

FY2016 Second Quarter Financial Results



SUZUKI MOTOR CORPORATION
4 November 2016

Second Quarter Results

- **Consolidated Financial Results ... Higher earnings on lower sales, the highest ever each income *1**
 - Net Sales: 1,499.0 billion yen, -3.6% year-on-year, decreased for the first time in 5 periods
 - Operating Income: 115.5 billion yen, +14.3% year-on-year
 - Ordinary Income: 121.8 billion yen, +8.7% year-on-year
 - Net income *2: 99.9 billion yen, +26.4% year-on-year, increased for 7 consecutive periods
- **Worldwide Sales Volume of Automobile ... 1,404 thousand units, the highest ever sales *1**
 - Increase in India, Europe, and other areas, despite decrease in Japan, China, Indonesia, and Pakistan
- **Interim Cash Dividends ... 17 yen per share, up by 2 yen from the previous forecast**

Full Year Forecast

- **Full Year Forecast... Upward revision on each income**
 - Reflecting the second quarter results, reviewing the figures of ForEX rates and sales units and others
 - Upward revision of net income *2 by 52.0 billion yen (Reflecting gain on sales of investment securities)
- **Worldwide Sales Volume of Automobile... 2,873 thousand units,
-83 thousand units from the previous forecast**
 - Downward revision of sales in Japan, China, Indonesia, and other areas
 - Upward revision of sales in India by 9.0% year-on-year, up by 2.0% from the previous forecast

*1 The highest in the financial results of the first six months

*2 Net income means Net income attributable to owners of the parent

Higher earnings on lower sales
the highest ever each income

(Billions of yen)	FY2016 6 months ('16/4-9)	FY2015 6 months ('15/4-9)	Change	
				Ratio
Net Sales	1,499.0	1,555.5	-56.5	-3.6%
Japan	496.6	500.0	-3.4	-0.7%
Suzuki brand	454.4	450.7	+3.7	+0.8%
OEM	42.2	49.3	-7.1	-14.5%
Overseas	1,002.4	1,055.5	-53.1	-5.0%
Operating Income (Margin)	115.5 (7.7%)	101.1 (6.5%)	+14.4	+14.3%
Ordinary Income (Margin)	121.8 (8.1%)	112.1 (7.2%)	+9.7	+8.7%
Net income attributable to owners of the parent (Margin)	99.9 (6.7%)	79.1 (5.1%)	+20.8	+26.4%

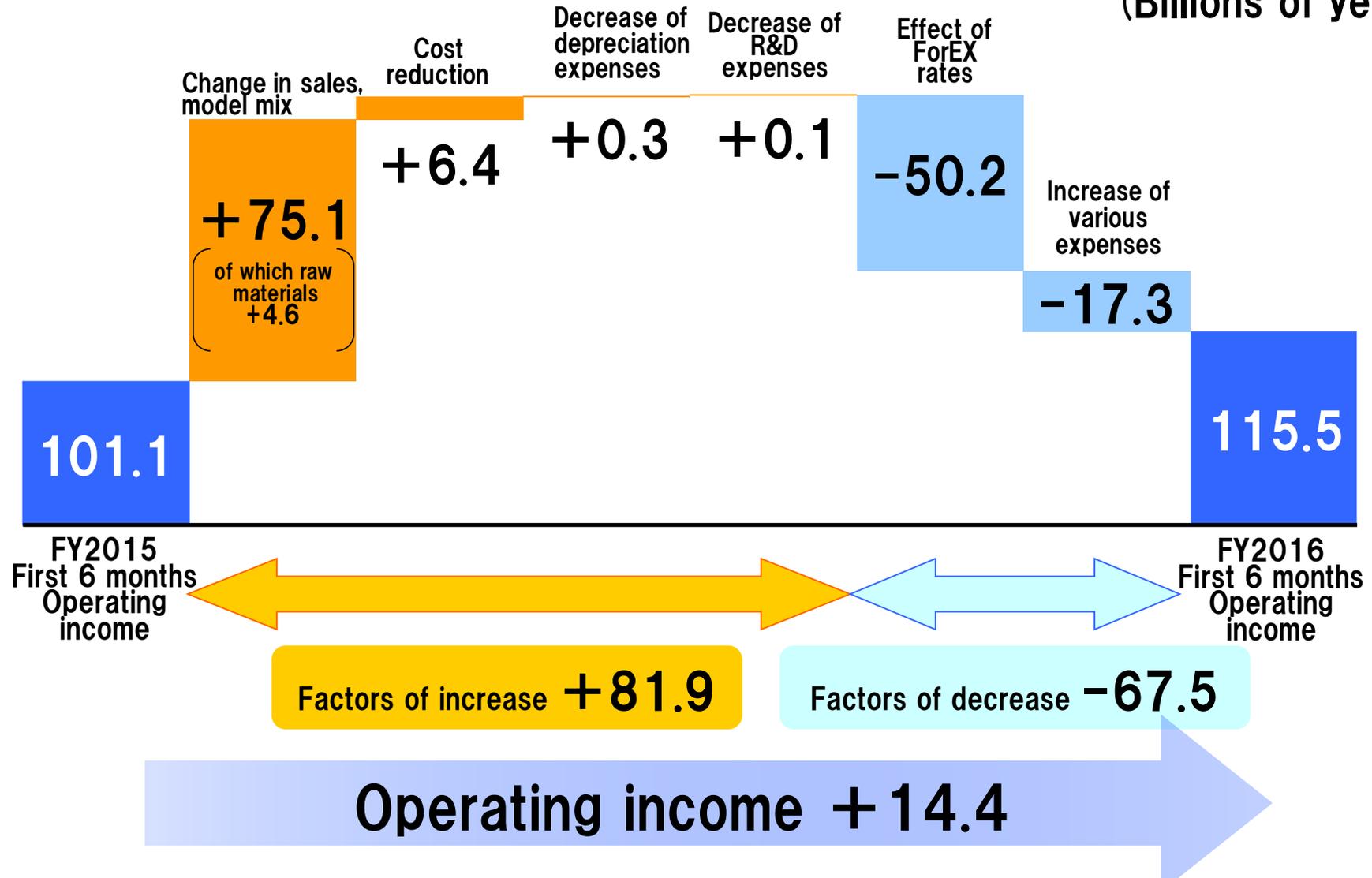
(Billions of yen)

	Automobile			Motorcycle			Marine & Power products, etc.			Total			of which effect of ForEX rates conversion
	FY2016 6 months (¹⁶ /4-9)	FY2015 6 months (¹⁵ /4-9)	Change	FY2016 6 months (¹⁶ /4-9)	FY2015 6 months (¹⁵ /4-9)	Change	FY2016 6 months (¹⁶ /4-9)	FY2015 6 months (¹⁵ /4-9)	Change	FY2016 6 months (¹⁶ /4-9)	FY2015 6 months (¹⁵ /4-9)	Change	
Japan total	478.4	480.9	-2.5	10.3	10.8	-0.5	7.9	8.3	-0.4	496.6	500.0	-3.4	
Suzuki brand	436.2	431.6	+4.6	10.3	10.8	-0.5	7.9	8.3	-0.4	454.4	450.7	+3.7	
OEM	42.2	49.3	-7.1							42.2	49.3	-7.1	
Overseas total	889.3	915.0	-25.7	86.3	112.5	-26.2	26.8	28.0	-1.2	1,002.4	1,055.5	-53.1	-182.5
Europe	177.6	165.9	+11.7	19.5	24.7	-5.2	6.7	7.6	-0.9	203.8	198.2	+5.6	-34.9
N. America	1.2	2.4	-1.2	10.2	18.6	-8.4	13.4	13.9	-0.5	24.8	34.9	-10.1	-4.1
Asia	603.4	637.4	-34.0	40.7	47.9	-7.2	2.5	2.1	+0.4	646.6	687.4	-40.8	-125.0
[Of which India]	[461.5]	[460.9]	[+0.6]										[-91.5]
Others	107.1	109.3	-2.2	15.9	21.3	-5.4	4.2	4.4	-0.2	127.2	135.0	-7.8	-18.5
Grand total	1,367.7	1,395.9	-28.2	96.6	123.3	-26.7	34.7	36.3	-1.6	1,499.0	1,555.5	-56.5	-182.5
of which effect of ForEX rates conversion			-164.2			-14.8			-3.5				-182.5



Consolidated: Factors of Change in Operating Income

(Billions of yen)



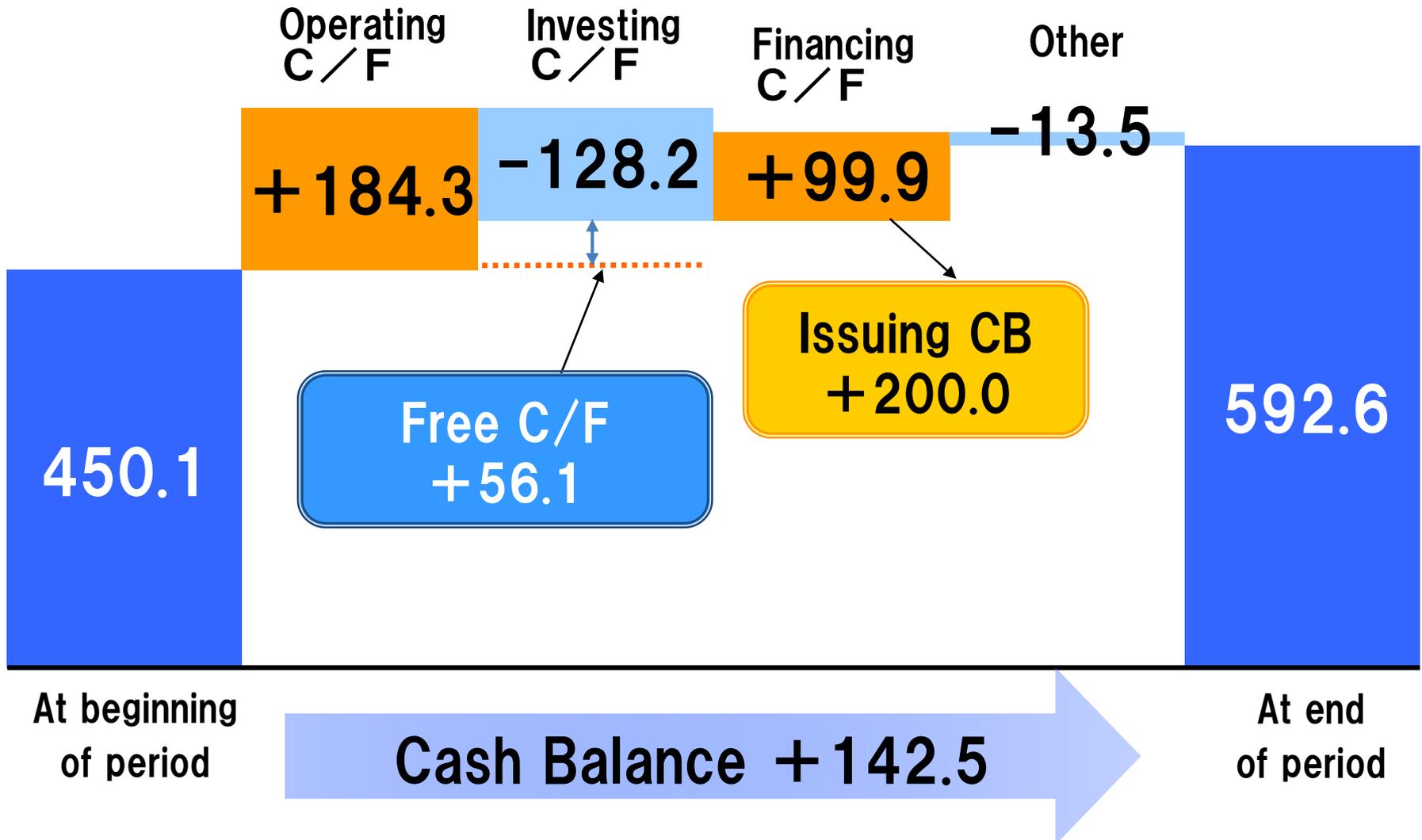
	FY2016 6 months (^{'16} /4-9)	FY2015 6 months (^{'15} /4-9)	Change	Effect of ForEX rates in operating income
US Dollar	105 yen	122 yen	-17 yen	-3.9bln yen
Euro	118 yen	135 yen	-17 yen	-7.7bln yen
Indian Rupee	1.58 yen	1.91 yen	-0.33 yen	-21.2bln yen
100 Indonesian Rupiah	0.80 yen	0.91 yen	-0.11 yen	-1.6bln yen
Thai Baht	3.00 yen	3.57 yen	-0.57 yen	+2.8bln yen
Others	—	—	—	-18.6bln yen
Total				-50.2bln yen

(Billions of yen)

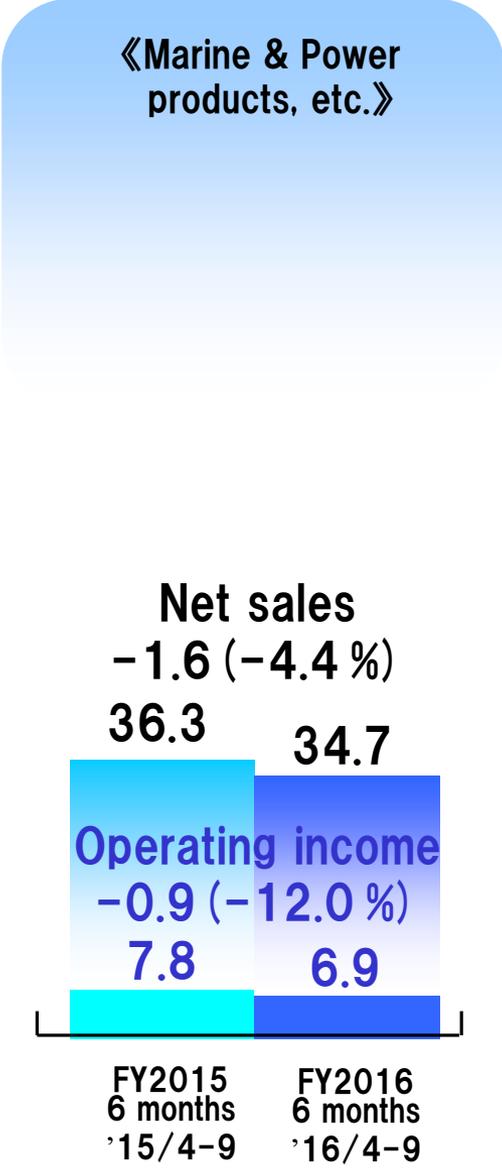
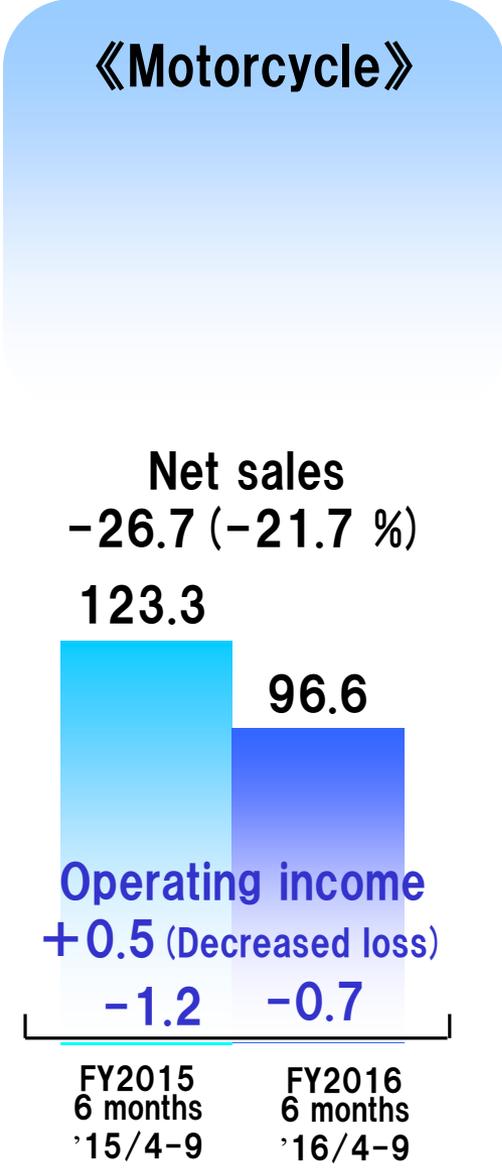
	FY2016 6 months ('16/4-9)	FY2015 6 months ('15/4-9)	Change
(Non-consolidated)	30.5	28.0	+ 2.5
(Subsidiaries)	64.6	46.9	+ 17.7
Capital Expenditures	95.1	74.9	+ 20.2
Depreciation Expenses	76.5	76.8	- 0.3
R&D Expenses	62.7	62.8	- 0.1

	FY2016 Q2	FY2015 Q2		FY2015 Q4	
	('16/9)	('15/9)	Change	('16/3)	Change
Interest-Bearing Debt balance	639.8	420.8	+ 219.0	529.3	+ 110.5

(Billions of yen)



(Billions of yen)

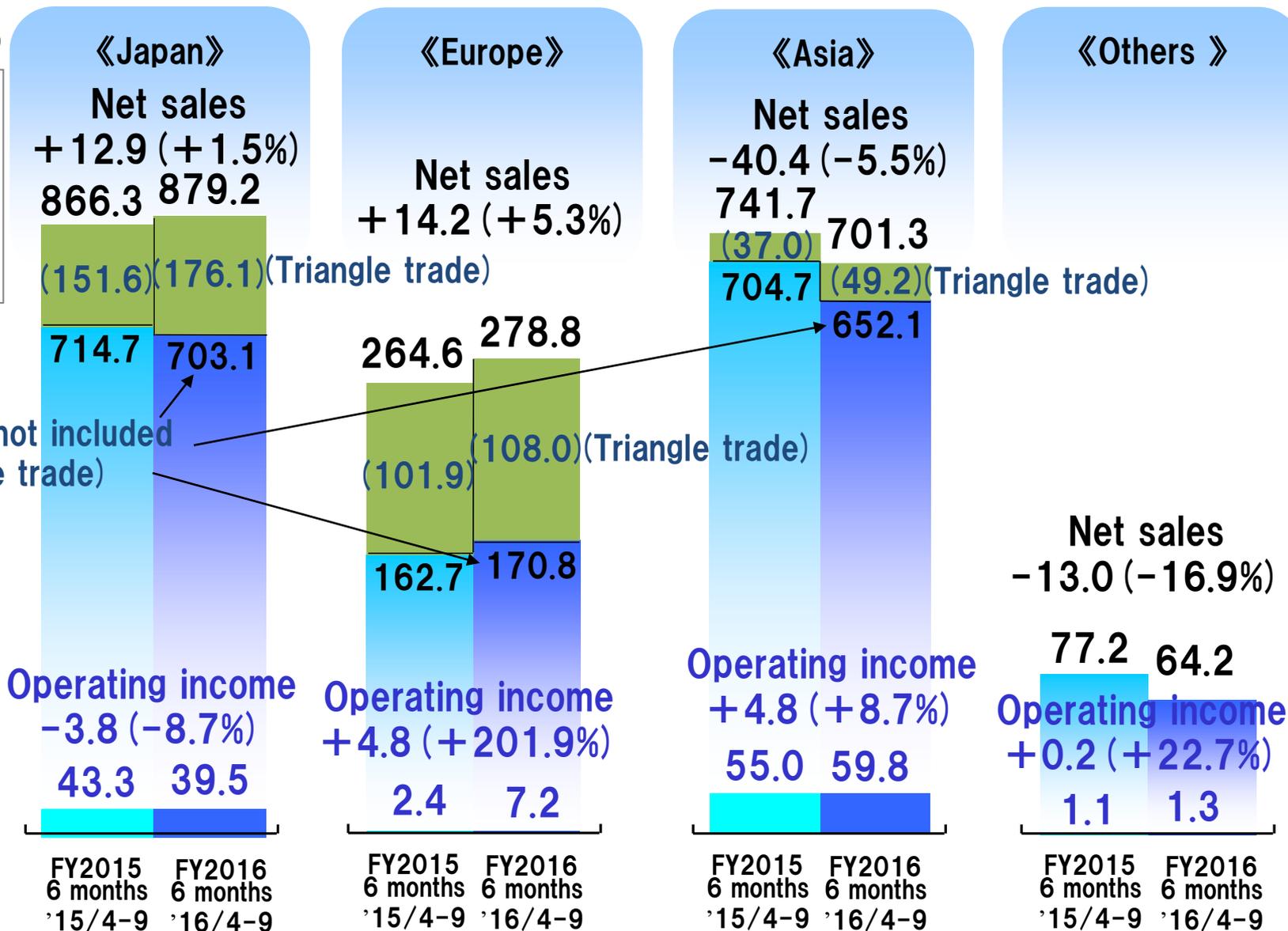


Consolidated: Operating Results by Geographical Areas (Net sales, Operating income)

(Billions of yen)



Net sales (not included triangle trade)



	FY2016 Q2	FY2015 Q2		FY2015 Q4	
	('16/9)	('15/9)	Change	('16/3)	Change
Consolidated Subsidiaries	136	135	+1	136	±0
Equity Method Affiliates	33	35	-2	33	±0
Employees	62,932	58,550	+4,382	61,601	+1,331

Reflecting the second quarter results, reviewing the figures of ForEX rates, sales units and others

(Billions of yen)	Latest Forecast	Comparison with FY 2015 result		Comparison with previous forecast	
		FY 2015 Result	Change	Previous forecast	Change
Net sales	3,100.0	3,180.7	-80.7	3,100.0	—
Operating income	200.0	195.3	+4.7	180.0	+20.0
Ordinary income	210.0	209.1	+0.9	185.0	+25.0
Net income attributable to owners of the parent	145.0	116.7	+28.3	93.0	+52.0
Change in Operating Income	Change in sales,model mix	+107.7	+58.6	+54.7	+53.0
	Cost reduction	+24.0	+24.6	+29.0	-5.0
	Effect of ForEX rates	-86.0	-2.9	-62.0	-24.0
	Increase of various expenses	-30.0	-25.4	-26.0	-4.0
	Increase of R&D expenses	-9.0	-5.1	-9.0	—
	Increase of depreciation	-2.0	-33.9	-2.0	—
Total	+4.7	+15.9		-15.3	+20.0
Capital Expenditures	220.0	171.5	+48.5	220.0	—
Depreciation Expenses	170.0	168.3	+1.7	170.0	—
R&D Expenses	140.0	131.0	+9.0	140.0	—

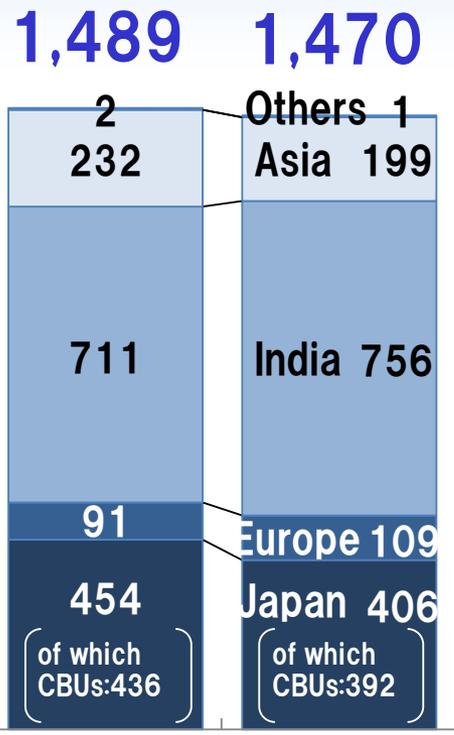
Revision of 2nd half forecast of ForEX rates: appreciation of the yen

	Latest Forecast (2016.4~2017.3)			Effect of ForEX rates in operating income	Comparison with FY 2015 results (2015.4~2016.3)		Comparison with previous forecast (2016.4~2017.3)	
	First Six Months Results	2nd half	Full Year Forecast		Full Year Results	Change	Full Year Forecast	Change
US Dollar	105yen	103yen	104yen	-8.7bln yen	120yen	-16yen	105yen	-1yen
Euro	118yen	113yen	116yen	-14.7bln yen	133yen	-17yen	120yen	-4yen
Indian Rupee	1.58yen	1.57yen	1.58yen	-32.3bln yen	1.85yen	-0.27yen	1.60yen	-0.02yen
100 Indonesian Rupiah	0.80yen	0.80yen	0.80yen	-2.6bln yen	0.89yen	-0.09yen	0.80yen	-
Thai Baht	3.00yen	2.95yen	2.98yen	+5.2bln yen	3.44yen	-0.46yen	3.00yen	-0.02yen
Other Currencies				-32.9bln yen				
Total				-86.0bln yen				

Global production volume decreased by 1.3% year-on-year

«Half Year Comparison»

-19 (-1.3%)

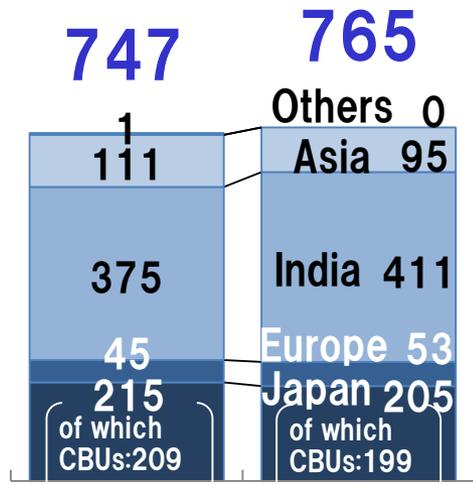


FY2015 6 months '15/4-9
FY2016 6 months '16/4-9

« Of Which Three Months Comparison »

+18 (+2.4%)

(Thousand units)



FY2015 3 months '15/7-9
FY2016 3 months '16/7-9

● Production for April-September

- Overall volume decreased by 1.3% year-on-year owing to decrease in Japan and Asia, despite increase in India and Europe

● Sagara Plant started operating in two shifts

- Sagara Plant started operating in two shifts from June owing to the great sales of Sub-compact and standard-sized vehicles produced at the plant
- Improved production efficiency by appropriate posting of workers

● Accumulated production of 20 million units at the Kosai Plant

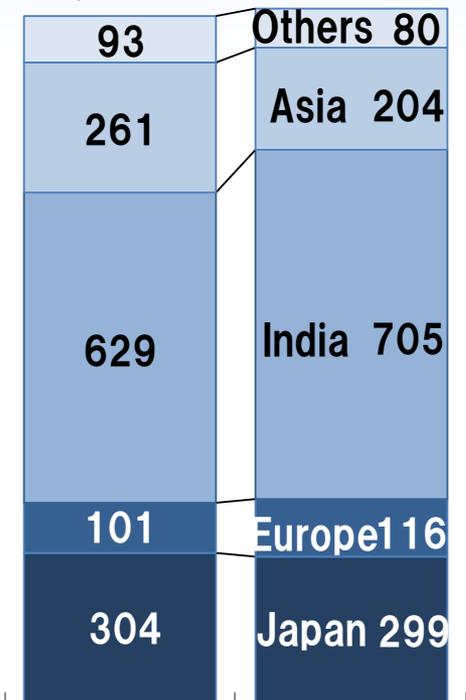
- Achieved in September, in 45 years and 11 months since the start of production in 1970
- Serves as mother plant of global plants

Record-high sales for April-September

«Half Year Comparison»

+ 16 (+ 1.1%)

1,389 **1,404**



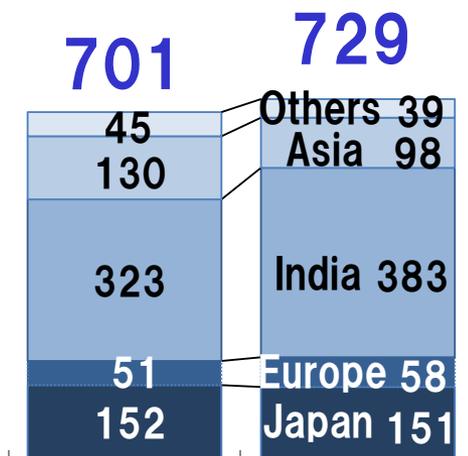
FY2015
6 months
'15/4-9

FY2016
6 months
'16/4-9

« Of Which Three Months Comparison »

+ 28 (+ 4.0%)

(Thousand units)



FY2015
3 months
'15/7-9

FY2016
3 months
'16/7-9

● Worldwide sales for April-September

- Worldwide sales increased by 1.1% year-on-year owing to the increase in India, Europe, and other areas, despite decrease in Japan, China, Indonesia, and Pakistan

● Sales in Europe for April-September

- Europe increased by 15.3% year-on-year owing to the great sales of the VITARA



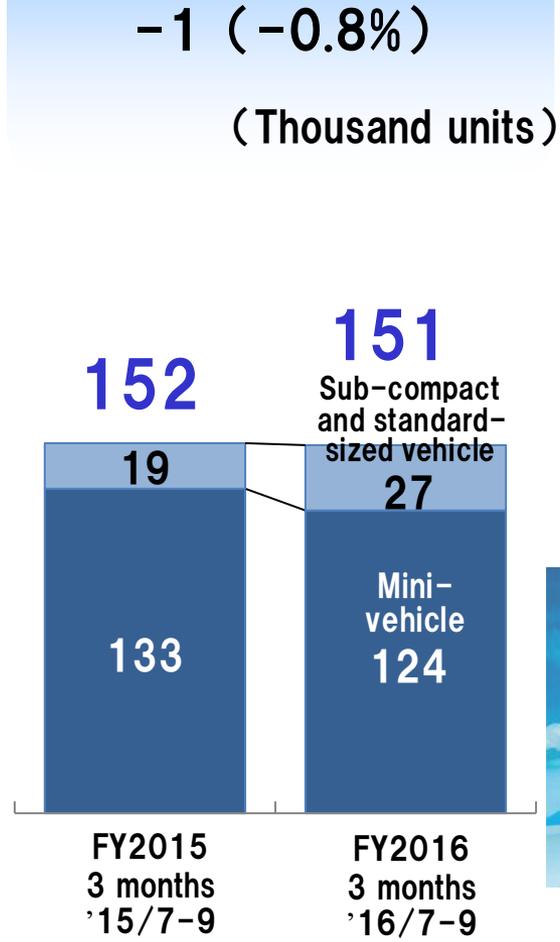
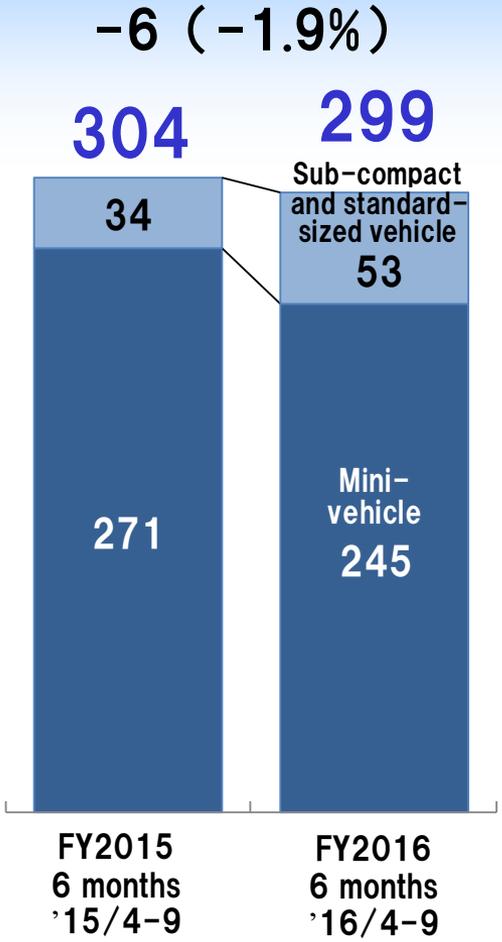
Japan decreased by 1.9% year-on-year owing to the decrease of Minivehicle sales

◀ Half Year Comparison ▶

◀ Of Which Three Months Comparison ▶

● Domestic sales for April-September

- Minivehicle sales decreased by 9.3% year-on-year
- Sub-compact and standard-sized vehicle sales largely increased by 57.7% year-on-year owing to the great sales of new model cars launched last year
- Overall sales volume of automobile decreased by 1.9% year-on-year
- July-September sales were at the same level as the previous year owing to the increase in Sub-compact and standard-sized vehicle sales



Record-high sales for April-September

«Half Year Comparison»

+76 (+12.1%)

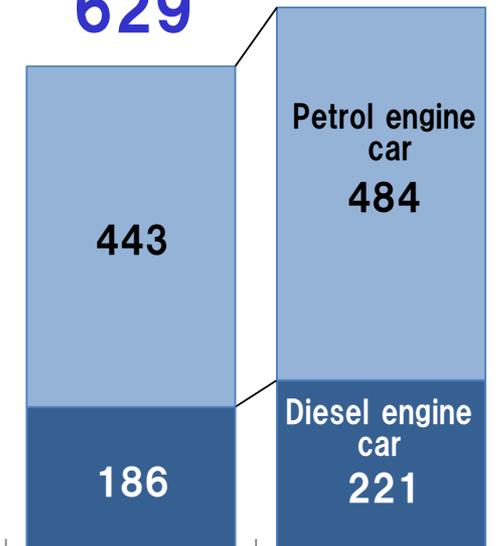
Percentage of
Diesel engine cars

30%

31%

705

629



FY2015
6 months
'15/4-9

FY2016
6 months
'16/4-9

« Of Which Three Months Comparison »

+60 (+18.5%)

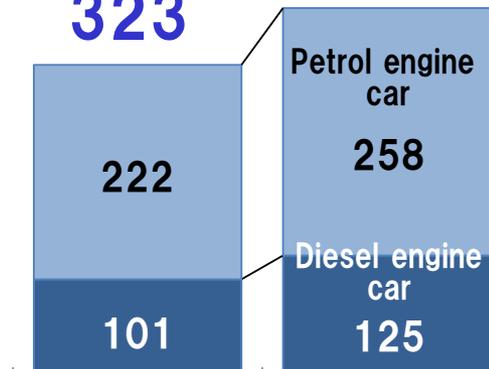
Percentage of
Diesel engine cars

31%

33%

(Thousand units)

323



FY2015
3 months
'15/7-9

FY2016
3 months
'16/7-9

● Sales in India for April-September

- April-September sales increased by 12.1% year-on-year mainly owing to great sales of the BALENO and the VITARA BREZZA, despite the impact of fire at the supplier company
- September recorded the highest sales in a single month
- Sales of the BALENO, which was launched in October 2015, reached 100,000 units in its initial year

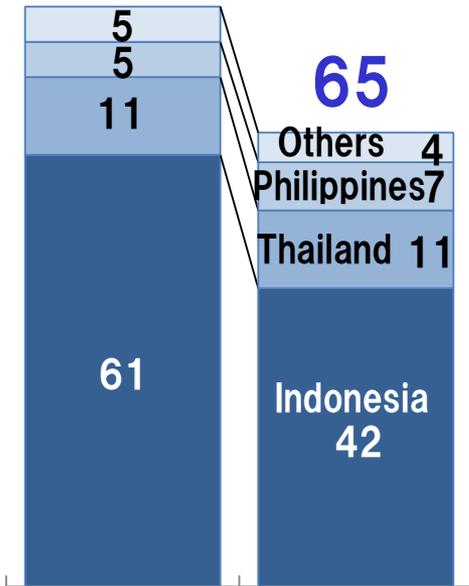


Down 21.2% year-on-year mainly owing to the decrease in sales in Indonesia

«Half Year Comparison»

-17 (-21.2%)

82



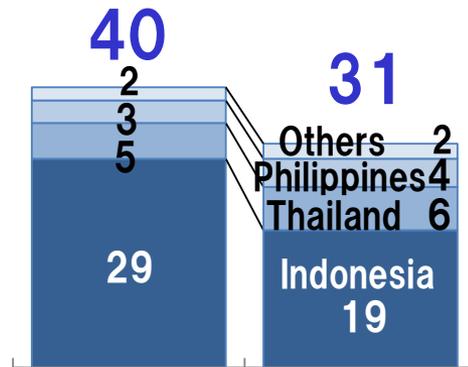
FY2015
6 months
'15/4-9

FY2016
6 months
'16/4-9

« Of Which
Three Months Comparison »

-9 (-23.1%)

(Thousand units)



FY2015
3 months
'15/7-9

FY2016
3 months
'16/7-9

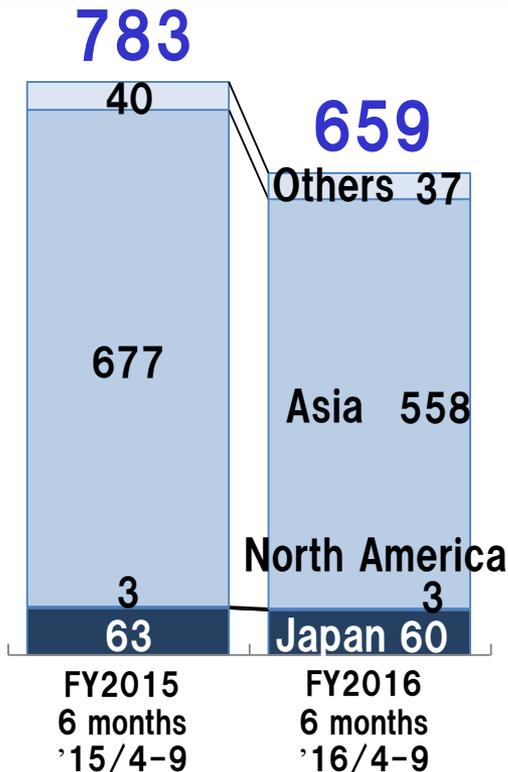
● Sales in ASEAN for April-September

- Sales in Indonesia for April-September decreased by 31.3% year-on-year owing to a drop in sales of commercial vehicles
- Sales in Thailand for April-September were flat on the year owing to sales expansion of authentic sedan the CIAZ
- Sales in the Philippines grew by 40.0% year-on-year owing to increase in sales of models including the CELERIO and the ERTIGA
- Indonesia and Thailand aim to improve operating rate of the plants through strengthening exports, along with sales expansion in their domestic markets

Both production and sales decreased year-on-year

«Half Year Production Volume Comparison»

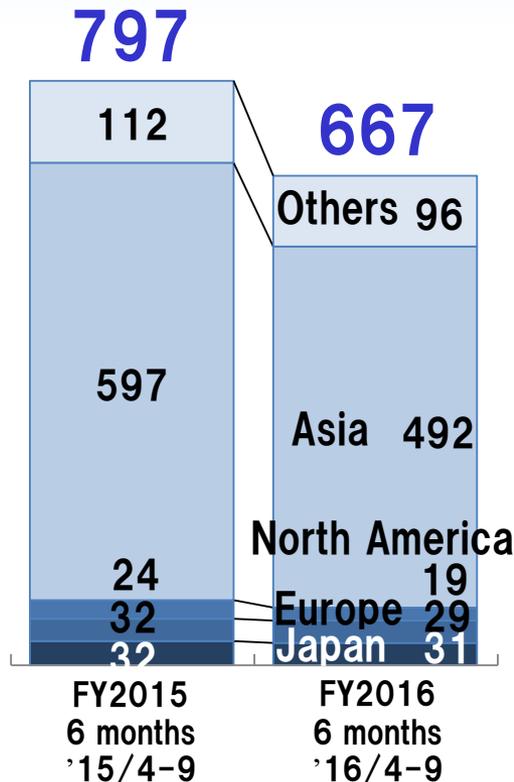
-124 (-15.9%)



«Half Year Sales Volume Comparison»

-130 (-16.3%)

(Thousand units)



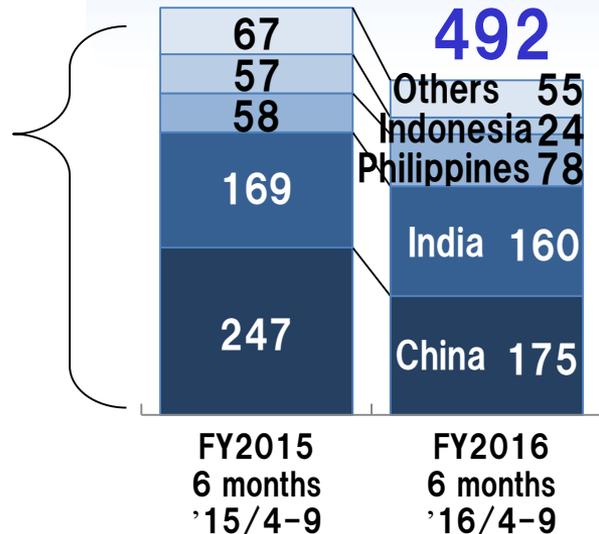
Worldwide production and sales for April-September

- Production volume decreased by 124 thousand units and sales volume decreased by 130 thousand units year-on-year owing to the decrease in sales in Asia including China, Indonesia, and other areas

«Breakdown of Sales Volume in Asia»

-105 (-17.7%)

597



Suzuki will feedback race technologies to develop attractive products, in addition to marketing and branding

MotoGP

GSX-RR



- Maverick Vinales won MotoGP race for the first time at the 12th round British GP held on 4 September
- First MotoGP victory in nine years for Suzuki since the French GP held in 2007



Endurance World Championship

- Second consecutive, 15th world champion

GSX-R1000

Nine new models to be introduced for 2017

- Five new models were unveiled for 2017 at the INTERMOT held in Cologne, Germany in October

V-Strom1000XT



GSX-R1000



V-Strom650



GSX-S750



GSX-R125



- Four more models are to be introduced at the Milan Show which will be held in Italy in November, bringing the total number of new models to nine
- Aggressively utilize achievement of race activities

Downward revision of automobile production and sales in Japan, China, Indonesia, and other areas

(Thousand units)	Production					Sales				
	Forecast (FY2016)	FY2015 Results			Revised units from previous forecast	Forecast (FY2016)	FY2015 Results			Revised units from previous forecast
		(FY2015)	Change	Ratio			(FY2015)	Change	Ratio	
<Automobile>										
Japan	874	861	+13	+1.5%	-37	635	630	+5	+0.8%	-15
Europe	205	193	+12	+6.3%	+14	232	207	+25	+12.2%	-
Asia	1,980	1,896	+84	+4.5%	-67	1,842	1,842	+0	+0.0%	-46
Others	2	2	+0	+0.1%	-	164	183	-19	-10.2%	-22
Total	3,061	2,951	+110	+3.7%	-90	2,873	2,861	+12	+0.4%	-83
<Motorcycle>										
Japan	142	122	+20	+16.1%	+9	63	61	+2	+3.2%	-2
Europe	-	-	-	-	-	47	48	-1	-1.8%	-3
N.America	4	4	-0	-9.9%	-2	36	46	-10	-20.9%	-11
Asia	1,141	1,279	-138	-10.8%	-100	1,019	1,126	-107	-9.5%	-131
Others	65	74	-9	-12.0%	-1	191	216	-25	-11.4%	+1
Total	1,352	1,480	-128	-8.6%	-94	1,356	1,496	-140	-9.4%	-146

Interim cash dividends are up by 2 yen per share from the previous forecast

	FY 2016	In comparison with FY 2015		In comparison with previous forecast	
		FY 2015 Result	Change	Previous forecast	Change
Interim dividends	17 yen	15 yen	+2 yen	15 yen (Plan)	+2 yen
Year-end dividends	17 yen (Plan)	17 yen	±0 yen	17 yen (Plan)	±0 yen
Annual dividends	34 yen (Plan)	32 yen	+2 yen	32 yen (Plan)	+2 yen

All employees will seriously reflect the problem, and the whole company will take preventive measures

- (1) Intensify the education and training to engineers**
- (2) Clarify those responsible in deciding the application figure of driving resistance**
- (3) Strengthen the internal checking systems for the application figure of driving resistance**
- (4) Consolidation of testing facilities and improvement in measuring technology for coasting test method**
- (5) Resolve the closed environment of Automobile Engineering**
- (6) Reinforce the auditing system for engineering operations**
- (7) Promote utilization of the whistle-blowing system**

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SUZUKI MOTOR CORPORATION

Caution with respect to Forward-Looking Statements

The forward-looking statements mentioned in this presentation are based on currently available information and assumptions, contain risks and uncertainty and do not constitute guarantees of future achievement.

Please note that the future results may greatly vary by the changes of various factors.

Those factors, which may influence the future results, include economic conditions and the trend of demand in major markets and the fluctuations of foreign exchange rates

(mainly U.S. dollar/Yen rate, Euro/Yen rate, Indian Rupee/Yen rate).

[English translation from the original Japanese language document]