

Consolidated Financial Summary for the First nine months Ended 31 December 2018 [Japanese GAAP]

5 February 2019

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Date of Filing Quarterly Securities Report : 13 February 2019
 Start of Payment of Cash Dividends : -
 Preparation of Supplementary Explanatory Materials : Yes
 Holding of Presentation Meeting on Quarterly Financial Results : Yes

(Amounts less than one million yen are rounded down)

1. Consolidated Operating Results for FY2018 first nine months (1 April – 31 December 2018)

(1) Consolidated management results

(Percentage indicates change from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY 2018 first nine months	2,838,834	4.2	256,544	-1.3	306,102	7.6	180,781	10.0
FY 2017 first nine months	2,724,884	21.0	259,843	55.3	284,586	57.9	164,322	23.2

[Note] Comprehensive Income
 FY2018 first nine months 154,391 Million Yen (-44.3%)
 FY2017 first nine months 277,145 Million Yen (45.5%)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY 2018 first nine months	402.15	402.09
FY 2017 first nine months	372.42	357.58

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
FY 2018 third quarter	3,221,528	1,692,603	43.0
FY 2017	3,340,828	1,595,227	38.8

[Reference] Shareholders' equity:
 (Net assets excluding non-controlling interests and subscription rights to shares)
 FY2018 third quarter 1,385,736 million yen
 FY2017 1,297,536 million yen

2. Cash dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2017	-	30.00	-	44.00	74.00
FY2018	-	37.00	-		
FY2018 (Forecast)				37.00	74.00

[Note] Revision of the latest forecasts of cash dividends announced: None

3. Forecasts for Consolidated Operating Results of FY 2018 (1 April 2018 –31 March 2019)

(Percentage indicates change from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full Year	3,800,000	1.1	350,000	-6.5	390,000	1.9	220,000	2.0	486.47

[Note] Revisions of the latest forecasts for consolidated operating results announced: None

* Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries that accompany with a change in the scope of consolidation) : None

New - (Name) Exclusion - (Name)

(2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements: Yes

(3) Changes in Accounting Principles, Changes in Accounting Estimates, and Retrospective Restatements

1) Changes in accounting principles due to the revision of the accounting standards : None

2) Changes in accounting principles other than 1) : None

3) Changes in accounting estimates : None

4) Retrospective restatement : None

(4) Number of outstanding shares (common stock)

(Shares)

1) Number of outstanding shares at end of period
(including treasury stock)

FY2018 Q3	491,049,100	FY2017	491,018,100
FY2018 Q3	29,815,014	FY2017	49,280,675
FY2018 Q3	449,539,132	FY2017 Q3	441,226,694

2) Number of treasury stock at end of period

3) Average number of outstanding shares during period
(First nine months)

* **This quarterly financial report is not required to be audited by certified public accountants or audit firm.**

* **Explanation regarding the appropriate use of forecasts for operating results, other information**

(Caution with respect to forward-looking statement)

The forward-looking statements 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 US dollar/Yen rate, Euro/Yen rate and Indian Rupee/Yen rate).

(Quarterly Results Supplementary Explanatory Materials)

Quarterly Results Supplementary Explanatory Materials will be available on our website

(<http://www.globalsuzuki.com>) on 5 February 2019.

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Quarterly Consolidated Financial Statements and Significant Notes

(1) Quarterly Consolidated Balance Sheets

(Amount: Millions of yen)

	FY2017 (As of 31 March 2018)	FY2018 third quarter (As of 31 December 2018)
Assets		
Current assets		
Cash and deposits	690,418	480,031
Notes and accounts receivables-trade	388,973	388,456
Short-term investment securities	256,695	176,654
Merchandise and finished goods	253,999	256,103
Work in process	48,954	73,057
Raw materials and supplies	49,962	60,658
Other	135,237	128,239
Allowance for doubtful accounts	(5,252)	(4,341)
Total current assets	1,818,988	1,558,860
Noncurrent assets		
Property, plant and equipment	804,265	865,555
Intangible assets	2,556	2,206
Investments and other assets		
Investment securities	543,485	606,672
Other	172,058	188,798
Allowance for doubtful accounts	(402)	(373)
Allowance for investment loss	(124)	(193)
Total investments and other assets	715,017	794,905
Total noncurrent assets	1,521,839	1,662,668
Total assets	3,340,828	3,221,528
Liabilities		
Current liabilities		
Accounts payable-trade	443,916	365,303
Electronically recorded obligations	68,322	73,497
Short-term loans payable	190,756	176,978
Income taxes payable	40,598	29,552
Provision for product warranties	105,106	141,314
Other	392,640	402,959
Total current liabilities	1,241,341	1,189,604
Noncurrent liabilities		
Bonds with subscription rights to shares	194,211	13,120
Long-term loans payable	192,943	216,699
Other provision	15,410	15,389
Liabilities for retirement benefits	65,224	66,910
Other	36,469	27,200
Total noncurrent liabilities	504,259	339,320
Total liabilities	1,745,601	1,528,925

(Amount: Millions of yen)

	FY2017 (As of 31 March 2018)	FY2018 third quarter (As of 31 December 2018)
Net assets		
Shareholders' equity		
Capital stock	138,064	138,161
Capital surplus	143,868	143,965
Retained earnings	1,247,242	1,316,987
Treasury stock	(189,126)	(114,343)
Total shareholders' equity	<u>1,340,047</u>	<u>1,484,771</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	108,528	87,723
Deferred gains or losses on hedges	22	(28)
Foreign currency translation adjustment	(140,136)	(175,905)
Accumulated adjustment for retirement benefits	(10,925)	(10,823)
Total accumulated other comprehensive income	<u>(42,511)</u>	<u>(99,034)</u>
Subscription rights to shares	126	115
Non-controlling interests	297,564	306,751
Total net assets	<u>1,595,227</u>	<u>1,692,603</u>
Total liabilities and net assets	<u>3,340,828</u>	<u>3,221,528</u>

**(2) Quarterly Consolidated Statement of Income and
Quarterly Consolidated Statement of Comprehensive Income
(First nine months ended 31 December 2018)
【Quarterly Consolidated Statement of Income】**

(Amount: Millions of yen)

	FY2017 first nine months (1 April – 31 December 2017)	FY2018 first nine months (1 April – 31 December 2018)
Net sales	2,724,884	2,838,834
Cost of sales	1,936,308	2,007,601
Gross profit	788,575	831,233
Selling, general and administrative expenses	528,732	574,688
Operating income	259,843	256,544
Non-operating income		
Interest income	23,869	39,522
Dividends income	2,955	3,496
Equity in earnings of affiliates	-	3,201
Other	9,896	15,585
Total non-operating income	36,720	61,805
Non-operating expenses		
Interest expenses	2,862	3,167
Loss on valuation of securities	53	1
Foreign exchange losses	2,559	3,838
Equity in losses of affiliates	166	-
Other	6,336	5,240
Total non-operating expenses	11,977	12,248
Ordinary income	284,586	306,102
Extraordinary income		
Gain on sales of noncurrent assets	2,290	1,500
Gain on sales of investment securities	1,281	92
Total extraordinary income	3,572	1,593
Extraordinary loss		
Loss on sales of noncurrent assets	136	142
Impairment loss	2,516	609
Total extraordinary loss	2,652	751
Income before income taxes	285,506	306,943
Income taxes	73,911	78,668
Net income	211,594	228,274
Net income attributable to non-controlling interests	47,271	47,493
Net income attributable to owners of the parent	164,322	180,781

【Quarterly Consolidated Statement of Comprehensive Income】

(Amount: Millions of yen)

	FY2017 first nine months (1 April – 31 December 2017)	FY2018 first nine months (1 April – 31 December 2018)
Net income	211,594	228,274
Other comprehensive income		
Valuation difference on available-for-sale securities	26,552	(26,192)
Deferred gains or losses on hedges	(1,741)	(0)
Foreign currency translation adjustment	40,130	(40,522)
Adjustment for retirement benefits	45	(416)
Share of other comprehensive income of associates accounted for using equity method	562	(6,751)
Total other comprehensive income	65,550	(73,882)
Comprehensive income	277,145	154,391
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	216,033	124,258
Comprehensive income attributable to non-controlling interests	61,111	30,133

(3) Quarterly Consolidated Statement of Cash Flows

(Amount: Millions of yen)

	FY2017 first nine months (1 April – 31 December 2017)	FY2018 first nine months (1 April-31 December 2018)
Net cash provided by (used in) operating activities		
Income before income taxes	285,506	306,943
Depreciation and amortization	114,440	106,273
Impairment loss	2,516	609
Increase (decrease) in allowance for doubtful accounts	(427)	(894)
Interest and dividends income	(26,824)	(43,018)
Interest expenses	2,862	3,167
Foreign exchange losses (gains)	(78)	757
Equity in (earnings) losses of affiliates	166	(3,201)
Loss (gain) on sales of property, plant and equipment	(2,154)	(1,358)
Loss (gain) on sales of investment securities	(1,281)	(92)
Decrease (increase) in notes and accounts receivable-trade	1,739	(3,429)
Decrease (increase) in inventories	(16,577)	(46,435)
Increase (decrease) in notes and accounts payable-trade	(42,955)	(66,458)
Increase (decrease) in accrued expenses	(10,295)	8,807
Other, net	16,185	26,440
Subtotal	322,821	288,110
Interest and dividends income received	28,055	43,264
Interest expenses paid	(3,239)	(2,807)
Income taxes paid	(86,412)	(88,474)
Net cash provided by (used in) operating activities	261,225	240,093
Net cash provided by (used in) investing activities		
Payments into time deposits	(109,609)	(79,474)
Proceeds from withdrawal of time deposits	113,585	104,558
Purchase of short-term investment securities	(587,877)	(574,243)
Proceeds from sales and redemption of securities	597,974	503,066
Purchases of property, plant and equipment	(132,315)	(187,821)
Other, net	(73,068)	25,952
Net cash provided by (used in) investing activities	(191,312)	(207,962)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	6,707	12,289
Proceeds from long-term loans payable	44,500	67,907
Repayment of long-term loans payable	(35,880)	(67,732)
Amortization by purchase of convertible bond with stock acquisition rights	(10)	(180,820)
Purchase of treasury stock	(4)	(6)
Cash dividends paid	(25,152)	(36,478)
Dividends paid to non-controlling interests	(20,911)	(20,908)
Other, net	(481)	5
Net cash provided by (used in) financing activities	(31,232)	(225,743)
Effect of exchange rate changes on cash and cash equivalents	5,103	(3,224)
Net increase (decrease) in cash and cash equivalents	43,784	(196,836)
Cash and cash equivalents at beginning of period	614,031	600,846
Cash and cash equivalents at end of period	657,815	404,010

(4) Notes to Quarterly Consolidated Financial Statements

(Assumption for Going Concern)

None

(Significant Changes in the Amount of Shareholders' Equity)

None

(Application of Accounting Treatment Specific to Preparation of Quarterly Consolidated Financial Statements)

[Calculation of income taxes]

With respect to income taxes, the effective tax rates were reasonably estimated after applying the tax effect accounting to the income before income taxes of the consolidated fiscal year. And income tax was calculated by multiplying the income before income taxes by this estimated effective tax rate.

(Segment Information)

1. FY2017 first nine months (1 April – 31 December 2017)

1. Net sales and Profit (Loss) of Each Reportable Segment

(Amount: Millions of yen)

	Reportable Segments			
	Automobile business	Motorcycle business	Marine business, etc.	Total
Net Sales	2,489,606	180,967	54,310	2,724,884
Segment profit ^{*1}	248,280	1,658	9,904	259,843

2. Impairment Losses on Noncurrent Assets or Goodwill of Each Segment

(Significant Impairment Losses on Noncurrent Assets)

Impairment losses were recognized by ¥2,296 million in "Automobile business" segment, by ¥17 million in "Motorcycle business" segment, and by ¥201 million in "Marine business, etc." segment respectively.

The amount of the relevant impairment losses recognized were ¥2,516 million in this first nine months of consolidated fiscal year.

2. FY2018 first nine months (1 April – 31 December 2018)

1. Net sales and Profit (Loss) of Each Reportable Segment

(Amount: Millions of yen)

	Reportable Segments			
	Automobile business	Motorcycle business	Marine business, etc.	Total
Net Sales	2,596,661	182,162	60,010	2,838,834
Segment profit ^{*1}	244,150	140	12,253	256,544

2. Impairment Losses on Noncurrent Assets or Goodwill of Each Segment

(Significant Impairment Losses on Noncurrent Assets)

This information is not provided due to its low materiality.

- [Notes] *1. Segment profit is an operating income in the quarterly consolidated statements of income.
 2. Main products and services of each segment are as follows.

Segment	Main products and services
Automobile business	Mini vehicles, Sub-compact vehicles, Standard-sized vehicles
Motorcycle business	Motorcycles, All terrain vehicles
Marine business, etc.	Outboard motors, Motorized wheelchairs, Electro senior vehicles, Houses

(Reference)

As reference information, operating results by geographical region are as follows;

[Operating Results by Geographic Region]

FY2017 first nine months (1 April - 31 December 2017)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	973,249	313,068	1,319,502	119,063	2,724,884	—	2,724,884
2) Internal net sales or transfer among geographical regions	508,879	143,367	88,623	493	741,363	(741,363)	—
Total	1,482,129	456,436	1,408,126	119,556	3,466,248	(741,363)	2,724,884
Operating income	111,466	12,594	140,575	3,422	268,059	(8,215)	259,843

FY2018 first nine months (1 April - 31 December 2018)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	1,059,043	308,250	1,342,358	129,182	2,838,834	—	2,838,834
2) Internal net sales or transfer among geographical regions	491,998	126,296	77,348	991	696,634	(696,634)	—
Total	1,551,041	434,546	1,419,707	130,173	3,535,469	(696,634)	2,838,834
Operating income	112,590	14,703	121,568	4,323	253,185	3,359	256,544

- [Notes] 1. Classification of countries or regions is based on a geographical adjacency.
 2. The major countries or regions are belonging to classifications other than Japan:
 (1) Europe..... Hungary, Germany, United Kingdom and France
 (2) Asia..... India, Pakistan, Indonesia and Thailand
 (3) Other..... United States, Australia, Mexico and Colombia
 3. Classification is based on the location of the Company and its consolidated subsidiaries.