

FY2018 Second Quarter Financial Results



SUZUKI MOTOR CORPORATION
1 November 2018

July–Sept. period: Lower net sales and operating income
mainly owing to the depreciation of the Indian Rupee
Apr.–Sept. period: Record–high but slowed down

Second Quarter Results

● Consolidated Financial Results...Higher earnings and sales, record–high net sales and each income*1

Net Sales: 1,929.4 billion yen, +5.4% year–on–year, increased for 2 consecutive periods

Operating Income: 198.5 billion yen, +14.8% year–on–year }
Ordinary Income: 232.3 billion yen, +24.3% year–on–year } increased for 7 consecutive periods

Net Income*2: 136.2 billion yen, +30.7% year–on–year, increased for 9 consecutive periods

- Increased sales...Increase in automobile sales in Japan,
and automobile and motorcycle sales in India, etc.
- Increased income...Improvement in profit in Asia and Japan, etc.

● Worldwide Sales Volume of Automobiles...1,699 thousand units (+7.5% year–on–year), record–high*1

- Increase in India, Japan, Indonesia, etc.

● Worldwide Sales Volume of Motorcycles...878 thousand units (+10.2% year–on–year)

- Increase in India, Indonesia, etc.

● Interim Cash Dividends...Kept unchanged from the previous forecast of 37 yen per share

*1 The highest ever since disclosing the second quarter financial results

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

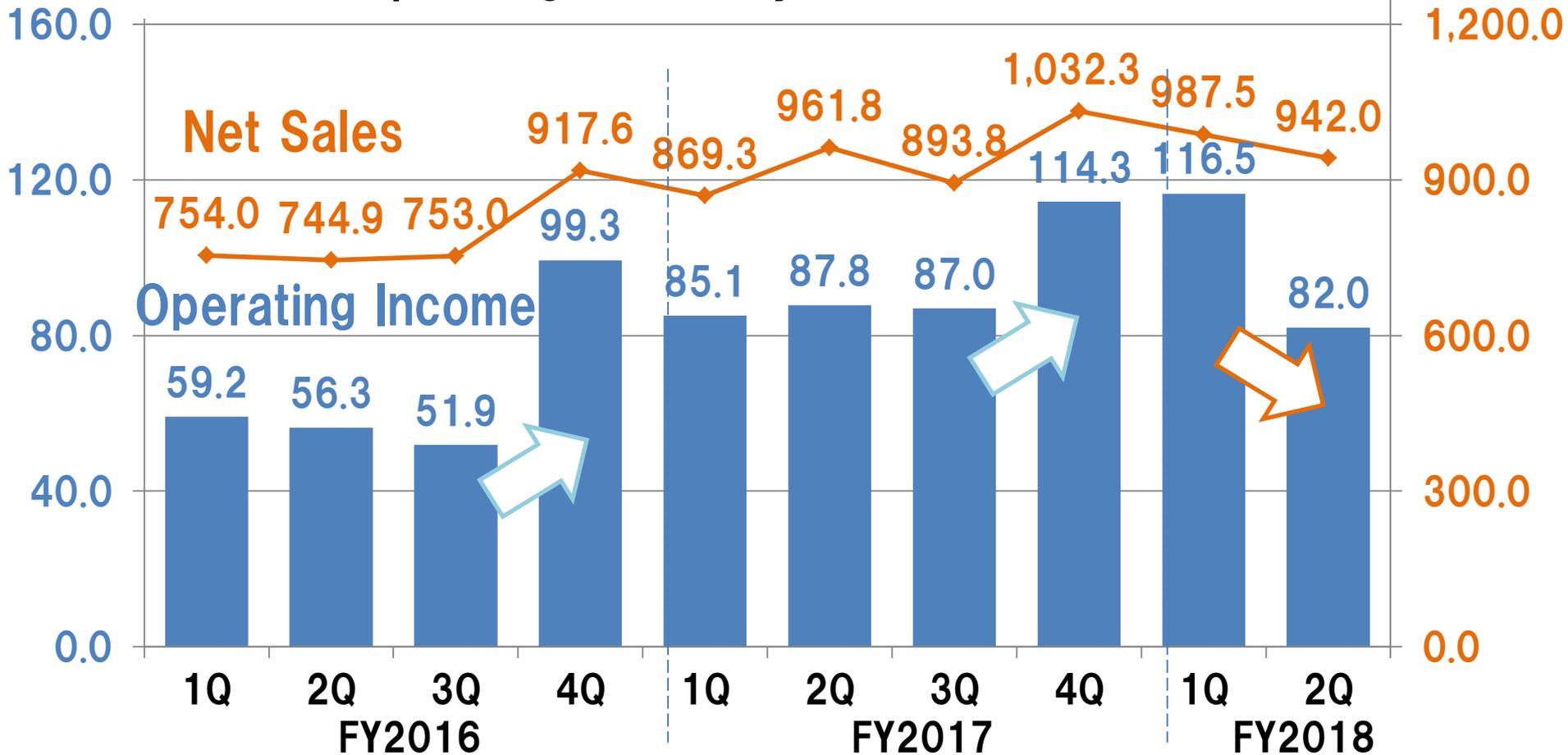


Trends in Operating Results by Quarters

July–Sept. period largely decreased earnings and sales compared to Apr.–June, and decreased earnings year-on-year

(Billions of yen)

Trends in Operating Results by Quarters

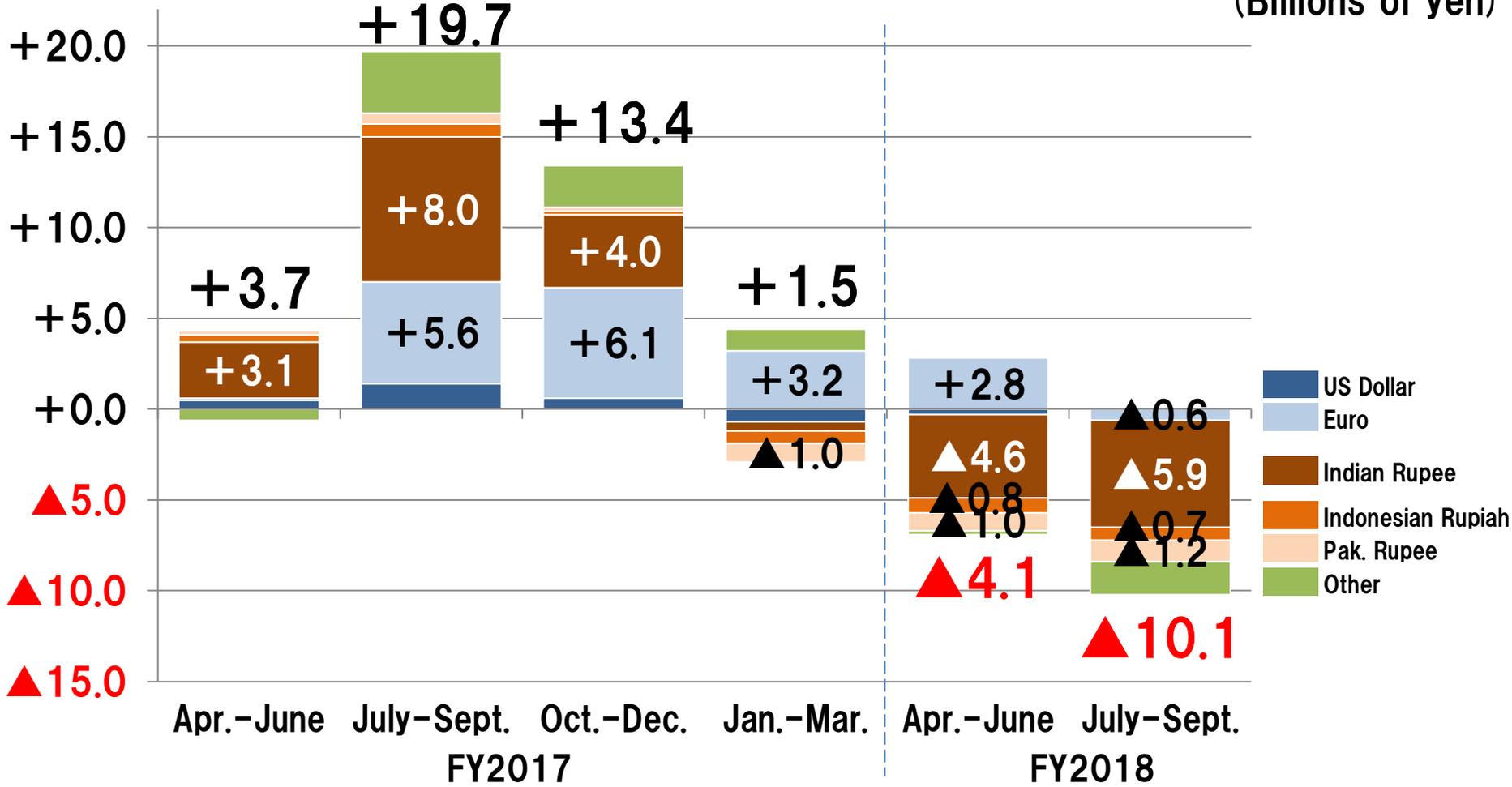




Trends in Impact of Foreign Exchange Rates by Quarters

Impact owing to the depreciation of currencies of emerging countries including India, Indonesia, and Pakistan
 Impact of ForEX Rates in the Operating Income Year-on-Year by Quarters

(Billions of yen)



Reflected the half-year results
as well as outlook of sales, ForEX rates, etc.

Full Year Forecasts

● Operating Results

Net Sales 3,800.0 billion yen, +1.1% year-on-year, unchanged from prev. forecast

Operating Income 350.0 billion yen, -6.5% year-on-year, +10.0 billion yen from prev. forecast

Ordinary Income 390.0 billion yen, +1.9%, +40.0 billion yen from prev. forecast

Net Income* 220.0 billion yen, +2.0%, +15.0 billion yen from prev. forecast

		US Dollar	Euro	Indian Rupee	100 Indonesian Rupiah	Thai Baht	Pak. Rupee
2nd Half	Previous	105 yen	130 yen	1.65 yen	0.78 yen	3.30 yen	0.95 yen
Rate	Revised	105 yen	130 yen	1.50 yen	0.75 yen	3.30 yen	0.85 yen

● Automobile Sales Volume

...3,338 thousand units, +39 thousand units from prev. forecast

- Upward revision in Japan and Asia (India...+6%→+8% year-on-year)

● Motorcycle Sales Volume

...1,708 thousand units, +62 thousand units from prev. forecast

- Upward revision in Asia, etc.

● Year-End Cash Dividends...unchanged at 37 yen per share

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

Higher earnings on higher sales,
Record-high net sales and each income

(Billions of yen)	FY2018 6 months (^{'18} /4-9)	FY2017 6 months (^{'17} /4-9)	Change	
				Ratio
Net Sales	1,929.4	1,831.1	+98.3	+5.4%
Japan	598.6	531.4	+67.2	+12.6%
Suzuki brand	546.1	481.2	+64.9	+13.5%
OEM	52.5	50.2	+2.3	+4.5%
Overseas	1,330.8	1,299.7	+31.1	+2.4%
Operating Income (Margin)	198.5 (10.3%)	172.9 (9.4%)	+25.6	+14.8%
Ordinary Income (Margin)	232.3 (12.0%)	186.9 (10.2%)	+45.4	+24.3%
Net income attributable to owners of the parent (Margin)	136.2 (7.1%)	104.2 (5.7%)	+32.0	+30.7%

Increase in each segment, record-high*
in domestic, overseas, and consolidated

(Billions of yen)	Automobile			Motorcycle			Marine, etc.			Total			of which effect of ForEX rates conversion
	FY2018 6 months (¹⁸ /4-9)	FY2017 6 months (¹⁷ /4-9)	Change	FY2018 6 months (¹⁸ /4-9)	FY2017 6 months (¹⁷ /4-9)	Change	FY2018 6 months (¹⁸ /4-9)	FY2017 6 months (¹⁷ /4-9)	Change	FY2018 6 months (¹⁸ /4-9)	FY2017 6 months (¹⁷ /4-9)	Change	
Japan total	580.7	511.9	+68.8	10.5	11.8	-1.3	7.4	7.7	-0.3	598.6	531.4	+67.2	
Suzuki brand	528.2	461.7	+66.5	10.5	11.8	-1.3	7.4	7.7	-0.3	546.1	481.2	+64.9	
OEM	52.5	50.2	+2.3							52.5	50.2	+2.3	
Overseas total	1,180.6	1,157.2	+23.4	115.8	112.6	+3.2	34.4	29.9	+4.5	1,330.8	1,299.7	+31.1	-62.6
Europe	207.5	223.5	-16.0	20.4	24.0	-3.6	8.7	8.6	+0.1	236.6	256.1	-19.5	+7.3
N. America	0.7	0.8	-0.1	14.9	15.6	-0.7	17.8	13.7	+4.1	33.4	30.1	+3.3	-0.2
Asia	854.8	815.0	+39.8	64.7	55.7	+9.0	3.2	2.9	+0.3	922.7	873.6	+49.1	-66.9
India	663.6	621.3	+42.3	27.8	22.3	+5.5	0.3	0.2	+0.1	691.7	643.8	+47.9	-52.3
Other	191.2	193.7	-2.5	36.9	33.4	+3.5	2.9	2.7	+0.2	231.0	229.8	+1.2	-14.6
Other	117.6	117.9	-0.3	15.8	17.3	-1.5	4.7	4.7	-0.0	138.1	139.9	-1.8	-2.8
Grand total	1,761.3	1,669.1	+92.2	126.3	124.4	+1.9	41.8	37.6	+4.2	1,929.4	1,831.1	+98.3	-62.6
of which effect of ForEX rates conversion			-58.8			-3.9			+0.1				-62.6

Note: North America...United States and Canada

Automobile in North America...sales of parts and accessories, etc.

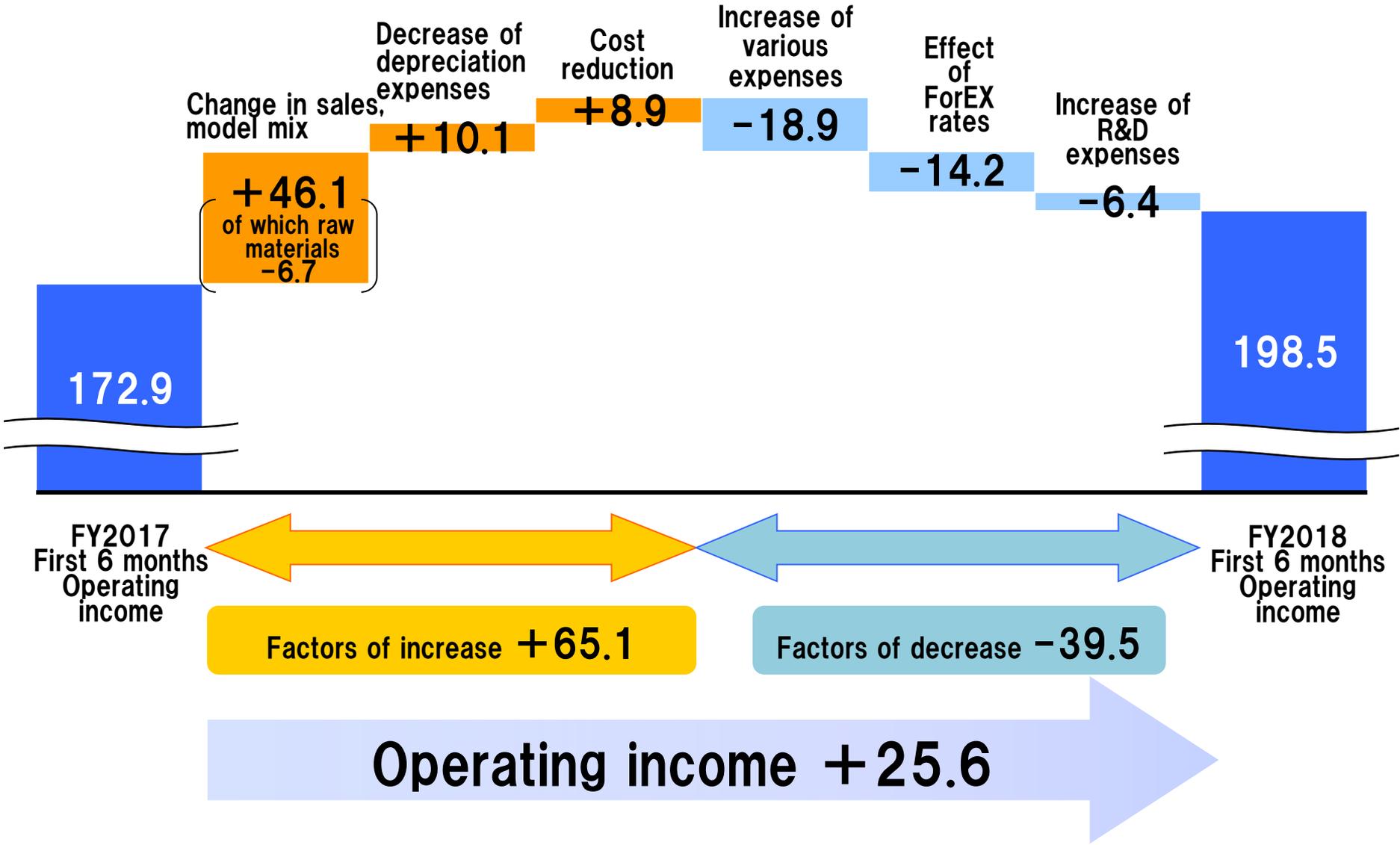
*Record-high in second quarter financial results

of which effect of ForEX rates conversion



Consolidated: Factors of Change in Operating Income

(Billions of yen)



Consolidated: Foreign Exchange Rates

	FY2018 6 months (^{'18/4-9})	FY2017 6 months (^{'17/4-9})	Change	Effect of ForEX rates in operating income
US Dollar	110 yen	111 yen	-1 yen	-0.2bln yen
Euro	130 yen	126 yen	+4 yen	+2.2bln yen
Indian Rupee	1.62 yen	1.74 yen	-0.12 yen	-10.5bln yen
100 Indonesian Rupiah	0.78 yen	0.84 yen	-0.06 yen	-1.5bln yen
Thai Baht	3.40 yen	3.28 yen	+0.12 yen	-0.3bln yen
Pak. Rupee	0.92 yen	1.06 yen	-0.14 yen	-2.2bln yen
Others	—	—	—	-1.7bln yen *
Total				-14.2bln yen

* Mex. Peso -0.9bln yen, Russian Ruble -0.5bln yen, etc.

(Billions of yen)

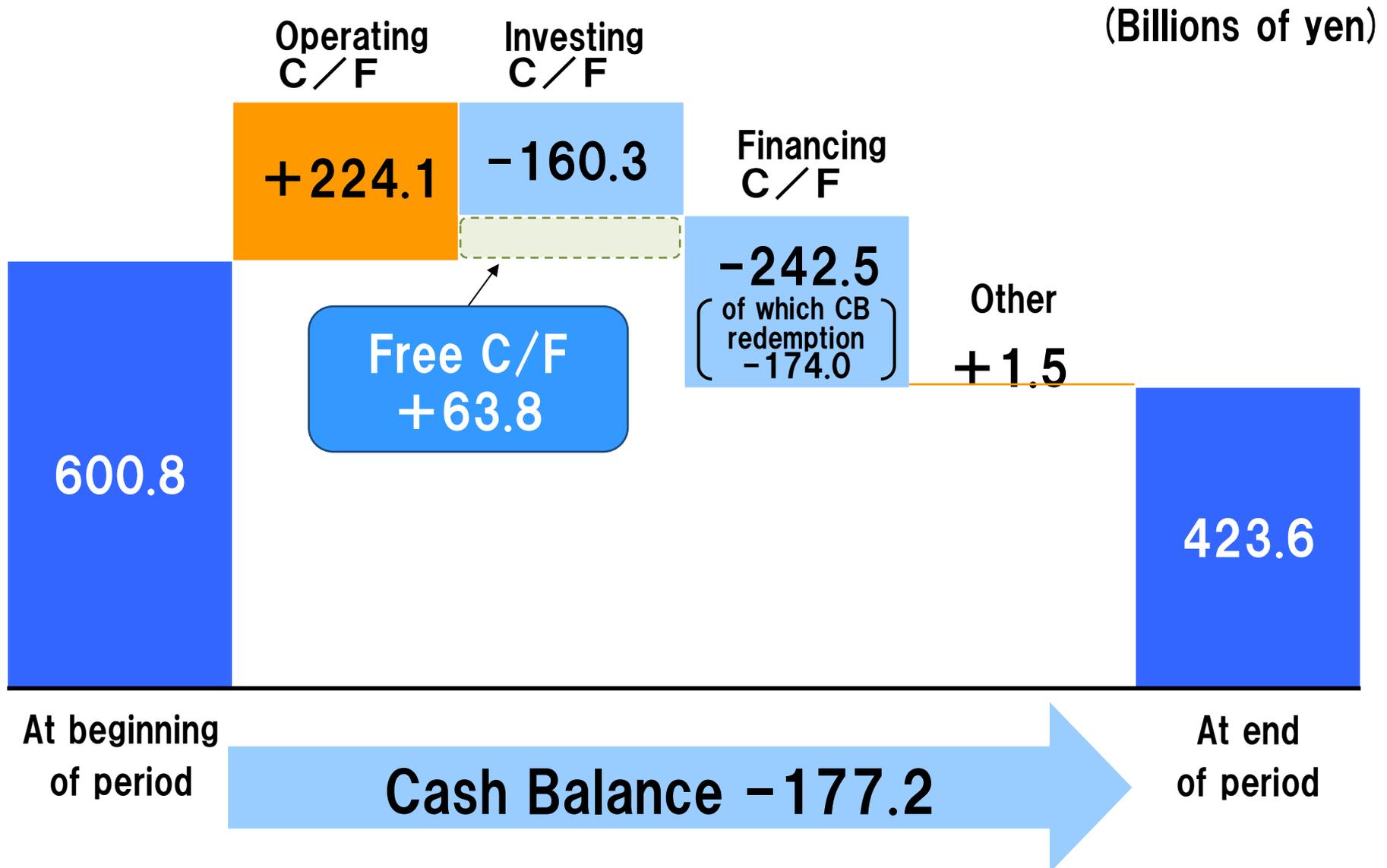
	FY2018 6 months ('18/4-9)	FY2017 6 months ('17/4-9)	Change
(Non-consolidated)	25.7	21.5	+4.2
(Subsidiaries)	106.3	52.0	+54.3
Capital Expenditures	132.0	73.5	+58.5
Depreciation Expenses	64.2	74.3	-10.1
R&D Expenses	71.8	65.4	+6.4

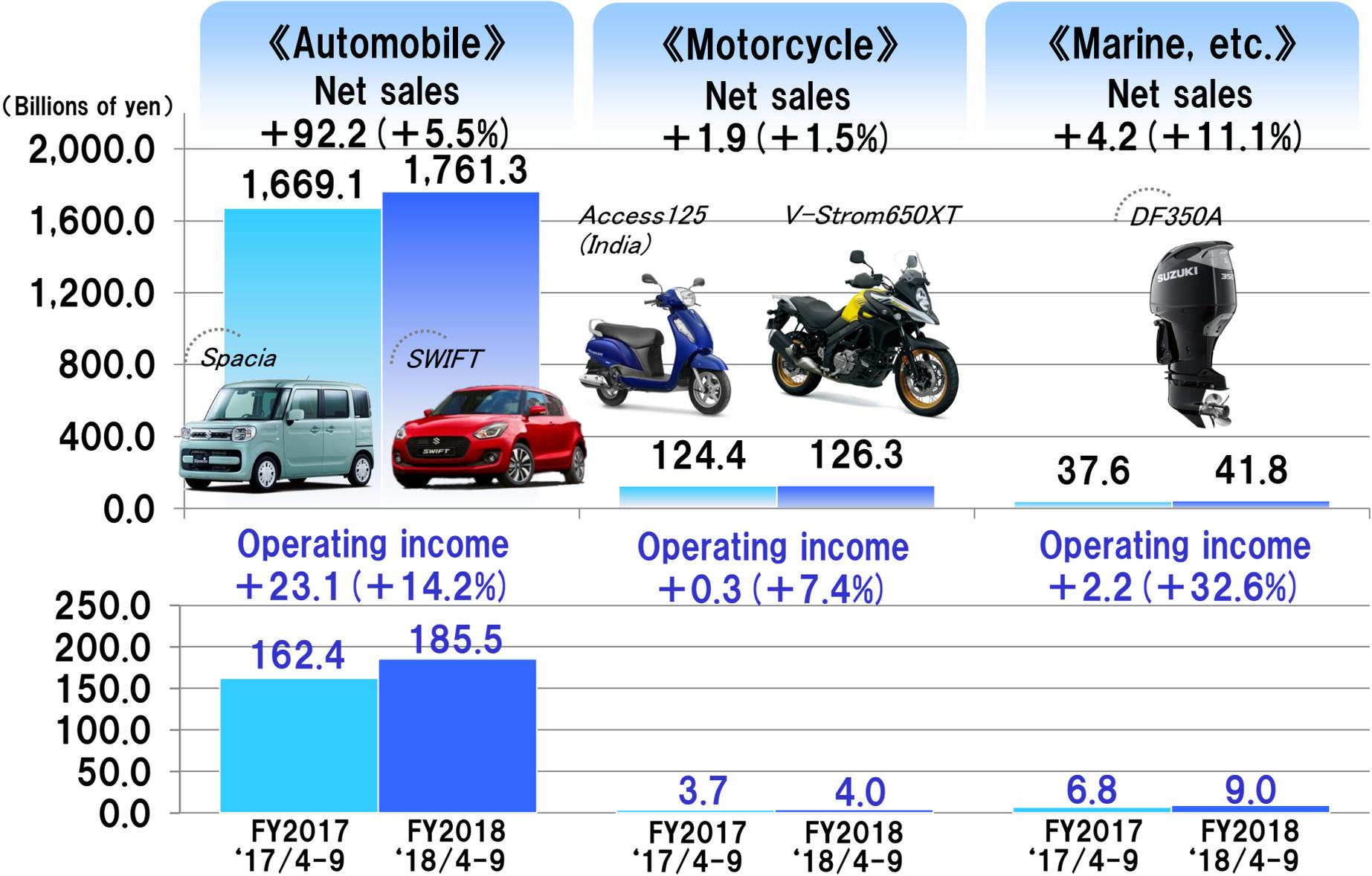
	FY2018 Q2	FY2017 Q2		FY2017 Q4	
	('18/9)	('17/9)	Change	('18/3)	Change
Interest-Bearing Debt balance	381.5	641.8	-260.3	577.9	-196.4



Consolidated : Cash Flows

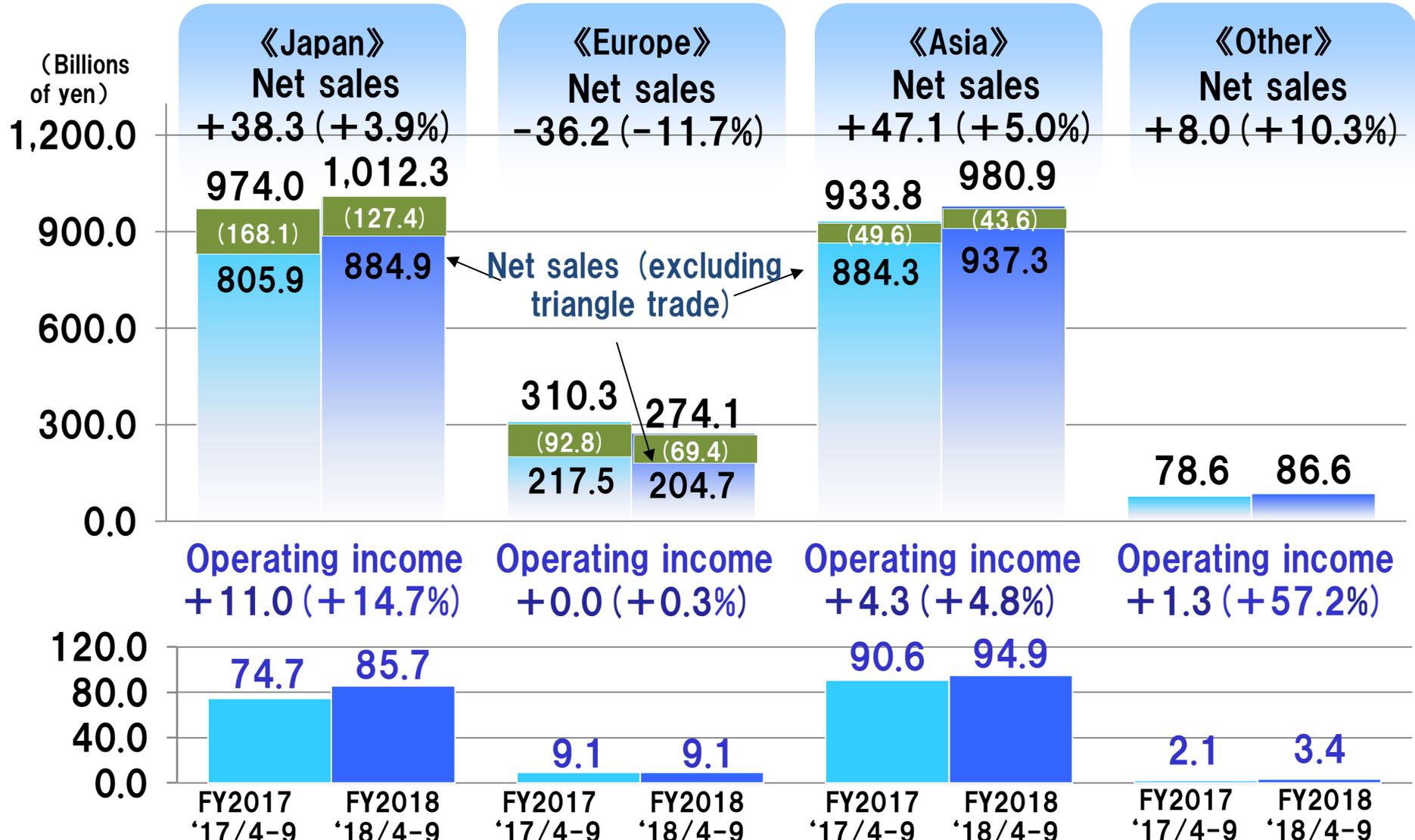
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Consolidated: Operating Results by Geographic Region (Net sales, Operating income)



Note about triangle trade : Conventionally, net sales of Hungary production models for European subsidiaries were eliminated as they were intraregional subsidiary trade. But because trade type was changed to triangle trade via Japan, and net sales to Japan and net sales from Japan to Europe are not eliminated, net sales of Japan and Europe are shown larger. The same trade is also applied in Asia.



Consolidated: Number of Consolidated Subsidiaries, Equity Method Affiliates and Employees

P14

	FY2018 Q2	FY2017 Q2		FY2017 Q4	
	('18/9)	('17/9)	Change	('18/3)	Change
Consolidated Subsidiaries	131	136	-5	131	±0
Equity Method Affiliates	28	33	-5	31	-3
Employees	67,854	65,056	+2,798	65,179	+2,675

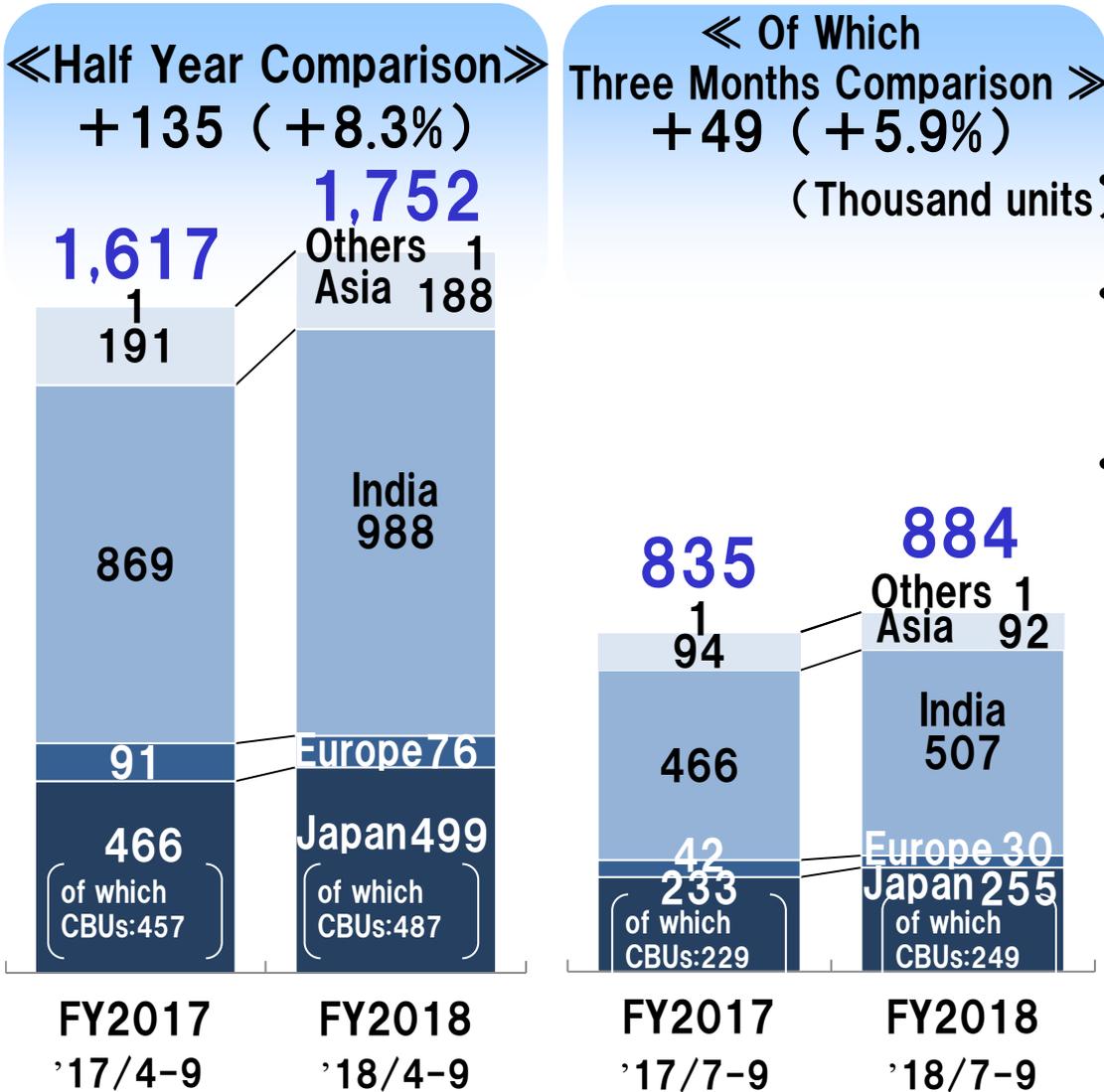
Reflected the half-year results
as well as outlook of sales, ForEX rate, etc.

(Billions of yen)	Latest Forecast	Comparison with FY 2017 result		Comparison with previous forecast	
		FY 2017 Result	Change	Previous forecast	Change
Net sales	3,800.0	3,757.2	+42.8	3,800.0	±0
Operating income	350.0	374.2	-24.2	340.0	+10.0
Ordinary income	390.0	382.8	+7.2	350.0	+40.0
Net income attributable to owners of the parent	220.0	215.7	+4.3	205.0	+15.0
Change in Operating Income	Change in sales, model mix	+40.8	+103.0	-0.2	+41.0
	Cost reduction	+27.0	+26.6	+28.0	-1.0
	Effect of ForEX rates	-40.0	+38.3	-22.0	-18.0
	Increase of various expenses	-32.0	-65.0	-20.0	-12.0
	Increase of R&D expenses	-20.0	-7.9	-20.0	±0
	Fluctuation of depreciation	-	+12.5	-	-
Total	-24.2	+107.5		-34.2	+10.0
Capital Expenditures	250.0	213.4	+36.6	250.0	±0
Depreciation Expenses	150.0	150.9	-0.9	150.0	±0
R&D Expenses	160.0	139.4	+20.6	160.0	±0

Revised toward yen appreciation
mainly for currencies of emerging countries

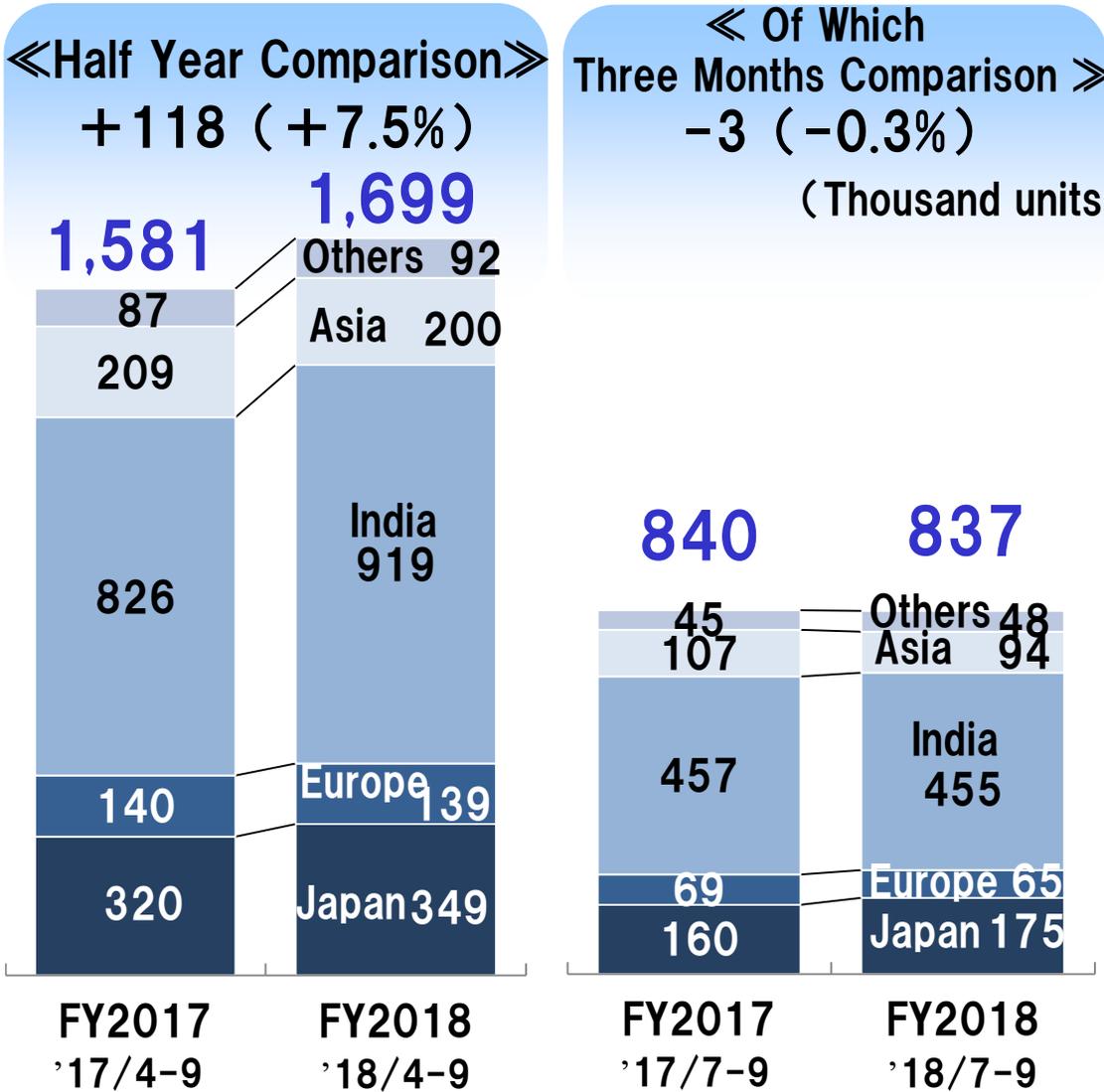
	Latest Forecasts (2018.4~2019.3)			ForEX Impact	Year-on-Year (2017.4~2018.3)		Prev. Forecasts (2018.4~2019.3)	
	1st Half Results	2nd Half Forecasts	Full-Year Forecasts		Full-Year Results	Change	Full-Year Forecasts	Change
U.S. Dollar	110 yen	105 yen	108 yen	-2.4bln yen	111 yen	-3 yen	105 yen	+3 yen
Euro	130 yen	130 yen	130 yen	+0.3bln yen	130 yen	±0 yen	130 yen	±0 yen
Indian Rupee	1.62 yen	1.50 yen	1.56 yen	-26.9bln yen	1.73 yen	-0.17 yen	1.65 yen	-0.09 yen
100 Indonesian Rupiah	0.78 yen	0.75 yen	0.77 yen	-2.4bln yen	0.83 yen	-0.06 yen	0.78 yen	-0.01 yen
Thai Baht	3.40 yen	3.30 yen	3.35 yen	+0.0bln yen	3.36 yen	-0.01 yen	3.30 yen	+0.05 yen
Pak. Rupee	0.92 yen	0.85 yen	0.89 yen	-4.3bln yen	1.04 yen	-0.15 yen	0.95 yen	-0.06 yen
Others				-4.3bln yen				
Effect of ForEX rates total				-40.0bln yen				

Record-high for second quarter with 1,752 thousand units



- **Second quarter (Apr.–Sept.) global production**
 - Record-high with 1,752 thousand units (+8.3% year-on-year)
 - India 988 thousand units (+13.6%)
 - Japan 499 thousand units (+7.2%)
 - Europe 76 thousand units (-16.1%)
 - Asia excl. India 188 thousand units (-1.5%)
- (Breakdown)
- Pakistan 68 thousand units (+9.2%)
 - Indonesia 63 thousand units (+19.1%)
 - Thailand 30 thousand units (+6.6%)
 - China 22 thousand units (-52.2%)
 - Myanmar 5 thousand units (+260.5%)

Record-high global sales volume with 1,699 thousand units

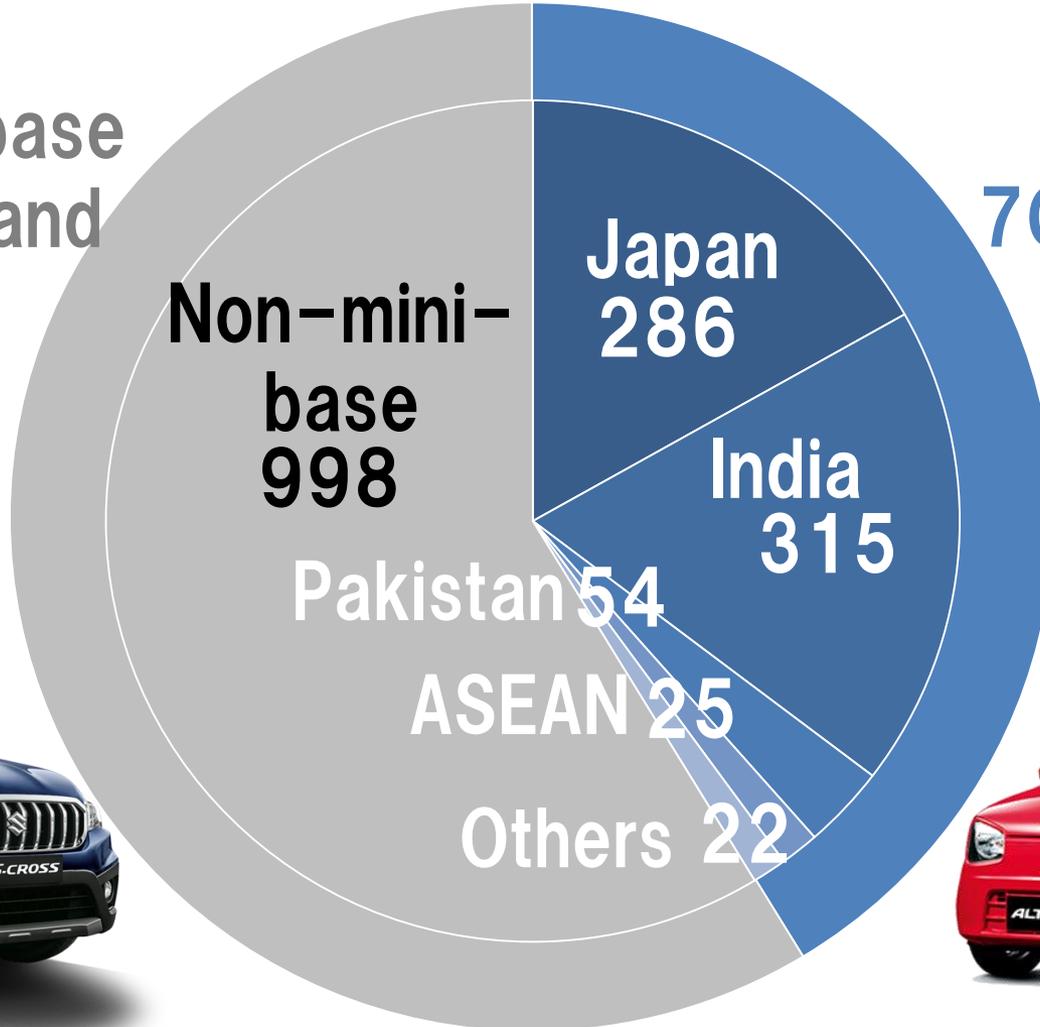


- **Second quarter (Apr.–Sept.) global sales**
 - Record-high with 1,699 thousand units (+7.5% year-on-year)
 - Japan (+9.0%)
 - Europe (-0.4%)
 - India (+11.3%)
 - Asia excl. India 200 thousand units (-4.3%) owing to the decrease in China
- **July–Sept. global sales**
 - Flat on the year at 837 thousand units (-0.3%) owing to the decrease in China, despite the increase in Japan (+9.5%)

Minivehicles around the world

Non-mini-base
998 thousand
units
(59%)

Mini-base
702 thousand
units
(41%)

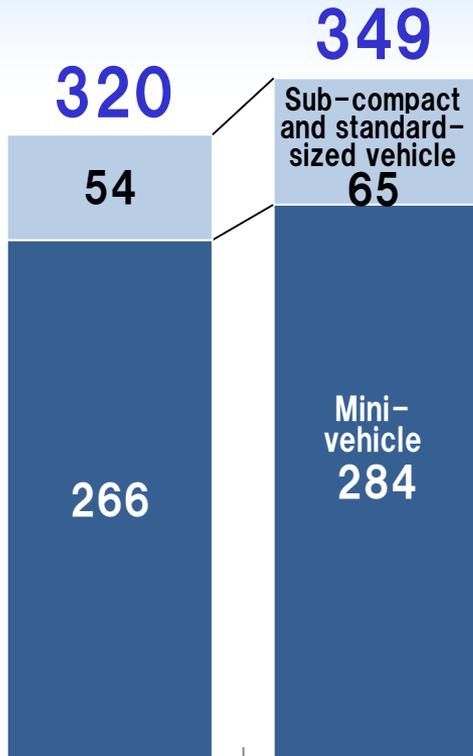


*Breakdown of April-September 2018 global sales of 1,699 thousand units. Japan includes Jimny Sierra (compact car).

Contribution of new models incl. Spacia and XBEE

«Half Year Comparison»

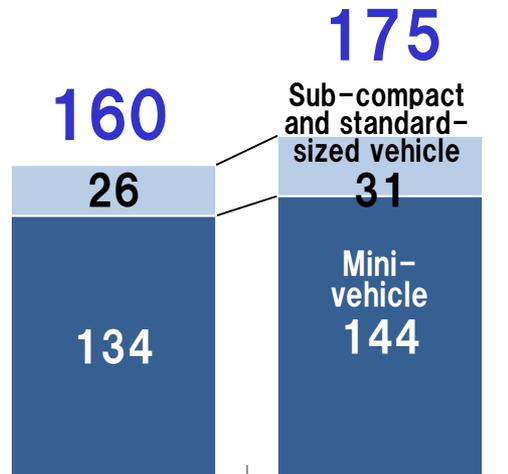
+29 (+9.0%)



« Of Which
Three Months Comparison »

+15 (+9.5%)

(Thousand units)



● Second quarter (Apr.–Sept.)
Japan sales

- 349 thousand units (+9.0% year-on-year)
- Contribution of new models including Spacia minicar and XBEE compact car

● Topic

- All-new Jimny (mini) and Jimny Sierra (compact car) won the Good Design Gold Award



GOOD DESIGN AWARD 2018

GOLD AWARD

FY2017
'17/4-9

FY2018
'18/4-9

FY2017
'17/7-9

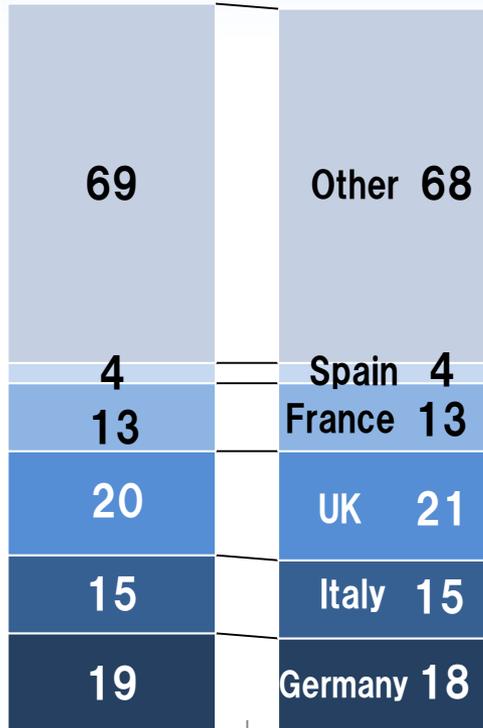
FY2018
'18/7-9

Steady sales of the Swift and Ignis

«Half Year Comparison»

-1 (-0.4%)

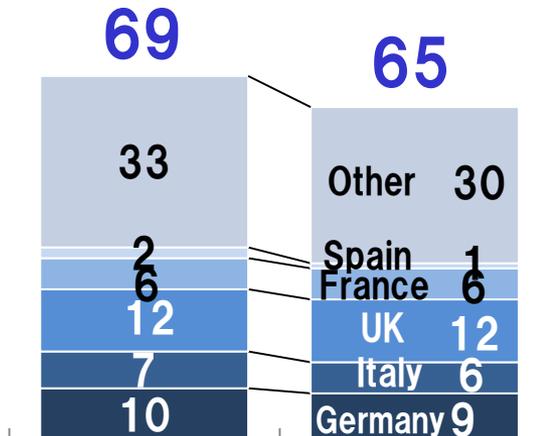
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« Of Which
Three Months Comparison »

-5 (-6.9%)

(Thousand units)



● Second quarter (Apr.–Sept.)
European sales

- Europe overall was flat on the year owing to steady sales of the Swift and Ignis.

● July–Sept. European sales

- Decreased (-6.9% year-on-year) owing to temporary decrease in production at the Hungary Plant due to switching of models for meeting European emissions regulations

FY2017

FY2018

'17/4-9

'18/4-9

FY2017

FY2018

'17/7-9

'18/7-9

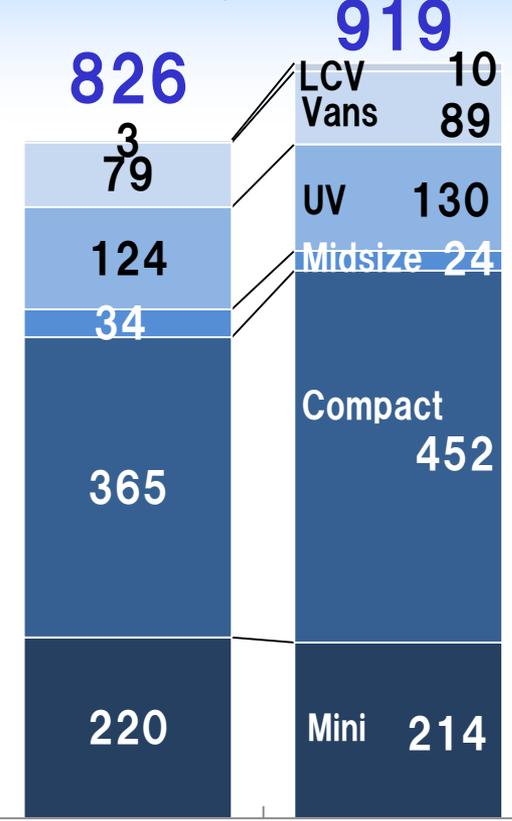
Record-high Indian sales

● Second quarter (Apr.-Sept.) Indian sales

- Record-high for Apr.-Sept. owing to growth in compact car segment
- However, July-Sept. was flat on the year partly owing to the impact of flood, etc.
- Recent fuel price became the highest ever

«Half Year Comparison»

+93 (+11.3%)

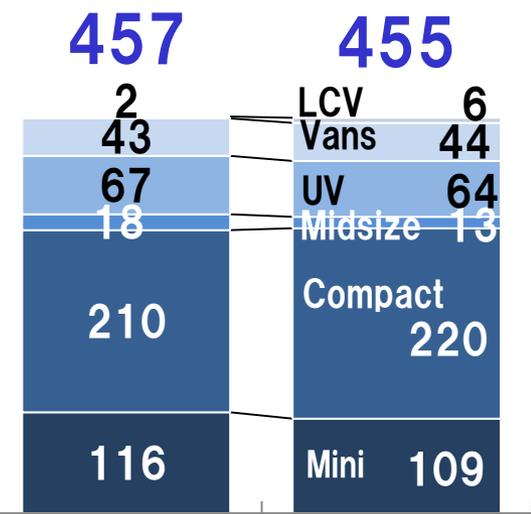


« Of Which Three Months Comparison »

-2 (-0.4%)

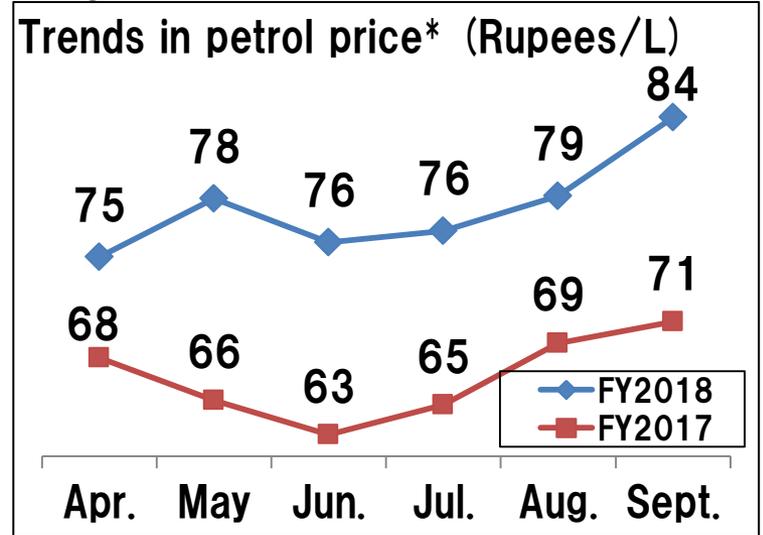
(Thousand units)

※LCV=Light Commercial Vehicles
UV =Utilities Vehicles



FY2017 '17/4-9 FY2018 '18/4-9

FY2017 '17/7-9 FY2018 '18/7-9



*Price in Delhi at the end of each month (rounded to the nearest rupee)

First hybrid car in India with lithium-ion battery

● Launched the new Ciaz in August

- Launched in 2014, Ciaz became the most popular mid-size premium sedan, and has sold 220,000 units since launch (as of August 2018).
- The petrol variant became the first mild hybrid car in India with lithium-ion battery.

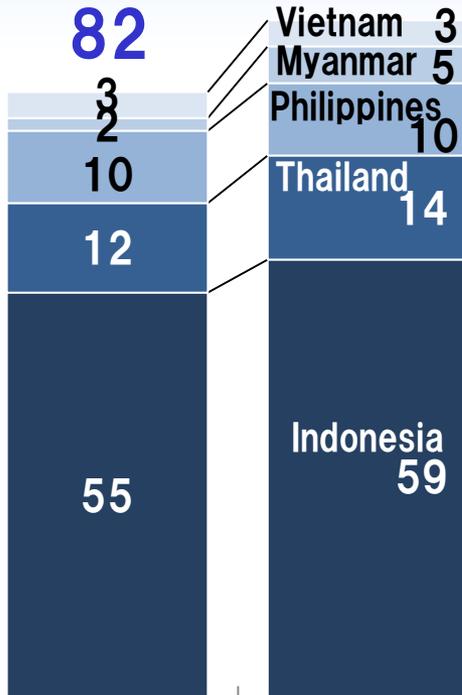


Increased mainly owing to Indonesia, Thailand, and Myanmar

«Half Year Comparison»

+10 (+12.0%)

91



FY2017

FY2018

'17/4-9

'18/4-9

« Of Which Three Months Comparison »

+4 (+8.7%)

(Thousand units)

43

47



FY2017

FY2018

'17/7-9

'18/7-9

● Second quarter (Apr.–Sept.)

ASEAN sales

- Total of 5 ASEAN countries* 91 thousand units (+12.0% year-on-year)
- Indonesia increased by 7.3% partly owing to recovery of commercial vehicle segment
- Thailand increased by 19.5% mainly owing to the launch of Swift, etc.
- Myanmar largely increased

● Topic

- Swift was launched as the 4th local production model for Suzuki in Myanmar (October)

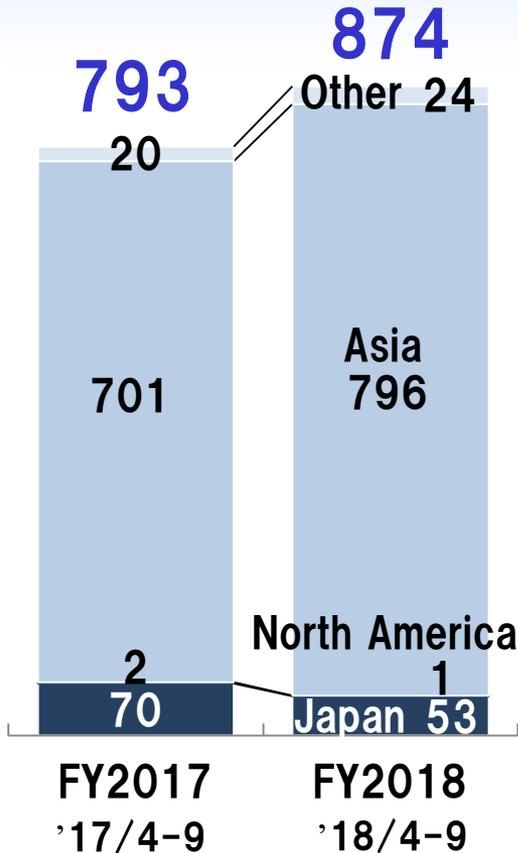


Swift launch event held in Yangon, Myanmar in October

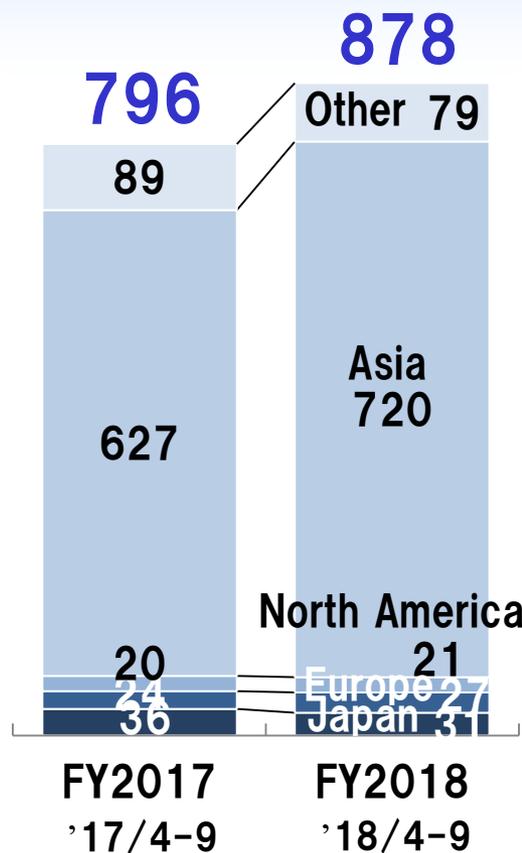
*ASEAN: Total of 5 countries – Indonesia, Thailand, the Philippines, Myanmar and Vietnam

Increased production and sales

«Half Year Production Volume Comparison»
+81 (+10.2%)



«Half Year Sales Volume Comparison»
+82 (+10.2%)
 (Thousand units)

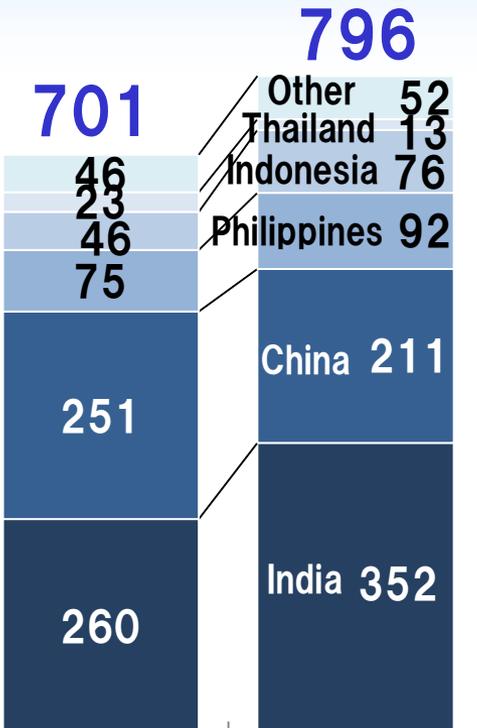


● **Second quarter (Apr.–Sept.) motorcycles**

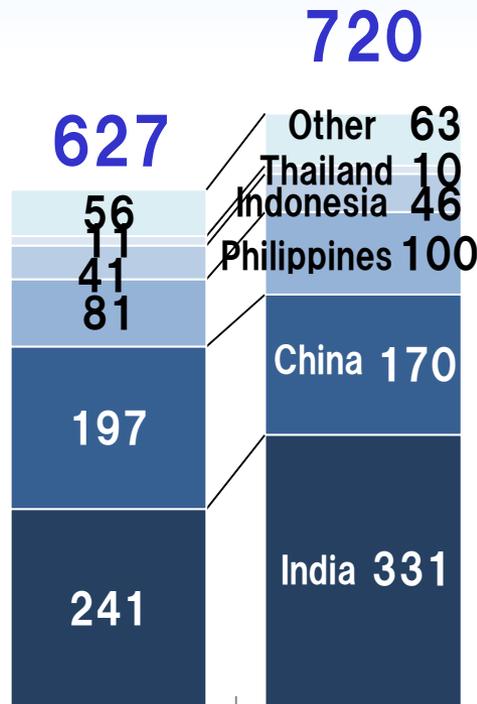
- Global production 874 thousand units (+10.2% year-on-year)
- Global sales 878 thousand units (+10.2%)

Increase in India, Indonesia, etc.

«Half Year Production Volume Comparison»
+95 (+13.5%)



«Half Year Sales Volume Comparison»
+93 (+14.8%)
 (Thousand units)



● Second quarter (Apr.–Sept.) Asian sales

- Asian sales increased by 14.8% year-on-year to 720 thousand units owing to the increase in countries including India and Indonesia
- Strong sales of the Access continues in India (+37.1%)
- Indonesia increased by 12.8% owing the launch of NEX II, etc.

● Topic

- Launched 125cc scooter BURGMAN STREET in India (July)



FY2017
'17/4-9

FY2018
'18/4-9

FY2017
'17/4-9

FY2018
'18/4-9

Distinctive, avant-garde styling design
like a Japanese sword of tempered steel

● About the GSX1100S KATANA unveiled in 1980

- Exhibited at the 1980 Cologne Motor Show
- Won the hearts of riders around the world with its avant-garde KATANA (Japanese sword) design
- Launched worldwide in 1981



● About the all-new KATANA

- Unveiled at the INTERMOT International Motorcycle, Scooter and Bicycle Fair held in Cologne, Germany in October
- With the GSX1100S KATANA as its motif, arranged it into a modern look
- 999cm³ inline four-cylinder engine based on that of GSX-R1000
- Will be produced at the Hamamatsu Plant and is planned to be launched globally from the spring of 2019 in areas including Europe



Upward revision for both automobile and motorcycle

(Thousand units)	Production					Sales				
	Forecast (FY2018)	FY2017 Results			Revised units from previous forecast	Forecast (FY2018)	FY2017 Results			Revised units from previous forecast
		(FY2017)	Change	Ratio			(FY2017)	Change	Ratio	
<Automobile>										
Japan	1,010	971	+39	+4.0%	+29	697	668	+29	+4.3%	+22
Europe	172	180	-8	-4.6%	-1	280	281	-1	-0.3%	±0
Asia	2,292	2,185	+107	+4.9%	+35	2,173	2,093	+80	+3.8%	+16
Others	4	2	+2	+75.0%	+2	188	182	+6	+3.6%	+1
Total	3,478	3,338	+140	+4.2%	+65	3,338	3,224	+114	+3.5%	+39
<Motorcycle>										
Japan	123	152	-29	-19.2%	-12	63	60	+3	+5.9%	-1
Europe	—	—	—	—	—	48	40	+8	+20.0%	-2
N.America	4	4	-0	-6.6%	±0	38	35	+3	+7.8%	-2
Asia	1,545	1,431	+114	+7.9%	+49	1,398	1,261	+137	+10.9%	+81
Others	49	39	+10	+25.5%	-1	161	184	-23	-12.6%	-14
Total	1,721	1,627	+94	+5.8%	+36	1,708	1,580	+128	+8.1%	+62

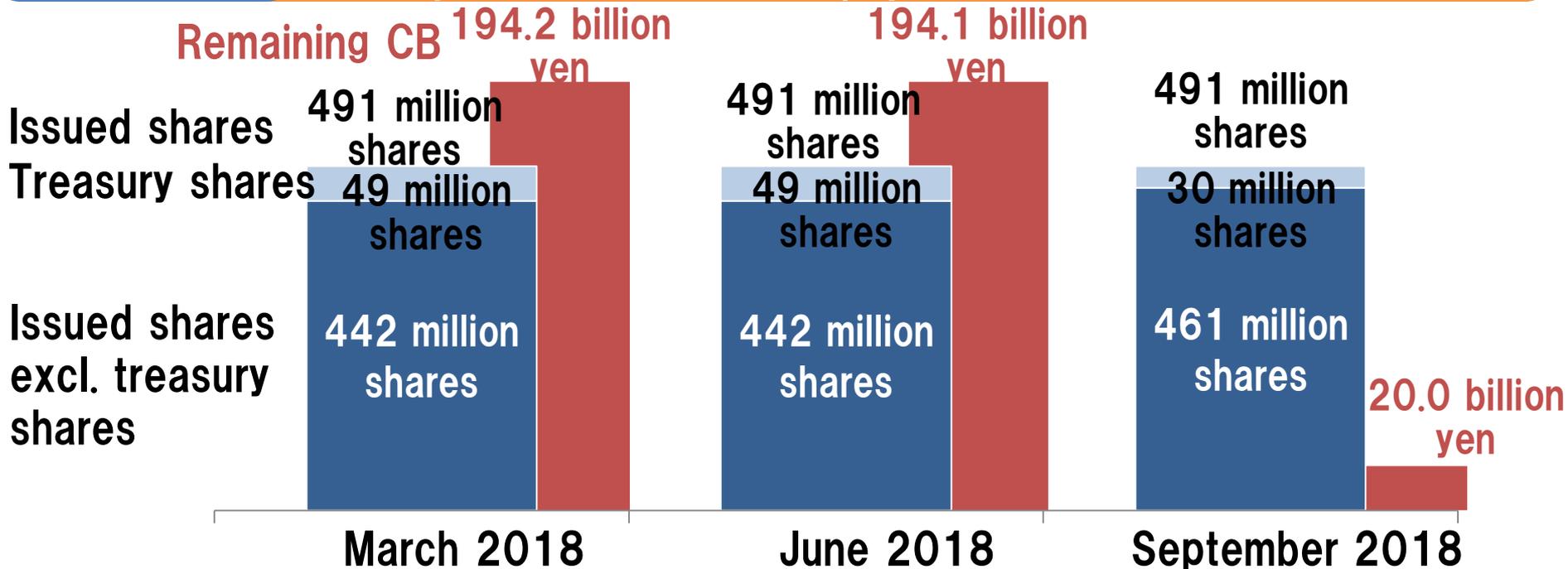
Conversion of the Convertible Bonds (CB)

Conversion proceeded due to rise in stock price

- Issued 200 billion yen (100 billion each for 5-year and 7-year bonds) in April 2016.
 - Request for conversion proceeded due to rise in stock price from August 2018.
- As of the end of September, the remaining CB is 20 billion yen.

Effects of scheme to minimize dilutive impact

- Delivered a total of 180 billion yen in cash and 19 million shares of treasury shares by the end of September
 ⇒ Conversion is limited to or less than half of the normal CB (44 million stocks)
- Equity Per Share slightly decreases due to increase in issued shares excluding treasury shares, but Return On Equity does not decrease



Both interim and year-end dividends are kept unchanged from the previous forecasts

	FY 2018	In comparison with FY 2017		In comparison with previous forecast	
		FY 2017 Result	Change	Previous forecast	Change
Interim dividends	37 yen	30 yen	+7 yen	37 yen (Plan)	±0 yen
Year-end dividends	37 yen (Plan)	44 yen	-7 yen	37 yen (Plan)	±0 yen
Annual dividends	74 yen (Plan)	74 yen	±0 yen	74 yen (Plan)	±0 yen

FY2018 Second Quarter Financial Results



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Debut!

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]