short-term investment securities *NOTE 4 .....	343,503	345,984	3,496,926
Receivables:			
Notes and accounts receivables-trade .....	249,289	331,172	2,537,813
Less allowance for doubtful accounts .....	(3,159)	(3,987)	(32,163)
Merchandise and finished goods .....	252,255	360,287	2,568,003
Work in process .....	23,620	21,982	240,463
Raw materials and supplies .....	48,664	58,489	495,410
Other .....	216,701	239,662	2,206,065
Total current assets .....	<u>1,267,790</u>	<u>1,483,038</u>	<u>12,906,347</u>
<b>Property, plant and equipment: *NOTE 5</b>			
Land .....	164,822	164,104	1,677,923
Buildings and structures .....	331,552	309,291	3,375,267
Machinery, equipment and vehicles .....	1,259,758	1,256,277	12,824,577
Construction in progress .....	37,853	56,653	385,359
	<u>1,793,987</u>	<u>1,786,327</u>	<u>18,263,128</u>
Less accumulated depreciation .....	<u>(1,205,024)</u>	<u>(1,185,214)</u>	<u>(12,267,375)</u>
Total property, plant and equipment .....	<u>588,962</u>	<u>601,112</u>	<u>5,995,752</u>
<b>Investments and other assets:</b>			
Investment securities *NOTE 4 .....	91,913	124,696	935,701
Investments in affiliates .....	26,703	36,216	271,843
Other .....	182,478	164,100	1,857,670
Total investments and other assets .....	<u>301,096</u>	<u>325,013</u>	<u>3,065,214</u>
Total assets .....	<u>¥2,157,849</u>	<u>¥2,409,165</u>	<u>\$21,967,315</u>

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

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Accounts payable-trade .....	¥ 368,811	¥ 605,372	\$ 3,754,568
Short-term loans payable *NOTE 5 .....	399,010	196,390	4,061,998
Current portion of convertible bonds *NOTE 5 .....	29,605	—	301,384
Income taxes payable .....	6,285	24,857	63,982
Accrued expenses .....	138,244	154,448	1,407,352
Other .....	143,165	185,726	1,457,450
Total current liabilities .....	<u>1,085,121</u>	<u>1,166,795</u>	<u>11,046,737</u>
<b>Noncurrent liabilities:</b>			
Convertible bonds *NOTE 5 .....	—	29,606	—
Bonds with subscription rights to shares *NOTE 5 .....	149,975	149,975	1,526,773
Long-term loans payable *NOTE 5 .....	102,757	74,684	1,046,089
Provision for retirement benefits *NOTE 7 .....	42,090	46,395	428,488
Provision for directors' retirement benefits .....	1,600	1,641	16,288
Other .....	33,390	37,171	339,920
Total noncurrent liabilities .....	<u>329,813</u>	<u>339,474</u>	<u>3,357,561</u>
Total liabilities .....	<u>1,414,934</u>	<u>1,506,270</u>	<u>14,404,298</u>
<b>Net Assets:</b>			
<b>Shareholders' equity: *NOTE 12</b>			
Common stock:			
Authorized-1,500,000,000 shares			
Issued,			
as of March 31, 2009—542,647,091 .....	120,210	—	1,223,763
as of March 31, 2008—542,647,091 .....	—	120,210	—
Capital surplus .....	138,142	138,143	1,406,316
Retained earnings .....	735,337	717,357	7,485,877
Less treasury stock .....	<u>(241,878)</u>	<u>(219,499)</u>	<u>(2,462,365)</u>
Total shareholders' equity .....	<u>751,812</u>	<u>756,212</u>	<u>7,653,592</u>
Valuation and translation adjustments:			
Valuation difference on available-for-sale securities ...	2,309	16,549	23,507
Deferred gains or losses on hedges .....	(324)	9,236	(3,304)
Foreign currency translation adjustment .....	<u>(114,364)</u>	<u>(3,389)</u>	<u>(1,164,248)</u>
Total valuation and translation adjustments .....	<u>(112,379)</u>	<u>22,396</u>	<u>(1,144,045)</u>
<b>Minority interests</b> .....	<u>103,482</u>	<u>124,285</u>	<u>1,053,470</u>
Total net assets .....	<u>¥ 742,915</u>	<u>¥ 902,894</u>	<u>\$ 7,563,016</u>
Total liabilities and net assets .....	<u>¥2,157,849</u>	<u>¥2,409,165</u>	<u>\$21,967,315</u>



## Consolidated Statements of Changes in Net Assets

Years ended March 31, 2009 and 2008

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Thousands of shares of common stock	Millions of yen					
		Common stock	Capital surplus	Retained earnings	Treasury stock	Valuation and translation adjustments	Minority interests
<b>Balance as of March 31, 2007</b>	<u>542,647</u>	<u>¥120,210</u>	<u>¥138,199</u>	<u>¥642,969</u>	<u>¥(219,875)</u>	<u>¥60,020</u>	<u>¥114,448</u>
Dividends from surplus .....	—	—	—	(7,215)	—	—	—
Net income .....	—	—	—	80,254	—	—	—
Purchase of treasury stock .....	—	—	—	—	(25)	—	—
Disposal of treasury stock .....	—	—	(56)	—	400	—	—
Increase of retained earnings due to change of financial period of consolidated subsidiaries .....	—	—	—	1,349	—	—	—
Other Changes .....	—	—	—	—	—	(37,623)	9,837
<b>Balance as of March 31, 2008</b>	<u>542,647</u>	<u>¥120,210</u>	<u>¥138,143</u>	<u>¥717,357</u>	<u>¥(219,499)</u>	<u>¥22,396</u>	<u>¥124,285</u>
Effect of changes in accounting policies applied to foreign subsidiaries ..	—	—	—	(2,231)	—	—	—
Dividends from surplus .....	—	—	—	(7,217)	—	—	—
Net income .....	—	—	—	27,429	—	—	—
Purchase of treasury stock .....	—	—	—	—	(22,384)	—	—
Disposal of treasury stock .....	—	—	(1)	—	5	—	—
Other changes .....	—	—	—	—	—	(134,776)	(20,803)
<b>Balance as of March 31, 2009</b>	<u>542,647</u>	<u>¥120,210</u>	<u>¥138,142</u>	<u>¥735,337</u>	<u>¥(241,878)</u>	<u>¥(112,379)</u>	<u>¥103,482</u>

	Thousands of shares of common stock	Thousands of U.S. dollars					
		Common stock	Capital surplus	Retained earnings	Treasury stock	Valuation and translation adjustments	Minority interests
<b>Balance as of March 31, 2008</b>	<u>542,647</u>	<u>\$1,223,763</u>	<u>\$1,406,327</u>	<u>\$7,302,838</u>	<u>\$(2,234,545)</u>	<u>\$228,004</u>	<u>\$1,265,249</u>
Effect of changes in accounting policies applied to foreign subsidiaries ..	—	—	—	(22,719)	—	—	—
Dividends from surplus .....	—	—	—	(73,477)	—	—	—
Net income .....	—	—	—	279,235	—	—	—
Purchase of treasury stock .....	—	—	—	—	(227,878)	—	—
Disposal of treasury stock .....	—	—	(10)	—	59	—	—
Other changes .....	—	—	—	—	—	(1,372,050)	(211,779)
<b>Balance as of March 31, 2009</b>	<u>542,647</u>	<u>\$1,223,763</u>	<u>\$1,406,316</u>	<u>\$7,485,877</u>	<u>\$(2,462,365)</u>	<u>\$(1,144,045)</u>	<u>\$1,053,470</u>

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

## Consolidated Statements of Cash Flows

Years ended March 31, 2009 and 2008

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
<b>Cash flows form operating activities</b>			
Income before income taxes .....	¥80,105	¥157,463	\$815,486
Depreciation and amortization .....	141,203	161,600	1,437,482
Impairment loss .....	344	—	3,503
Increase (decrease) in provision for retirement benefits .....	(3,860)	(3,719)	(39,296)
Interest and dividends income .....	(22,459)	(19,003)	(228,640)
Interest expenses .....	9,278	9,408	94,459
Equity in (earnings) losses of affiliates .....	1,245	(453)	12,674
Loss (gain) on valuation of securities .....	27,487	8,085	279,824
Decrease (increase) in notes and accounts receivable-trade .....	47,617	(15,829)	484,752
Decrease (increase) in inventories .....	60,713	(58,003)	618,073
Increase (decrease) in notes and accounts payable-trade .....	(206,212)	42,871	(2,099,286)
Increase (decrease) in accrued expenses .....	(4,979)	(1,966)	(50,689)
Other, net .....	(62,081)	(10,411)	(632,001)
Subtotal .....	68,401	270,043	696,342
Interest and dividends income received .....	20,864	18,572	212,407
Interest expenses paid .....	(7,494)	(9,105)	(76,294)
Income taxes paid .....	(47,530)	(85,471)	(483,869)
Net cash provided by (used in) operating activities .....	34,241	194,039	348,586
<b>Cash flows from investment activities</b>			
Payments into time deposits .....	(93,789)	(64,840)	(954,795)
Proceeds from withdrawal of time deposits .....	55,545	63,620	565,459
Purchases of short-term investment securities .....	(8,207)	(55,727)	(83,552)
Proceeds from sales of short-term investment securities .....	8,586	67,874	87,407
Purchases of property, plant and equipment .....	(202,201)	(215,449)	(2,058,445)
Proceeds from sales of property, plant and equipment .....	5,041	6,071	51,327
Purchases of investment securities .....	(23,997)	(28,764)	(244,294)
Proceeds from sales of investment securities .....	3,002	6,704	30,570
Payments for investments in capital .....	(1)	(7,269)	(20)
Payments of loans receivable .....	(7,728)	(22,495)	(78,680)
Collection of loans receivable .....	1,119	35,130	11,393
Other, net .....	(277)	(774)	(2,826)
Net cash provided by (used in) investment activities .....	(262,908)	(215,921)	(2,676,457)
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable .....	213,576	31,871	2,174,245
Proceeds from long-term loans payable .....	52,792	27,090	537,437
Repayment of long-term loans payable .....	(1,963)	(2)	(19,986)
Cash dividends paid .....	(7,218)	(7,211)	(73,489)
Cash dividends paid to minority shareholders .....	(1,895)	(2,018)	(19,292)
Purchase of treasury stock .....	(22,384)	(24)	(227,878)
Proceeds from sales of treasury stock .....	3	4	38
Other, net .....	(39)	(387)	(406)
Net cash provided by (used in) financing activities .....	232,870	49,322	2,370,668
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(32,775)	(14,427)	(333,665)
<b>Net increase (decrease) in cash and cash equivalents</b>	(28,571)	13,013	(290,868)
<b>Cash and cash equivalents at beginning of fiscal year</b>	456,369	444,335	4,645,925
<b>Increase (decrease) in cash and cash equivalents resulting from change of accounting period of consolidated subsidiaries</b>	—	(978)	—
<b>Cash and cash equivalents at end of current period</b> *NOTE 10	¥427,797	¥456,369	\$4,355,057

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 Japan as required by the Financial Instruments and Exchange Act 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.

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 98.23 to U.S.\$1, the rate of exchange prevailing as of March 31, 2009. 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, 2009 and 2008, include the accounts of the Company and its significant subsidiaries and the number of consolidated subsidiaries are 140 and 139 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 on a straight-line basis over a period of five years after appropriate adjustments.

The account settlement date of 30 consolidated subsidiaries is December 31, but Magyar Suzuki Corporation Ltd. and 4 others are consolidated based on the financial statements of provisional account settlement as of March 31. Other 25 subsidiaries are consolidated with the financial statements based on their respective account settlement date.

The account settlement date of other consolidated subsidiaries is the same as the consolidated account settlement date.

#### (b) Allowance for doubtful receivables

The allowance is appropriated for an estimated uncollectible amount into this account based on doubtful receivable ratio for general receivables and the identified collectibility for specific receivables.

#### (c) Provision for warranty costs

The provision is appropriated into this account based on the warranty agreement and past experience in order to allow for expenses related to the maintenance service of products sold.

#### (d) Provision for recycling end-of-life products

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

#### (e) Provision for product liabilities

With regards to the products exported to North American market, to prepare for the payment of compensation, not covered by "Product Liability Insurance" the anticipated amount to be borne by the Company is computed and provided on the basis of actual results in the past.

#### (f) Short-term investment securities, investment securities

The Company and its subsidiaries hold securities of listed companies, which have a risk of price fluctuations, and non-listed companies whose stock prices are difficult to be evaluated.

If we judge the decline in investment value is not temporary, we recognize revaluation loss based on the reasonable standard. If the stock market falls, we may incur significant loss on valuation of 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 available-for-sale securities.

According to this classification, securities held by the Company and its subsidiaries are available-for-sale securities. Available-for-sale securities for which market quotations are available are stated at market value method based on the market values as of the consolidated account settlement date (The evaluation differences shall be reported as a component of net assets, and sales costs shall be calculated mainly by the moving average method).

Available-for-sale 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 accounts receivable-trade and investment 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 components of net assets are translated into Japanese yen at their historical rates. Profit and loss accounts for the year are translated into Japanese yen using the average exchange rate during the year. Differences in yen amounts arising from the use of different rates are presented as “foreign currency translation adjustments” and “minority interests” in the net assets.

**(i) Inventories**

Cost method mainly by the gross average method (figures on the consolidated balance sheet are by the method of book devaluation based on the reduction of profitability)

**(j) Method of depreciation and amortization of non-current assets****a. Property, plant and equipment (excluding lease assets)**

..... Mainly declining balance method (mainly 3-75 years)

**b. Intangible assets (excluding lease assets)**

..... Straight line method

**c. Lease assets**

Finance lease which transfer ownership

..... The same method as depreciation and amortization of self-owned non-current assets

Finance lease which do not transfer ownership

..... Straight-line method with the lease period as the durable years. As to remaining value, lease assets with guaranteed residual value under lease agreement is to be remaining value, and other lease assets, remaining value zero is applied.

**(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 their 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) Provision for retirement benefits and provision for directors' retirement benefits**

In order to allow for payment of employees' retirement benefits, based on 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 expense. 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 and corporate auditors of the Company, the amount to be paid at the end of year had been posted pursuant to the Company's regulations on the retirement allowance of directors and corporate auditors. However, the Company's retirement benefit system for them was abolished at the closure of the ordinary general shareholders' meeting held on June 2006. And it was approved at the shareholders' meeting that reappointed directors and corporate auditors are paid their retirement benefit at the time of their retirement, based on their years of service. Estimated amount of such retirement benefits is appropriated at the end of this fiscal year.

Furthermore, for the directors and corporate auditors of some consolidated subsidiaries, the amount to be paid at the end of the year was posted pursuant to their regulation on the retirement allowance of directors and corporate auditors.

Retirement benefit cost and retirement benefit obligation are calculated based 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) Net income 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.

**NOTE 3: Changes in basic matters for preparing consolidated financial statements**

**(a) Application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"**

The "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Accounting Standards Board of Japan; ASBJ Practical Issues Task Force No.18, May 17, 2006) is applied from this fiscal year, and necessary adjustments in the consolidation process are made.

Influences by the above-mentioned change on operating income, ordinary income and income before income taxes for this fiscal year are insignificant.

**(b) Application of the "Accounting Standard for Measurement of Inventories"**

The "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9, July 5, 2006) is applied from this fiscal year, and the evaluation standards are changed from the "cost or market method of mainly gross average method" to the "cost method of mainly gross average method (method of devaluation of book values based on the reduction of profitability for values on the balance sheets)."

Influences by the above-mentioned change on operating income, ordinary income and income before income taxes for this fiscal year are insignificant.

**(c) Application of the "Accounting Standard for Lease Transactions"**

Accounting treatment similar to that for rental transactions had been applied to finance lease transactions in which ownership is not transferred. However, the "Accounting Standards for Lease Transactions (Corporate Accounting Standard No. 13, June 17, 1993 (First Subsection of the Corporate Accounting Council), revised on March 30, 2007)" and the "Guidance on Accounting Standards for Lease Transactions" (Corporate Accounting Standards Application Guideline No. 16, January 18, 1994 (Accounting System Committee of the Japanese Institute of Certified Public Accountants), revised on March 30, 2007 by ASBJ) are applied from this fiscal year and thus the accounting treatment for ordinary sales transactions are applied.

Influences by the above-mentioned change on operating income, ordinary income and income before income taxes for this fiscal year are insignificant.

**NOTE 4: Short-term investment securities and investment securities**

(a) Short-term investment securities and investment securities quoted at an exchange as of March 31, 2009 and 2008

	Millions of yen		
	Acquisition Cost	2009 Amounts for BS	Valuation
Those whose amount for BS exceeds acquisition cost			
(1) Stocks .....	¥ 17,434	¥ 32,147	¥14,713
(2) Bonds .....	—	—	—
(3) Others .....	57,126	59,483	2,357
Sub Total	¥ 74,560	¥ 91,631	¥17,070
Those whose amount for BS does not exceed acquisition cost			
(1) Stocks .....	¥ 44,670	¥ 31,534	¥(13,135)
(2) Bonds .....	9,995	9,670	(324)
(3) Others .....	—	—	—
Sub Total	¥ 54,665	¥ 41,205	¥(13,460)
Total	¥129,226	¥132,836	¥ 3,610
	Millions of yen		
	Acquisition Cost	2008 Amounts for BS	Valuation
Those whose amount for BS exceeds acquisition cost			
(1) Stocks .....	¥ 20,772	¥ 49,931	¥29,158
(2) Bonds .....	—	—	—
(3) Others .....	123,813	127,860	4,047
Sub Total	¥144,585	¥177,791	¥33,206
Those whose amount for BS does not exceed acquisition cost			
(1) Stocks .....	¥ 46,681	¥ 40,808	¥(5,873)
(2) Bonds .....	15,995	15,847	(147)
(3) Others .....	11	11	—
Sub Total	¥ 62,688	¥ 56,666	¥(6,021)
Total	¥207,273	¥234,458	¥27,185
	Thousands of U.S. dollars		
	Acquisition Cost	2009 Amounts for BS	Valuation
Those whose amount for BS exceeds acquisition cost			
(1) Stocks .....	\$ 177,481	\$ 327,264	\$ 149,782
(2) Bonds .....	—	—	—
(3) Others .....	581,559	605,556	23,996
Sub Total	\$ 759,041	\$ 932,821	\$ 173,779
Those whose amount for BS does not exceed acquisition cost			
(1) Stocks .....	\$ 454,752	\$ 321,025	\$(133,726)
(2) Bonds .....	101,750	98,451	(3,299)
(3) Others .....	—	—	—
Sub Total	\$ 556,503	\$ 419,477	\$(137,026)
Total	\$1,315,545	\$1,352,298	\$ 36,753

(b) Available-for-sale securities sold during 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Amounts sold .....	<b>¥11,588</b>	¥74,578	<b>\$117,977</b>
Gains on sales of available-for-sale securities .....	<b>0</b>	3,132	<b>1</b>
Loss on sales of available-for-sale securities .....	<b>0</b>	—	<b>0</b>

(c) Major securities not revalued by the market

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Available-for-sale securities			
Commercial paper .....	<b>¥ 1,998</b>	¥ 9,981	<b>\$ 20,345</b>
Unlisted stock .....	<b>21,486</b>	21,185	<b>218,736</b>
Negotiable certificate of deposit .....	<b>279,000</b>	199,900	<b>2,840,272</b>

(d) The amounts to be redeemed after the account settlement date of securities with maturities among available-for-sale securities

	Millions of yen			
	2009			
	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 .....	—	—	—	—
(2) Others .....	<b>¥343,503</b>	—	—	—
Total	<b>¥343,503</b>	—	—	—

	Millions of yen			
	2008			
	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 .....	¥ 2,999	—	—	—
(2) Others .....	342,983	—	—	—
Total	<b>¥345,983</b>	—	—	—

	Thousands of U.S. dollars			
	2009			
	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 .....	—	—	—	—
(2) Others .....	<b>\$3,496,926</b>	—	—	—
Total	<b>\$3,496,926</b>	—	—	—

**NOTE 5: Short-term borrowings and long-term debt**

Short-term borrowings as of March 31, 2009 and 2008 consisted of the following. The annual interest rates of short-term borrowings as of March 31, 2009 were 0.59 percent to 14.24 percent.

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Short-term loans payable			
Secured .....	¥ 141	¥ 334	\$ 1,436
Unsecured .....	398,868	196,056	4,060,561
Lease obligations due within one year .....	78	—	795
Unsecured zero coupon convertible bonds in yen due 2010	29,605	29,606	301,384
	<b>¥428,693</b>	¥225,996	<b>\$4,364,178</b>
Less portion due more than one year .....	—	(29,606)	—
	<b>¥428,693</b>	¥196,390	<b>\$4,364,178</b>

Long-term debt as of March 31, 2009 and 2008 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Long-term loans payable maturing through 2018			
Secured .....	¥ 42	¥ 51	\$ 428
Unsecured .....	102,715	74,632	1,045,661
Lease obligations due more than one year .....	96	—	982
Other interest-bearing debts			
(Long-term guarantee deposited) .....	9,652	9,332	98,259
Unsecured zero coupon convertible bonds with			
130% call option in yen due 2013 .....	149,975	149,975	1,526,773
Unsecured zero coupon convertible bonds in			
yen due 2010 .....	—	29,606	—
	<b>¥262,480</b>	¥263,597	<b>\$2,672,105</b>

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

“The zero coupon convertible bonds with 130% call option” are convertible into common stock at the options of holders at the conversion price of ¥3,054 per share.

If the outstanding convertible bonds were fully converted as of March 31, 2009, 63,910,227 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, excluding other interest-bearing debt, outstanding as of March 31, 2009 were as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2010 .....	—	—
2011 .....	¥ 20,071	\$ 204,326
2012 .....	29,379	299,085
2013 .....	173,145	1,762,656
Thereafter .....	30,232	307,777
	<u>¥252,828</u>	<u>\$2,573,845</u>

Assets pledged as collateral as of March 31, 2009:

	Millions of yen	Thousands of U.S. dollars
Property, plant and equipment .....	¥2,188	\$22,280
Notes and accounts receivable-trade .....	376	3,828
Merchandise and finished goods .....	203	2,068
	<u>¥2,767</u>	<u>\$28,177</u>

Secured liabilities as of March 31, 2009:

	Millions of yen	Thousands of U.S. dollars
Short-term loans payable .....	¥ 141	\$ 1,436
Long-term loans payable .....	42	428
Other (noncurrent liabilities) .....	822	8,371
	<u>¥1,005</u>	<u>\$10,235</u>

**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, 2009 and 2008 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Commitment contract total .....	¥155,000	¥155,000	\$1,577,929
Actual loan balance .....	—	—	—
Variance .....	<u>¥155,000</u>	<u>¥155,000</u>	<u>\$1,577,929</u>

**NOTE 7: Accrued retirement and severance benefit****(a) Outline of an adopted retirement benefit system**

In the case of the Company, cash balance corporate pension plan and termination allowance plan are established. And in case of some consolidated subsidiaries, defined benefit corporate pension plan and termination allowance plan are established.

**(b) Items related to a retirement benefit obligation**

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
a. Retirement benefit obligation	<b>¥(104,885)</b>	¥(109,000)	<b>\$(1,067,754)</b>
b. Pension assets	<b>62,081</b>	62,912	<b>631,996</b>
c. Unrecognized retirement benefit obligation (a+b)	<b>¥ (42,804)</b>	¥ (46,087)	<b>\$ (435,757)</b>
d. Unrecognized difference by an actuarial calculation	<b>7,578</b>	7,275	<b>77,153</b>
e. Unrecognized prior service cost(decrease of liabilities)	<b>(6,864)</b>	(7,583)	<b>(69,883)</b>
f. Accrued retirement and severance benefits (c+d+e)	<b>¥ (42,090)</b>	¥ (46,395)	<b>\$ (428,488)</b>

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
	2009	2008	2009
a. Service cost	<b>¥6,164</b>	¥7,274	<b>\$62,753</b>
b. Interest cost	<b>1,613</b>	1,491	<b>16,427</b>
c. Assumed return on investment	<b>(536)</b>	(443)	<b>(5,464)</b>
d. Amortized amount of actuarial difference	<b>973</b>	908	<b>9,915</b>
e. Amortized amount of prior service cost	<b>(718)</b>	(718)	<b>(7,317)</b>
f. Retirement benefit cost (a+b+c+d+e)	<b>¥7,496</b>	¥8,511	<b>\$76,314</b>

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	: <b>2009 2.00%</b> 2008 2.00%
c. Reassessment rate	: <b>2009 1.50%</b> 2008 1.50%
d. Assumed return of investment ratio	: <b>2009 0.77% -1.90%</b> 2008 0.85% -1.90%
e. 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.
f. 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
	2009	2008	2009
<b>Deferred tax assets</b>			
Excess-depreciation .....	¥ 61,325	¥ 62,222	\$ 624,304
Various reserves .....	43,971	47,192	447,636
Unrealized gross profits elimination .....	21,330	28,102	217,150
Others .....	119,794	111,960	1,219,527
Gross deferred tax assets total .....	246,421	249,477	2,508,619
Valuation allowance .....	(16,545)	(5,030)	(168,436)
Deferred tax assets total .....	¥229,876	¥244,447	\$2,340,182
<b>Deferred tax liabilities</b>			
Valuation difference on available-for-sale securities .....	¥ (1,297)	¥ (10,563)	\$ (13,205)
Variance from the complete market value method of consolidated subsidiaries .....	(6,218)	(8,031)	(63,305)
Reserve for advanced depreciation of noncurrent assets .....	(3,002)	(2,806)	(30,563)
Others .....	(1,377)	(6,930)	(14,018)
Deferred tax liabilities total .....	¥ (11,894)	¥ (28,331)	\$ (121,092)
Net amounts of deferred tax assets .....	¥217,981	¥216,115	\$2,219,089

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

	2009	2008
Statutory tax rate .....	39.8%	39.8%
Valuation allowance .....	14.4%	—
Tax credit .....	(3.0%)	(3.8%)
Difference in foreign subsidiaries tax rate .....	(2.5%)	—
Equity in earnings of affiliates .....	—	(0.1%)
Others .....	1.2%	(2.0%)
Effective tax rate .....	49.9%	33.9%

**NOTE 9: Research and development costs**

Research and development costs included in selling, general and administrative expenses, for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Research and development costs .....	¥114,961	¥108,741	\$1,170,325

**NOTE 10: Cash and cash equivalents**

Cash and cash equivalents as of March 31, 2009 and 2008 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Cash and deposits .....	<b>¥136,915</b>	¥129,447	<b>\$1,393,827</b>
Short-term investment securities .....	<b>343,503</b>	345,984	<b>3,496,926</b>
Time deposits with maturities of over three months .....	<b>(49,328)</b>	(16,457)	<b>(502,170)</b>
Bonds etc. with redemption period of over three months .....	<b>(3,293)</b>	(2,605)	<b>(33,526)</b>
	<b>¥427,797</b>	¥456,369	<b>\$4,355,057</b>

**NOTE 11: Lease transactions**

Operating lease transactions as of March 31, 2009 and 2008 were as follows:

As a lessee	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Future lease payments			
Due within one year .....	<b>¥ 401</b>	¥ 404	<b>\$ 4,084</b>
Thereafter .....	<b>1,213</b>	1,391	<b>12,350</b>
	<b>¥1,614</b>	¥1,795	<b>\$16,435</b>
As a lessor	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Future lease revenues			
Due within one year .....	<b>¥ 45</b>	¥ 920	<b>\$ 460</b>
Thereafter .....	<b>6</b>	493	<b>65</b>
	<b>¥ 51</b>	¥1,414	<b>\$ 525</b>

**NOTE 12: Net assets**

The Companies Act of Japan requires that at least 50% of the contribution 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 "legal capital surplus".

The Companies Act provides that an amount equivalent to 10% of cash dividends should be appropriated as a legal capital surplus or legal retained earnings until total amount of them reaches a certain limit, defined as 25% of the stated capital.

The Companies Act allows both legal capital reserve and legal retained earnings to be transferred to the stated capital following the approval at a shareholders' meeting.

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 Companies Act, the articles of incorporation 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, 2009, 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 .....	¥44,302	\$451,006
Trade notes discounted .....	610	6,215
	<b>¥44,912</b>	<b>\$457,222</b>



**NOTE 14: Segment Information**

## (a) Business segment

	Millions of yen					
	<b>2009</b>					
	Motorcycle	Automobile	Marine & Power products, etc.	Financial Services	Eliminations or corporate assets	Consolidated
Net Sales:						
Net sales to external customers	¥ 454,349	¥2,453,574	¥ 66,628	¥ 30,336	¥ —	¥3,004,888
Internal net sales or transfer among segments .....	—	70,438	92	48,357	(118,887)	—
Total	454,349	2,524,012	66,720	78,693	(118,887)	3,004,888
Operating expenses .....	460,765	2,454,963	57,485	74,700	(119,953)	2,927,962
Operating income (loss) ...	¥ (6,416)	¥ 69,049	¥ 9,234	¥ 3,993	¥ 1,065	¥ 76,926
Assets, depreciation, impairment loss and capital expenditures:						
Assets .....	¥ 255,227	¥1,317,375	¥ 60,363	¥ 159,900	¥ 364,981	¥2,157,849
Depreciation .....	17,192	121,773	2,218	20	—	141,203
Impairment loss .....	5	314	23	0	—	344
Capital expenditures .....	20,947	179,394	3,650	1	—	203,994

	Millions of yen				
	<b>2008</b>				
	Motorcycle	Automobile	Other	Eliminations or corporate assets	Consolidated
Net Sales:					
Net sales to external customers	¥ 591,967	¥2,833,892	¥ 76,559	¥ —	¥3,502,419
Internal net sales or transfer among segments .....	—	—	—	—	—
Total	591,967	2,833,892	76,559	—	3,502,419
Operating expenses .....	569,425	2,719,929	63,659	—	3,353,014
Operating income .....	¥ 22,542	¥ 113,962	¥ 12,899	¥ —	¥ 149,405
Assets, depreciation, impairment loss and capital expenditures:					
Assets .....	¥ 351,710	¥1,595,764	¥ 55,640	¥ 406,048	¥2,409,165
Depreciation .....	22,711	136,718	2,170	—	161,600
Capital expenditures .....	27,099	182,570	1,996	—	211,665

Thousands of U.S. dollars

	2009					Consolidated
	Motorcycle	Automobile	Marine & Power products, etc.	Financial Services	Eliminations or corporate assets	
Net Sales:						
Net sales to external customers ..	\$ 4,625,359	\$ 24,977,850	\$ 678,290	\$ 308,832	\$ —	\$ 30,590,332
Internal net sales or transfer among segments .....	—	717,074	940	492,285	(1,210,300)	—
Total	4,625,359	25,694,924	679,231	801,117	(1,210,300)	30,590,332
Operating expenses .....	4,690,683	24,991,990	585,217	760,463	(1,221,147)	29,807,208
Operating income (loss) ...	\$ (65,324)	\$ 702,934	\$ 94,013	\$ 40,653	\$ 10,847	\$ 783,124
Assets, depreciation, impairment loss and capital expenditures:						
Assets .....	\$ 2,598,264	\$ 13,411,134	\$ 614,516	\$ 1,627,814	\$ 3,715,585	\$ 21,967,315
Depreciation .....	175,020	1,239,675	22,580	206	—	1,437,482
Impairment loss .....	56	3,205	240	0	—	3,503
Capital expenditures .....	213,248	1,826,267	37,163	18	—	2,076,698

Remarks: 1) From this fiscal year, the Suzuki Group has changed indication from “Other” to “Marine and Power products, etc.” to indicate the business details more clearly.

2) The Suzuki Group has traditionally classified the businesses into three categories of “Motorcycle,” “Automobile” and “Other”, but from this fiscal year, the Group classifies the businesses into four categories of “Motorcycle”, “Automobile”, “Marine and Power products, etc.” and “Financial Services” to indicate the business details of the Group more clearly.

As a result, sales increased by ¥40,102 million for “Automobile”, ¥78,693 million for “Financial Services” and ¥92 million for “Marine and Power products, etc.”, and sales decreased by ¥118,887 million for “Eliminations or corporate assets” compared to the traditional method for this fiscal year. Further, operating income decreased by ¥5,058 million for “Automobile” and operating income increased by ¥3,993 million for “Financial Services” and ¥1,065 million for “Eliminations or corporate assets”.

## (b) Geographical segment

	Millions of yen						Consolidated
	2009						
	Japan	Europe	North America	Asia	Other areas*1	Eliminations or corporate assets	
Net sales:							
Net sales to external customers	¥1,345,370	¥ 610,132	¥ 222,285	¥ 737,349	¥ 89,750	¥ —	¥3,004,888
Internal net sales or transfer among segments .....	478,496	8,503	3,316	15,550	0	(505,866)	—
Total	1,823,866	618,636	225,601	752,900	89,750	(505,866)	3,004,888
Operating expenses .....	1,795,084	615,525	249,744	717,580	88,006	(537,979)	2,927,962
Operating income (loss) ...	¥ 28,782	¥ 3,110	¥ (24,143)	¥ 35,320	¥ 1,744	¥ 32,112	¥ 76,926
Assets:	¥1,068,052	¥ 180,015	¥ 74,046	¥ 410,050	¥ 23,715	¥ 401,969	¥2,157,849

	Millions of yen						Consolidated
	2008						
	Japan	Europe	North America	Asia	Other areas*1	Elimination and corporate assets	
Net sales:							
Net sales to external customers	¥1,405,694	¥ 773,708	¥ 401,230	¥ 833,374	¥ 88,411	¥ —	¥3,502,419
Internal net sales or transfer among segments .....	788,323	3,615	4,465	13,426	0	(809,830)	—
Total	2,194,017	777,323	405,696	846,801	88,411	(809,830)	3,502,419
Operating expenses .....	2,109,057	763,944	414,231	790,662	83,803	(808,685)	3,353,014
Operating income (loss) ...	¥ 84,960	¥ 13,378	¥ (8,535)	¥ 56,138	¥ 4,608	¥ (1,145)	¥ 149,405
Assets:	¥1,097,453	¥ 317,991	¥102,504	¥ 499,597	¥ 34,018	¥357,599	¥2,409,165

	Thousands of U.S. dollars						Consolidated
	2009						
	Japan	Europe	North America	Asia	Other areas*1	Elimination and corporate assets	
Net sales:							
Net sales to external customers	\$13,696,126	\$6,211,265	\$2,262,904	\$7,506,361	\$913,673	\$ —	\$30,590,332
Internal net sales or transfer among segments .....	4,871,180	86,569	33,758	158,311	0	(5,149,820)	—
Total	18,567,307	6,297,835	2,296,663	7,664,672	913,674	(5,149,820)	30,590,332
Operating expenses	18,274,298	6,266,170	2,542,449	7,305,101	895,917	(5,476,728)	29,807,208
Operating income (loss)	\$ 293,009	\$ 31,664	\$(245,785)	\$ 359,571	\$ 17,756	\$ 326,908	\$ 783,124
Assets:	\$10,872,980	\$1,832,587	\$ 753,811	\$4,174,386	\$241,424	\$4,092,123	\$21,967,315

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

## (c) Overseas sales

	Millions of yen				
	<b>2009</b>				
	Europe	North America	Asia	Other areas*2	Consolidated
Overseas sales .....	¥737,945	¥234,766	¥791,829	¥274,780	¥2,039,321
Consolidated net sales .....	3,004,888				
Ratio of overseas sales to consolidated net sales .....	24.6%	7.8%	26.4%	9.1%	67.9%

	Millions of yen				
	<b>2008</b>				
	Europe	North America	Asia	Other areas*2	Consolidated
Overseas sales .....	¥920,459	¥415,713	¥887,904	¥296,958	¥2,521,036
Consolidated net sales .....	3,502,419				
Ratio of overseas sales to consolidated net sales .....	26.3%	11.9%	25.3%	8.5%	72.0%

	Thousands of U.S. dollars				
	<b>2009</b>				
	Europe	North America	Asia	Other areas*2	Consolidated
Overseas sales .....	\$7,512,427	\$2,389,965	\$8,060,969	\$2,797,314	\$20,760,676
Consolidated net sales .....	30,590,332				
Ratio of overseas sales to consolidated net sales .....	24.6%	7.8%	26.4%	9.1%	67.9%

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

**NOTE 15: Impairment loss**

The assets are divided into two groups, i.e. the assets for business and the assets for rent respectively in business places. The book value of the asset group of marketing base of which land price have dropped significantly was decreased to the recoverable amount. As a result, the corresponding amount of decrease was posted as an impairment loss (mainly Land: 316 million yen) in extraordinary loss.

The recoverable amount of this asset group is measured by net selling price and the land value is evaluated by price reasonably calculated.

**NOTE 16: Subsequent events**

- (a) The following plan for the profit distribution for the year ended March 31, 2009 was approved by the ordinary general meeting of shareholders of the Company held on June 26, 2009. As a result, annual dividend including interim dividend (8 yen per share) shall be 16 yen per share, the same as the previous fiscal year:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends .....	¥3,477	\$35,401

- (b) On June 1, 2009 (local time in the USA), General Motors Corporation ("GM"), a trading partner of Suzuki Motor Corporation ("Suzuki"), filed for Chapter 11 bankruptcy-court protection of the U.S. Bankruptcy Code. The Suzuki Group has no receivables owed by GM, and receivables owed by GM's affiliated companies that may become uncollectible or their collection may be delayed according as the progress of GM's bankruptcy reorganization are as follows.

**[Outline of GM]**

- (1) Trade name: General Motors Corporation
- (2) Headquarters: 300 Renaissance Center P.O. Box 300, Detroit, MI 48265-3000, USA
- (3) Representative: President and Chief Executive Officer  
Frederick A. Henderson
- (4) Capital: US\$1,017 million (as of December 31, 2008)
- (5) Main business: Development, manufacture and sale of automobiles

**[Type and Amount of Receivables owed by GM and its affiliated companies (as of May 27, 2009) and Percentage to Consolidated Net Assets]**

**(1) Receivables owed by GM and its affiliated companies in the United States**

Suzuki and its affiliated companies' receivables owed by GM and its affiliated companies in the United States: None

**(2) Receivables owed by CAMI Automotive Inc. \*1**

- (i) Suzuki's accounts receivables ¥ 0.2 billion
- (ii) Suzuki's investment in capital (book value) ¥ 4.1 billion
- (iii) Suzuki's guaranty of liabilities ¥ 38.1 billion (US\$400 million)

**(3) Receivables (relating to OPEL brand OEM vehicles) owed by General Motors Espana, S.L. (GM's subsidiary company)**

Suzuki's subsidiary companies' receivables ¥ 5.8 billion (EUR43 million)

**(4) Receivables owed by other GM affiliated companies**

- (i) Suzuki's accounts receivables ¥ 4.0 billion
- (Mortgaged receivables included) (¥ 3.8 billion)
- (ii) Suzuki's mortgage loan receivable ¥ 19.0 billion (US\$200 million)
- (iii) Suzuki's subsidiary companies' accounts receivables ¥ 0.4 billion

[Notes]\*1: CAMI Automotive Inc. is a subsidiary company of General Motors of Canada Ltd. (GM's subsidiary company), and a joint venture of Suzuki with 49.99% share. The said company has ¥6.7 billion (CAN\$78 million as of April 30, 2009) of receivables owed by General Motors of Canada Ltd.

[Notes]\*2: Yen amount is calculated at the foreign exchange rates ¥95.14 (TTM) to US\$ etc as of May 27, 2009.

**(5) Percentage to Suzuki's consolidated net assets at end of the previous fiscal year (March 31, 2009)**

Suzuki's consolidated net assets	¥742.9 billion
Suzuki and its subsidiaries' receivables	3.96%
Suzuki's investment in capital	0.55%
Suzuki's guaranty of liabilities	5.13%

## 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, 2009 and 2008, and the related consolidated statements of income, changes in net assets, 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, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As discussed in Note 16 (b), the Company described the fact that General Motors Corporation (GM), a trading partner of the Company, filed for Chapter 11 bankruptcy-court protection of the U.S. Bankruptcy Code on June 1, 2009 (local time in the USA), and listed an outline of GM, type and amount of receivables owed by GM and its affiliated companies and percentage to consolidated net assets.

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, 2009

# Non-Consolidated Financial Statements of 2009

## Non-Consolidated Balance Sheets

As of March 31, 2009 and 2008

SUZUKI MOTOR CORPORATION	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and deposits .....	<b>¥ 50,322</b>	¥ 48,758	<b>\$ 512,295</b>
Short-term investment securities .....	<b>284,019</b>	217,110	<b>2,891,370</b>
Receivables:			
Notes and accounts receivable-trade .....	<b>61,991</b>	80,887	<b>631,080</b>
Subsidiaries and affiliates .....	<b>91,121</b>	106,278	<b>927,638</b>
Less allowance for doubtful accounts .....	<b>(46)</b>	(72)	<b>(468)</b>
Merchandise and finished goods .....	<b>58,607</b>	93,398	<b>596,630</b>
Work in process .....	<b>18,863</b>	17,022	<b>192,031</b>
Raw materials and supplies .....	<b>9,500</b>	8,430	<b>96,713</b>
Other .....	<b>130,824</b>	187,034	<b>1,331,816</b>
Total current assets	<b>705,203</b>	758,848	<b>7,179,108</b>
<b>Property, plant and equipment:</b>			
Land .....	<b>84,677</b>	80,654	<b>862,037</b>
Buildings and structures .....	<b>212,974</b>	186,383	<b>2,168,120</b>
Machinery, equipment and vehicles .....	<b>714,141</b>	646,029	<b>7,270,097</b>
Construction in progress .....	<b>4,033</b>	21,025	<b>41,063</b>
	<b>1,015,827</b>	934,092	<b>10,341,318</b>
Less accumulated depreciation .....	<b>(770,735)</b>	(717,503)	<b>(7,846,236)</b>
Total property, plant and equipment	<b>245,091</b>	216,589	<b>2,495,081</b>
<b>Investments and other assets:</b>			
Investment securities .....	<b>91,197</b>	123,926	<b>928,407</b>
Investments in subsidiaries and affiliates .....	<b>221,347</b>	217,474	<b>2,253,360</b>
Other .....	<b>139,579</b>	113,249	<b>1,420,944</b>
Total investments and other assets	<b>452,124</b>	454,650	<b>4,602,712</b>
Total assets	<b>¥1,402,420</b>	¥1,430,088	<b>\$14,276,902</b>

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Short-term loans payable .....	¥ 231,000	¥ 21,000	\$ 2,351,623
Payables:			
Accounts payable-trade .....	294,229	479,694	2,995,316
Subsidiaries and affiliates .....	17,370	27,013	176,830
Current portion of convertible bonds .....	29,605	—	301,384
Accrued expenses .....	94,149	100,022	958,461
Income taxes payable .....	—	15,529	—
Other .....	93,654	96,893	953,420
Total current liabilities	<u>760,009</u>	<u>740,152</u>	<u>7,737,036</u>
<b>Noncurrent liabilities:</b>			
Long-term loans payable .....	49,899	16,030	507,981
Bonds with subscription rights to shares .....	149,975	149,975	1,526,773
Convertible bonds .....	—	29,606	—
Provision for retirement benefits .....	16,896	20,233	172,013
Provision for directors' retirement benefits .....	1,550	1,587	15,786
Other .....	18,654	19,129	189,910
Total noncurrent liabilities	<u>236,976</u>	<u>236,561</u>	<u>2,412,465</u>
Total liabilities	<u>996,985</u>	<u>976,714</u>	<u>10,149,501</u>
<b>Net Assets:</b>			
<b>Shareholders' equity:</b>			
Common stock:			
Authorized - 1,500,000,000 shares			
Issued,			
as of March 31, 2009 - 542,647,091 .....	120,210	—	1,223,763
as of March 31, 2008 - 542,647,091 .....	—	120,210	—
Capital surplus .....	138,142	138,143	1,406,316
Retained earnings .....	387,132	391,063	3,941,085
Treasury stock .....	(241,849)	(219,471)	(2,462,078)
Total shareholders' equity .....	<u>403,635</u>	<u>429,946</u>	<u>4,109,086</u>
Valuation and translation adjustments:			
Valuation difference on available-for-sale securities ..	738	13,861	7,517
Deferred gains or losses on hedges .....	1,060	9,566	10,796
Total valuation and translation adjustments	<u>1,798</u>	<u>23,427</u>	<u>18,314</u>
Total net assets	<u>¥ 405,434</u>	<u>453,374</u>	<u>\$ 4,127,401</u>
Total liabilities and net assets	<u>¥1,402,420</u>	<u>1,430,088</u>	<u>\$14,276,902</u>







Way of Life!

**SUZUKI MOTOR CORPORATION**

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