

# FY2019 First Quarter Financial Results

# ALTO

40<sup>th</sup> Anniversary



## SUZUKI MOTOR CORPORATION

## 5 August 2019

## First Quarter Results

… Lower earnings on lower sales

		FY2019 3 months ( '19/4-6)	FY2018 3 months ( '18/4-6)	Change		Record
					Ratio	
Consolidated Financial Results (Billions of yen)	Net Sales	907.5	987.5	-80.0	-8.1%	Decreased for first time in 3 periods
	Operating Income (Margin)	62.7 (6.9%)	116.5 (11.8%)	-53.8	-46.2%	Decreased for first time in 8 periods
	Ordinary Income (Margin)	72.4 (8.0%)	133.1 (13.5%)	-60.7	-45.6%	Decreased for first time in 3 periods
	Net Income* (Margin)	40.5 (4.5%)	85.9 (8.7%)	-45.4	-52.8%	Decreased for first time in 4 periods

- Decreased net sales…Decrease in Japan production due to restructuring of final inspection structure, decrease in Indian automobile sales, etc.
- Decreased operating income…Decreased net sales in Japan and India, impact of ForEX, and increase in various expenses
- Decreased ordinary income…Decrease in interest income in India, etc.

Worldwide Sales Volume (Thousand units)	Automobile	738	862	-124	-14.4%	Decreased in India, Japan, etc.
	Motorcycle	454	426	+28	+6.6%	Increased in India, Philippines, etc.

## Full Year Forecasts

… Kept unchanged from previous forecasts  
Announce new forecasts, also taking into account future trends

\*Net income attributable to owners of the parent

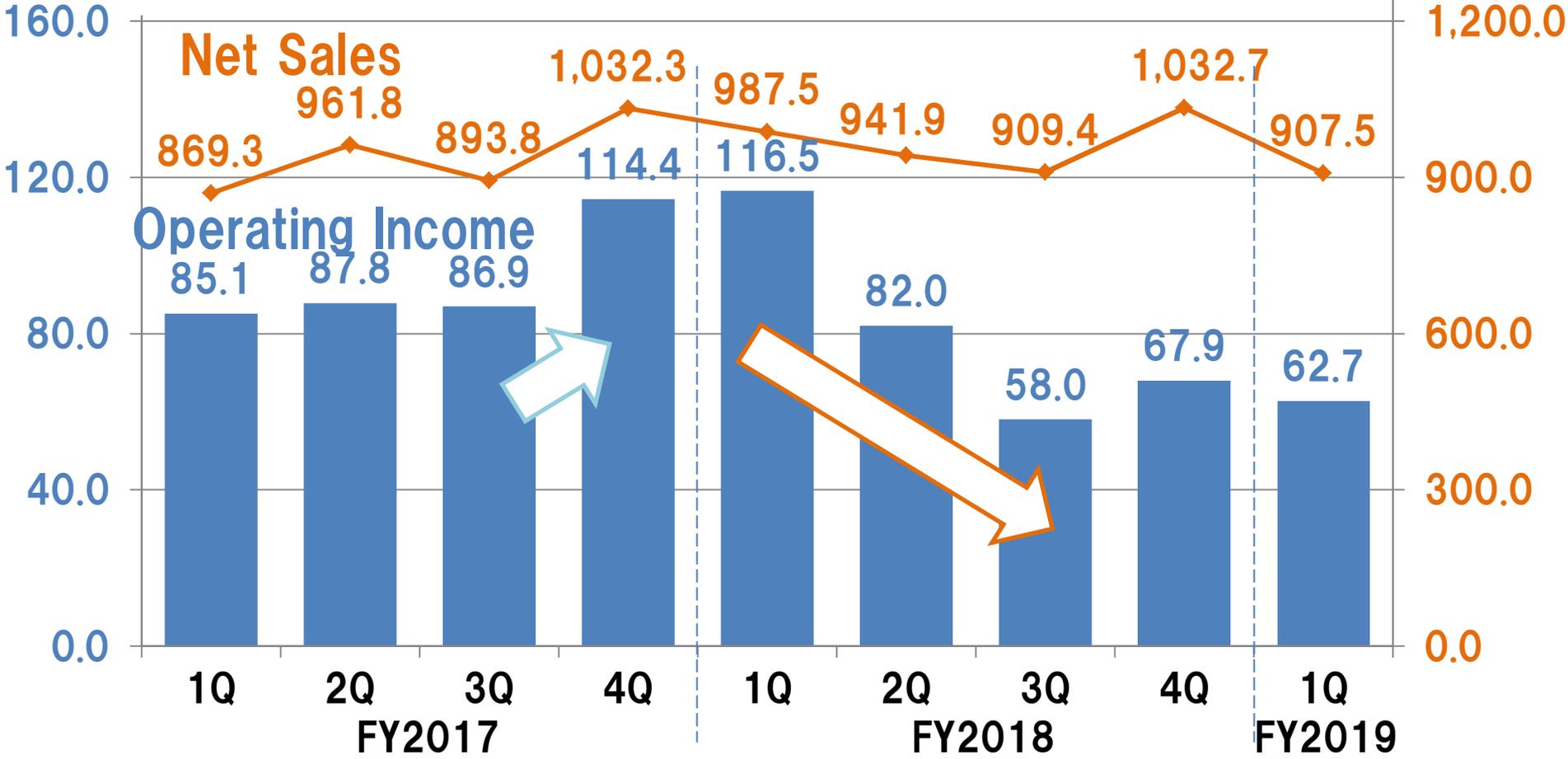


# Trends in Operating Results by Quarters

Slowdown since 2Q of FY2018, owing to sales decrease in India, impact of depreciation of currencies of emerging countries, etc.

(Billions of yen)

## Trends in Operating Results by Quarters



## Asia, esp. Indian automobile net sales largely decreased

(Billions of yen)	Automobile			Motorcycle			Marine, etc.			Total			of which effect of ForEX rates conversion
	FY2019 3 months (19/4-6)	FY2018 3 months (18/4-6)	Change										
Japan total	281.5	287.2	-5.7	5.7	5.5	+0.2	3.9	3.6	+0.3	291.1	296.3	-5.2	
Suzuki brand	258.9	261.1	-2.2	5.7	5.5	+0.2	3.9	3.6	+0.3	268.5	270.2	-1.7	
OEM	22.6	26.1	-3.5							22.6	26.1	-3.5	
Overseas total	535.6	613.4	-77.8	59.9	58.8	+1.1	20.9	19.0	+1.9	616.4	691.2	-74.8	-25.9
Europe	124.7	120.1	+4.6	11.9	12.1	-0.2	6.3	5.4	+0.9	142.9	137.6	+5.3	-7.4
N. America	0.2	0.4	-0.2	7.2	8.3	-1.1	10.9	9.8	+1.1	18.3	18.5	-0.2	+0.0
Asia	364.5	433.5	-69.0	32.7	30.9	+1.8	1.5	1.7	-0.2	398.7	466.1	-67.4	-16.2
India	283.0	335.5	-52.5	15.7	12.8	+2.9	0.1	0.1	-0.0	298.8	348.4	-49.6	-9.4
Other	81.5	98.0	-16.5	17.0	18.1	-1.1	1.4	1.6	-0.2	99.9	117.7	-17.8	-6.8
Other	46.2	59.4	-13.2	8.1	7.5	+0.6	2.2	2.1	+0.1	56.5	69.0	-12.5	-2.3
Grand total	817.1	900.6	-83.5	65.6	64.3	+1.3	24.8	22.6	+2.2	907.5	987.5	-80.0	-25.9
of which effect of ForEX rates conversion			-23.8			-1.8			-0.3				-25.9

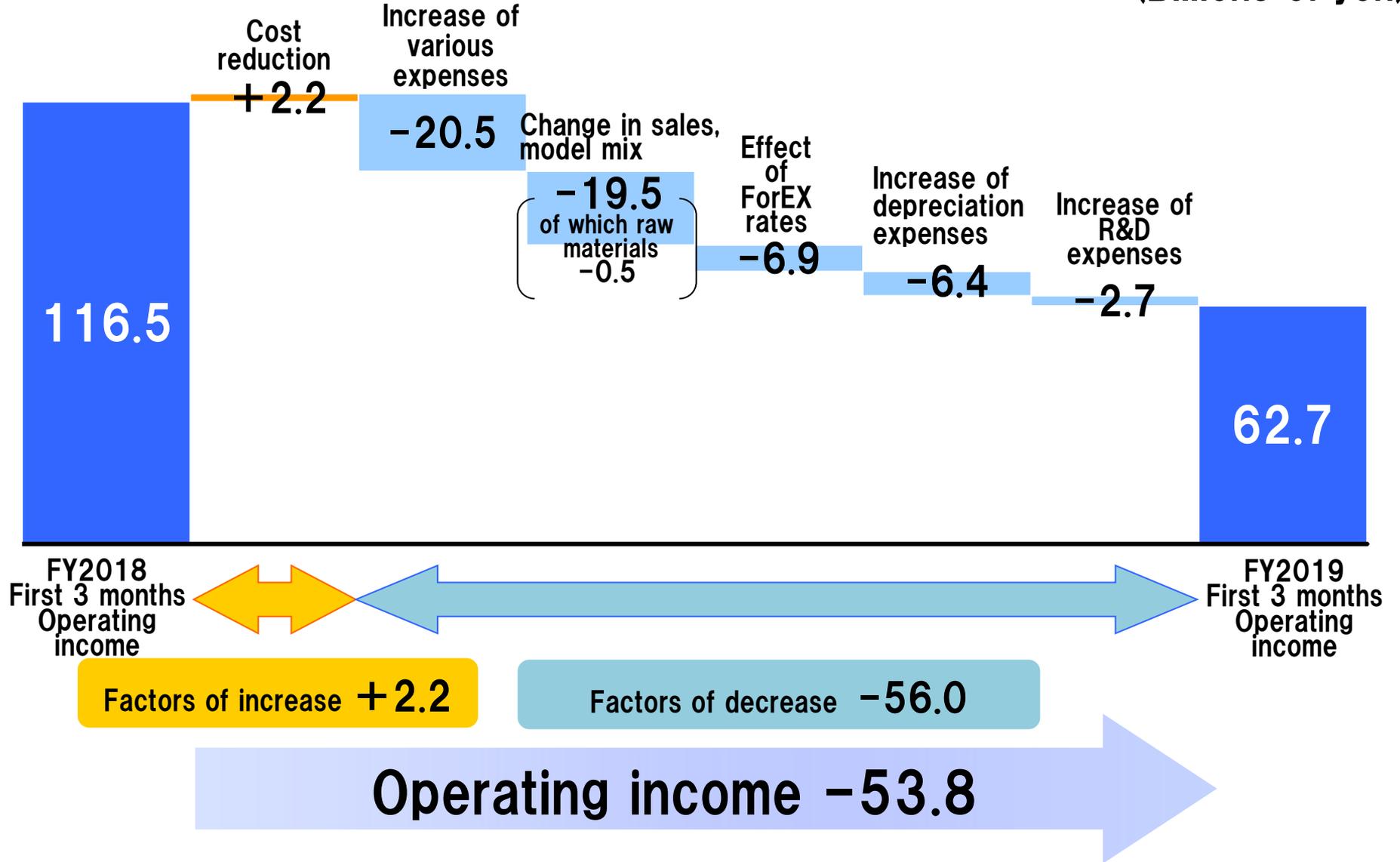
Note: North America...United States and Canada

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



# Consolidated: Factors of Change in Operating Income

(Billions of yen)



# Consolidated: Foreign Exchange Rates

	FY2019 3 months ( '19/4-6)	FY2018 3 months ( '18/4-6)	Change	Effect of ForEX rates in operating income
US Dollar	110 yen	109 yen	+1 yen	+0.1bln yen
Euro	123 yen	130 yen	-7 yen	-2.4bln yen
Indian Rupee	1.59 yen	1.64 yen	-0.05 yen	-1.5bln yen
100 Indonesian Rupiah	0.77 yen	0.79 yen	-0.02 yen	-0.1bln yen
Thai Baht	3.48 yen	3.42 yen	+0.06 yen	-0.1bln yen
Pak. Rupee	0.75 yen	0.94 yen	-0.19 yen	-1.4bln yen
Other	—	—	—	-1.5bln yen *
<b>Total</b>				<b>-6.9bln yen</b>

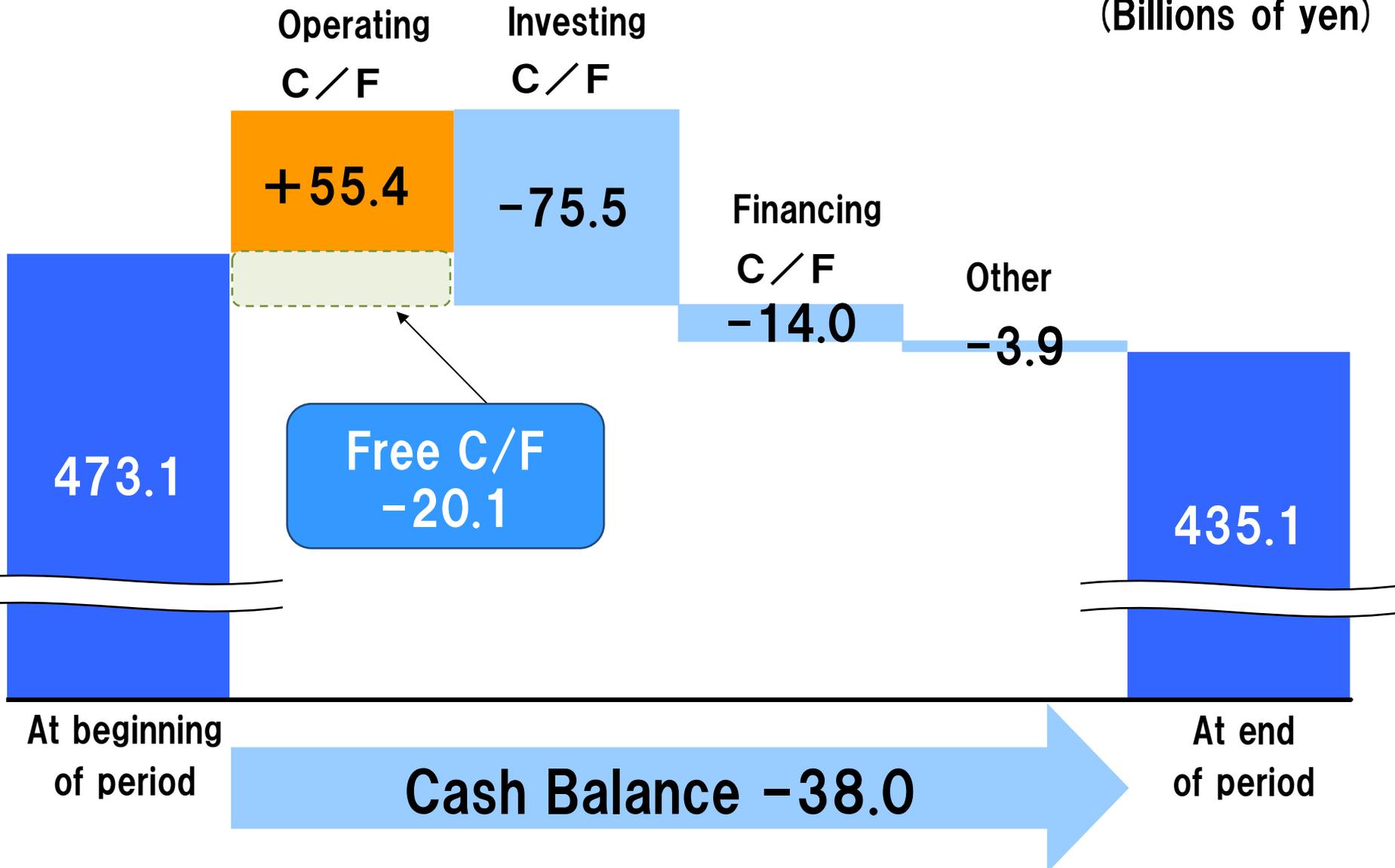
\* GB Pound -0.5bln yen, South African Rand -0.4bln yen, Aus. Dollar -0.3bln yen, etc.

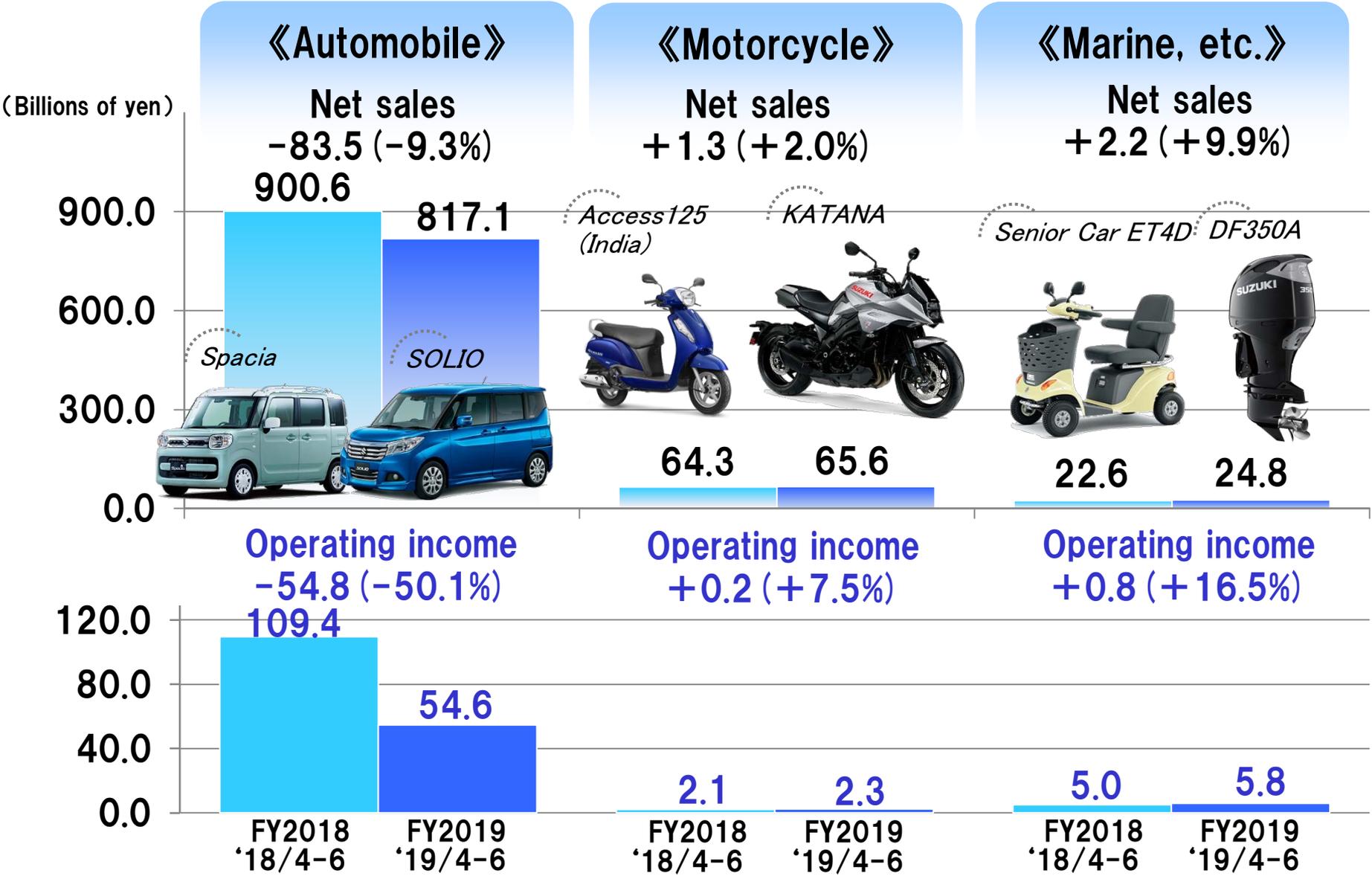
# Consolidated: Capital Expenditures, etc.

	FY2019 3 months ( '19/4-6 )	FY2018 3 months ( '18/4-6 )	Change
( Non-consolidated )	13.1bln yen	9.8bln yen	+ 3.3bln yen
( Subsidiaries )	46.8bln yen	68.2bln yen	- 21.4bln yen
<b>Capital Expenditures</b>	<b>59.9bln yen</b>	<b>78.0bln yen</b>	<b>- 18.1bln yen</b>
<b>Depreciation Expenses</b>	<b>39.1bln yen</b>	<b>32.7bln yen</b>	<b>+ 6.4bln yen</b>
<b>R&amp;D Expenses</b>	<b>34.4bln yen</b>	<b>31.7bln yen</b>	<b>+ 2.7bln yen</b>

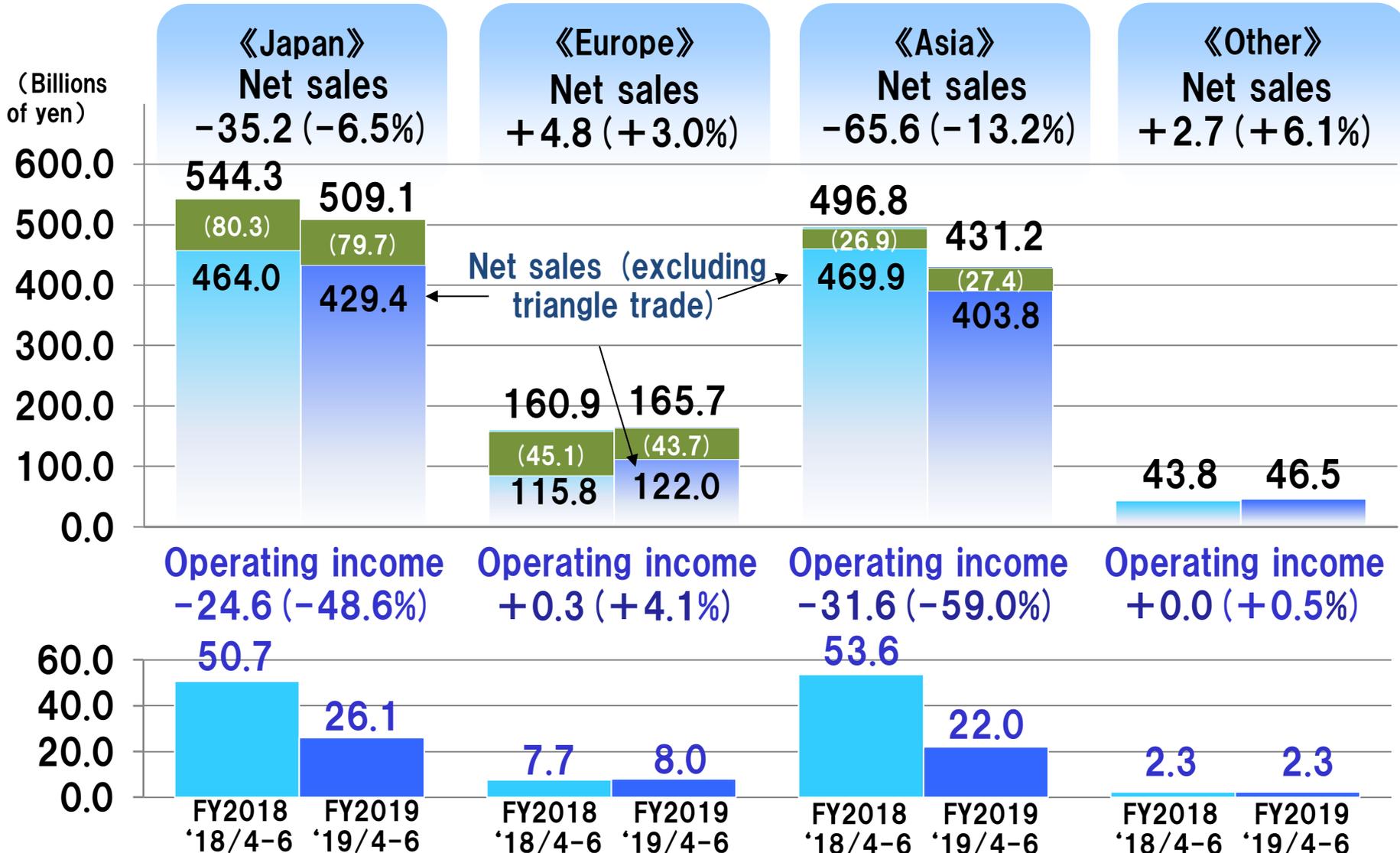
	( '19/6 )	( '18/6 )	Change	( '19/3 )	Change
Interest-Bearing Debt balance	377.0bln yen	585.9bln yen	- 208.9bln yen	375.4bln yen	+ 1.6bln yen
Consolidated Subsidiaries	129	131	- 2	130	- 1
Equity Method Affiliates	28	29	- 1	28	± 0
<b>Employees</b>	<b>69,141</b>	<b>67,151</b>	<b>+ 1,990</b>	<b>67,721</b>	<b>+ 1,420</b>

(Billions of yen)





# 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.

		Rupees (100 million Rupees) *1			Yen Conversion (Billions of yen)		
		FY2019 3 months (19/4-6)	FY2018 3 months (19/4-6)	Change	FY2019 3 months (19/4-6)	FY2018 3 months (19/4-6)	Change
Consoli- dated	Net Sales	1,874	2,181	-307	297.9	357.7	-59.8
	Operating Income*2	113	263	-150	18.0	43.1	-25.1
	(Margin)	(6.0%)	(12.1%)		(6.0%)	(12.1%)	
	Income before tax	185	292	-107	29.5	47.9	-18.4
	(Margin)	(9.9%)	(13.4%)		(9.9%)	(13.4%)	
	Net Income	138	202	-64	21.9	33.0	-11.1
	(Margin)	(7.3%)	(9.2%)		(7.3%)	(9.2%)	
	EX rate	1.59 yen	1.64 yen	-0.05 yen			
Whole- sales (Thousa nd units)	Domestic*3	374	464	-89			
	Exports	28	27	+1			
	Total	403	490	-87			

\*1 Results shown in Rupees are consolidated results announced by Maruti Suzuki India on 26 July

\*2 Operating Profit is calculated by using the following formula:

Sales of product  
+ Other operating revenues  
- Total Expenses  
+ Finance costs

\*3 Domestic sales includes OEM units

Kept unchanged from previous forecasts  
Announce new forecasts, also taking into account future trends

(Billions of yen)

	Full Year		
	Forecast	FY 2018 Results	Change
Net sales	3,900.0	3,871.5	+28.5
Operating income	330.0	324.4	+5.6
(Margin)	(8.5%)	(8.4%)	
Ordinary income	340.0	379.5	-39.5
(Margin)	(8.7%)	(9.8%)	
Net income*	200.0	178.8	+21.2
(Margin)	(5.1%)	(4.6%)	

	Full Year		
	Forecast	FY 2018 Results	Change
Capital Expenditures	270.0	268.9	+1.1
Depreciation Expenses	160.0	148.9	+11.1
R&D Expenses	170.0	158.1	+11.9

\*Net income attributable to owners of the parent

«Factors of Change in Operating Income»

Factors of Change	
Cost reduction	+31.0
Change in sales, model mix	+12.6
Effect of ForEX rates	-15.0
Increase of R&D expenses	-12.0
Increase of depreciation expenses	-11.0
<b>Total</b>	<b>+5.6</b>

«ForEX Rates and Effects»

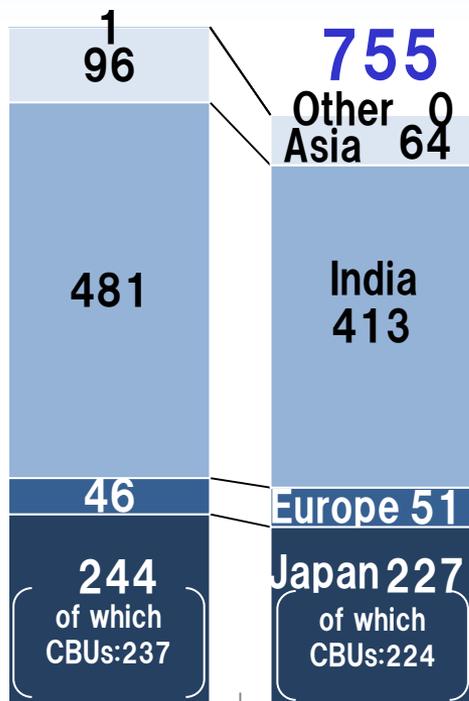
	Full Year			Effect of ForEX rates in operating income
	Forecast	FY 2018 Results	Change	
U.S. Dollar	110 yen	111 yen	-1 yen	-0.7
Euro	125 yen	128 yen	-3 yen	-4.7
Indian Rupee	1.58 yen	1.60 yen	-0.02 yen	-2.6
100 Indonesian Rupiah	0.77 yen	0.78 yen	-0.01 yen	-0.4
Thai Baht	3.40 yen	3.43 yen	-0.03 yen	-0.0
Others				-6.6
<b>Effect of ForEX rates total</b>				<b>-15.0</b>

Decreased year-on-year owing to decrease in production and sales in India and Japan

## « Production Volume Comparison »

-112 (-13.0%)

867

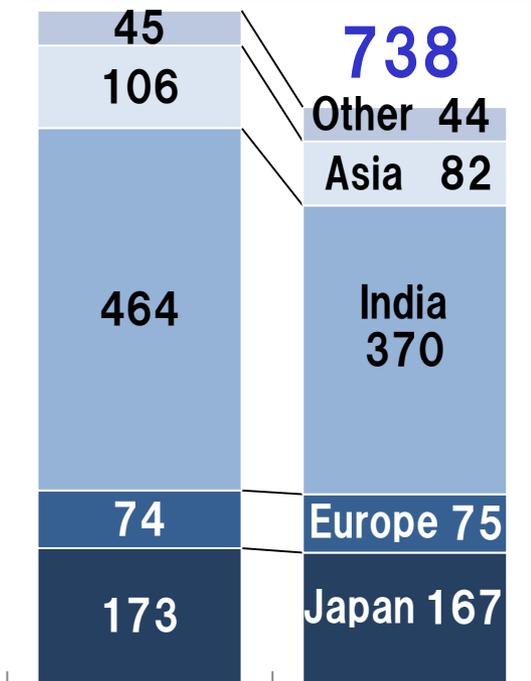


## « Sales Volume Comparison »

-124 (-14.4%)

862

(Thousand units)



## ● First quarter (April-June) Global sales

• 738,000 units  
(-14.4% Year-on-Year)

• India 370,000 units (-20.2%)  
Japan 167,000 units (-3.8%)  
Europe 75,000 units (+0.6%)

• Asia excl. India  
82,000 units (-22.1%)

(Breakdown)

Pakistan 31,000 units (-17.4%)  
Indonesia 25,000 units (-13.5%)  
Thailand 6,000 units (-15.0%)  
Philippines 6,000 units (+32.3%)  
China 6,000 units (-67.3%)  
Others 9,000 units (-13.8%)

FY2018  
'18/4-6

FY2019  
'19/4-6

FY2018  
'18/4-6

FY2019  
'19/4-6

## Shares Same Body and Engine Displacement as Japanese Minicar Regulation

### ● About the all-new Alto

- Pak Suzuki Motor of Pakistan launched the all-new Alto on 15 June
- 660cc R06A engine, which combines excellent fuel efficiency and strong driving performance, installed on same-sized (overall length and width) body as the Alto minicar sold in Japan

### ● About production based on Japanese minicar

- Since starting production in 1982, Pak Suzuki has produced models which are mainly equipped with 800cc to 1,000cc engines based on Japanese minicars
- First time to produce a model which shares the same body and engine displacement as the current Japanese minicar regulation at Suzuki's overseas site
- Introduce economical, highly-reliable, and high-performance Japanese minicars in the global market
- Aims to further popularize compact cars which Suzuki excels in

#### ● Main Specification of the All-New Alto

- Overall length x width x height: 3,395mm x 1,475mm x 1,490mm
- Engine: R06A (660cc)
- Transmission: 5MT/AGS
- Price: 999,000–1,295,000 Rupees  
(approximately 779,000–1,010,000 Yen\*)  
\*Converted at a rate of ¥0.78/Rupee

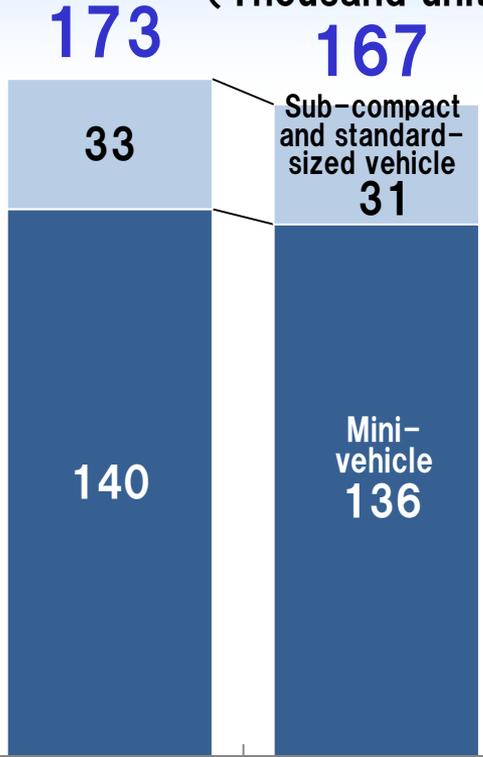


Decreased year-on-year due to impact of restructuring of final inspection structure

« First Quarter Comparison »

-7 (-3.8%)

(Thousand units)



● First quarter (April-June) Japan sales

- Mini-vehicle -2.8%
- Compact vehicle -7.9%

due to impact of restructuring final inspection structure

● Topics

- 40th anniversary of Alto since launch in May 1979
- Made upgrade on models by mainly fulfilling safety equipment, and expanded models that qualify for Sapo Car S (Safety Support Car S) and AEBS (Advanced Emergency Braking System)



L a p i n



EVERY WAGON

FY2018 '18/4-6

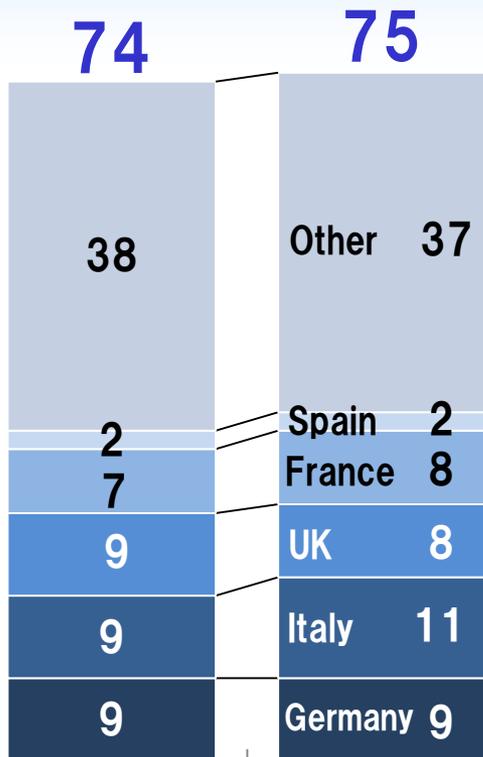
FY2019 '19/4-6

# Sales Volume of Automobiles by Geographic Region (Europe)

## Flat on the year in Europe overall

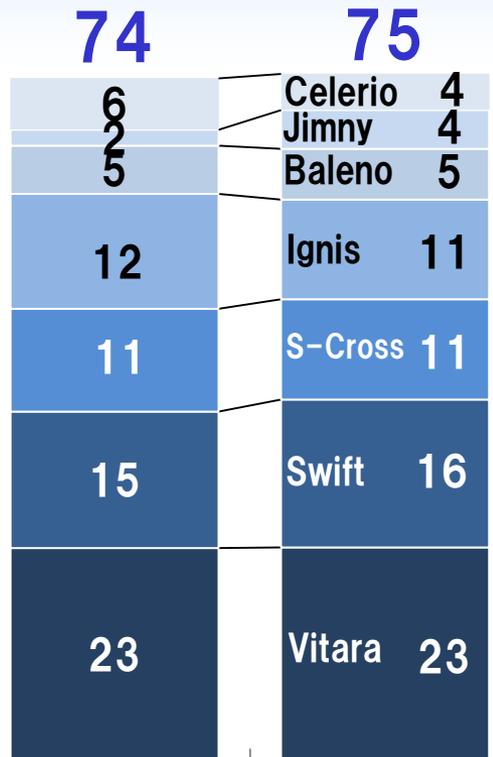
### «First Quarter Comparison»

+0 (+0.6%)



### «Breakdown by Model»

(Thousand units)



### ● First quarter (April–June) European sales

- Increased in Italy and France
- Flat on the year in Europe overall



FY2018  
'18/4-6

FY2019  
'19/4-6

FY2018  
'18/4-6

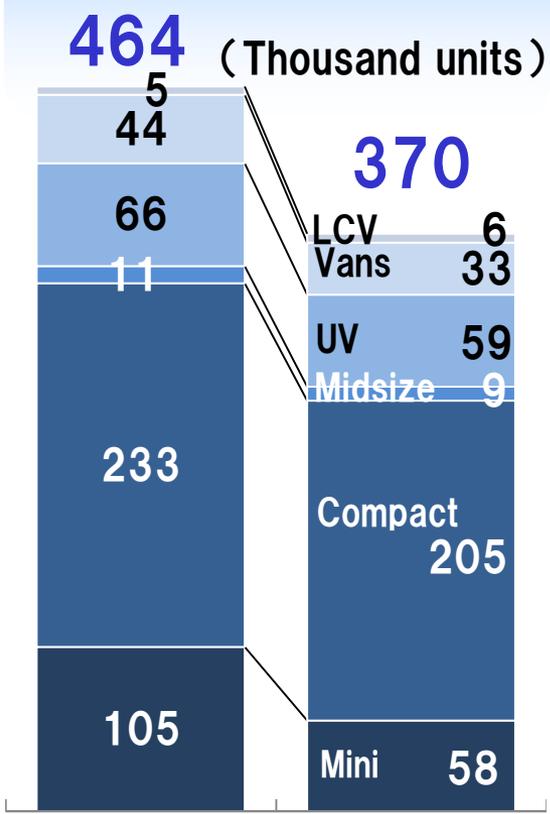
FY2019  
'19/4-6



# Sales Volume of Automobiles by Geographic Region (India)

Decreased partly owing to impact of hold off on purchasing before the general election in India

«First Quarter Comparison»  
-94 (-20.2%)



● **First quarter (April-June) India sales**

- Slowed down by -20.2% partly owing to impact of hold off on purchasing before the general election in India which was held from April to May

● **Topics**

- An industrial training institute Maruti Suzuki JIM (Uncha Majra, Gurugram) was accredited as the second Japan-India Institute for Manufacturing (JIM) for Suzuki by the Japanese Ministry of Economy, Trade and Industry in June
- Mobile NEXA terminal opened in June to reach out to customers throughout the country, giving them an opportunity to experience NEXA



FY2018  
'18/4-6

FY2019  
'19/4-6

※LCV=Light Commercial Vehicles, UV=Utilities Vehicles

Decreased owing to sales decrease in Indonesia and Thailand

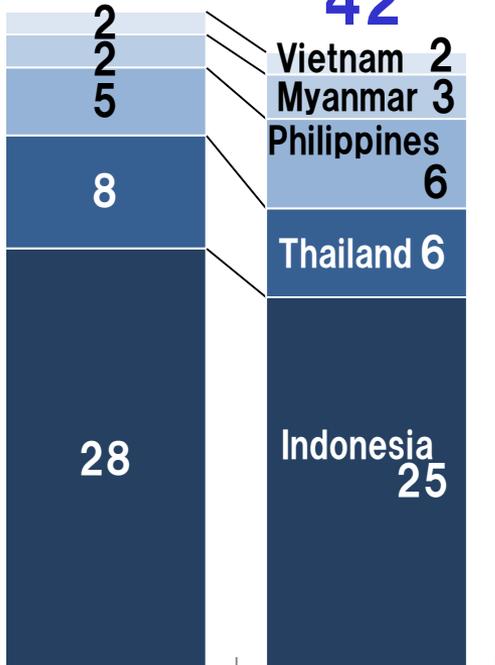
«First Quarter Comparison»

-3 (-5.9%)

(Thousand units)

44

42



## ● First quarter (April–June) ASEAN sales

- Indonesia slowed down by -13.5% partly owing to shrinking of market since November 2018  
Expand sales of models incl. Ertiga Sport launched in March, and the all-new Carry launched in April



- Thailand -15.0% owing to fall in sales of Ciaz, despite steady sales of Swift and Ertiga
- Philippines +32.3% owing to strong sales of Swift, Dzire, and Ertiga
- Myanmar +17.9% owing to overall market growth

FY2018  
'18/4-6

FY2019  
'19/4-6

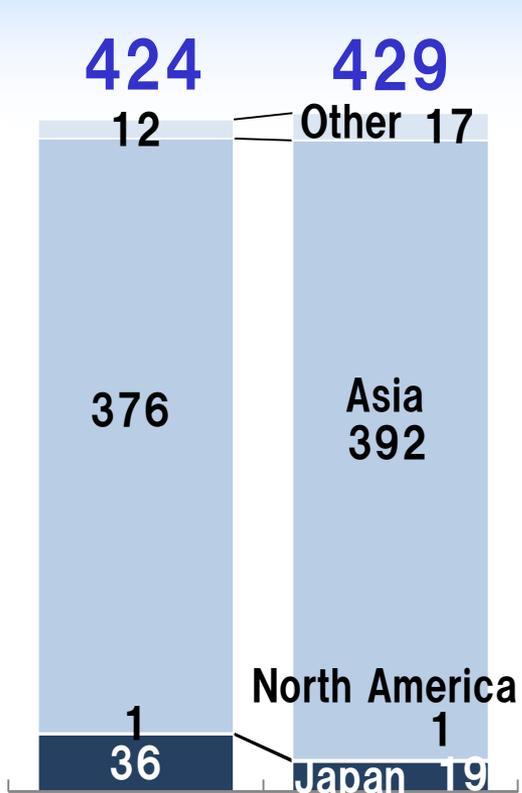
※ASEAN: Total of 5 countries - Indonesia, Thailand, the Philippines, Myanmar and Vietnam



# Production and Sales Volume of Motorcycles

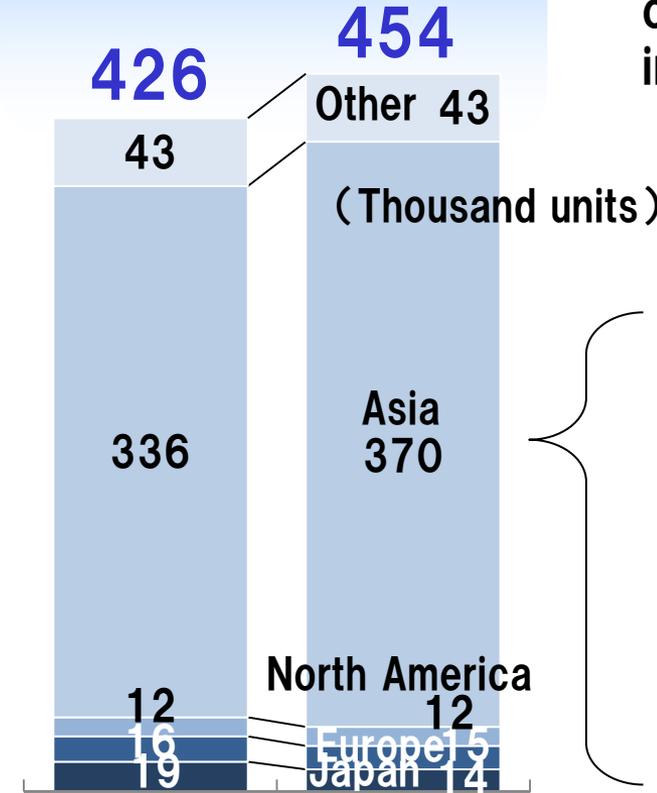
## Increased production and sales owing to increase in Asia

« Production Volume Comparison »  
+4 (+1.0%)



FY2018 '18/4-6      FY2019 '19/4-6

« Sales Volume Comparison »  
+28 (+6.6%)



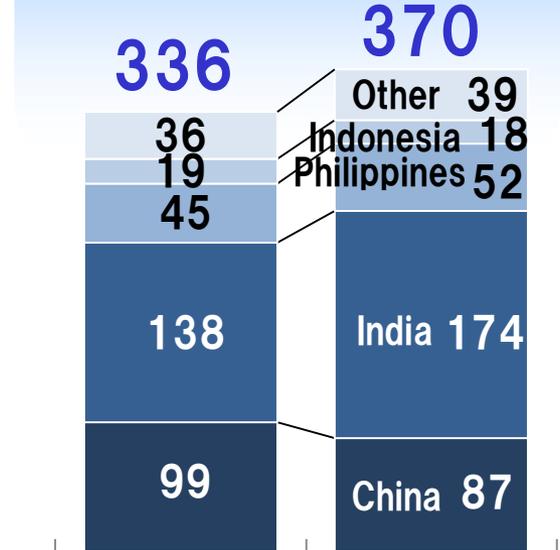
FY2018 '18/4-6      FY2019 '19/4-6

● First quarter (April-June) Motorcycles

- Production and sales increased owing to increase in countries incl. India and Philippines

« Breakdown of Sales Volume in Asia »

+34 (+10.0%)



FY2018 '18/4-6      FY2019 '19/4-6

Kept unchanged from previous forecasts  
Announce new forecasts, also taking into account future trends

(Thousand units)	Production				Sales			
	Forecast (FY2019)	FY2018 Results			Forecast (FY2019)	FY2018 Results		
		(FY2018)	Change	Ratio		(FY2018)	Change	Ratio
<b>&lt;Automobile&gt;</b>								
Japan	1,009	1,011	-2	-0.2%	720	725	-5	-0.7%
Europe	174	180	-6	-3.4%	256	278	-22	-8.0%
Asia	2,272	2,201	+71	+3.2%	2,182	2,138	+44	+2.1%
Others	2	2	-0	-7.4%	182	186	-4	-2.3%
<b>Total</b>	<b>3,457</b>	<b>3,394</b>	<b>+63</b>	<b>+1.9%</b>	<b>3,340</b>	<b>3,327</b>	<b>+13</b>	<b>+0.4%</b>

Automobile sales in India forecasts +4%

<b>&lt;Motorcycle&gt;</b>								
Japan	111	115	-4	-3.4%	60	57	+3	+6.1%
Europe	—	—	—	—	47	44	+3	+7.6%
N.America	3	4	-1	-25.5%	39	36	+3	+7.8%
Asia	1,680	1,576	+104	+6.6%	1,536	1,436	+100	+7.0%
Others	52	52	-0	-0.6%	143	171	-28	-16.5%
<b>Total</b>	<b>1,846</b>	<b>1,747</b>	<b>+99</b>	<b>+5.6%</b>	<b>1,825</b>	<b>1,744</b>	<b>+81</b>	<b>+4.7%</b>

## ● Global indexes for ESG (Environmental, Social, and Governance) investments

- Included in the FTSE4Good Index Series and the FTSE Blossom Japan Index for the first time in July

## ● About FTSE4Good Index Series

- Created by FTSE Russell, a wholly owned subsidiary of London Stock Exchange Group, designed to measure the performance of companies demonstrating strong ESG practices
- Used by a wide variety of market participants focused on ESG investments to create and assess responsible investment funds and other products

## ● About FTSE Blossom Japan Index

- ESG index focused on Japanese firms
- Adopted by the world's largest pension fund, Government Pension Investment Fund (GPIF), for ESG investments

- The Company will continuously be conscious of disclosing the efforts for ESG, and enhance communication with the stakeholders to consistently promote sustainable enhancement of corporate value.

# FY2019 First Quarter Financial Results



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]