Financial results FY2025
Questions and answers in the briefing session for analysts

May 14, 2026
Suzuki Motor Corporation

(Consolidated financial results and forecast)

Q1: What assumptions underlie the potential impact of the Middle East situation (up to ¥100 billion) in the FY ending March 2027 plan?

A. The projected impact of raw material price increases for the next fiscal year (-¥130 billion) does not include risks related to the Middle East situation. The potential ¥100 billion downside impact, if realized, is based on simulations focusing on four areas: production, sales, raw material cost risks, and maritime transportation risks.

On the production side, there are procurement risks for petroleum-related materials; however, we are working with suppliers to secure alternative sources and avoid production stoppages, so such risks are not factored in.

On the sales side, annual automobile sales to the Middle East are slightly over 60,000 units, accounting for less than 2% of our global sales. We are mitigating the impact by reallocating volume to India and other regions.

The largest portion of the ¥100 billion impact comes from raw material prices, mainly reflecting market fluctuations in resins and aluminum, assuming higher costs persist for one year.

Some maritime transportation risks are also included.

Q2: What are the risks and opportunities for achieving operating profit of ¥570 billion?

A. Upside factors are currently limited. Downside risks include the aforementioned impact of the Middle East situation, potential effects of primary energy supply restrictions on plant operations in India, and material shortages in Japan affecting production and vehicle maintenance.

We will respond based on our guiding principles of “Genba, Genbutsu, Genjitsu, Genri, Gensoku” (Actual Place, Actual Thing, Actual Situation, Fundamental Principle and Fundamental Rule) to minimize risks.

Q3: What are the assumptions for raw material price impacts and the view on additional risks?

A. Most of the projected -¥130 billion impact for the next fiscal year comes from Maruti Suzuki, along with considerations for strengthening supplier foundations.

In India, raw material prices surged in the second half of the previous fiscal year, resulting in a -¥85 billion impact in FY2025. More than half of this was due to price increases in materials such as precious metals and aluminum.

The majority reflects market conditions from the second half onward in India, and for the next fiscal year, a continued expansion trend is conservatively assumed, leading to the -¥130 billion forecast. This estimate reflects conditions prior to the worsening Middle East situation and does not include its effects. However, as the Middle East situation could lead to further increases in raw material prices, we will continue to monitor developments closely.

Q4: What were the one-off factors affecting operating profit in FY2025?

A. In the fourth quarter, we changed the method of recording quality-related costs. Previously, we used both case-by-case estimation and a provision method based on historical averages; from this quarter, we unified the method under the provision approach. This change resulted in a one-time positive impact of approximately +¥11 billion.

For the full year, in the third quarter, we increased provisions in accordance with India's new labor laws, leading to a one-time negative impact of approximately -¥10 billion in labor costs.

Q5: Why does the profit contribution from volume growth appear limited despite a +10% sales growth outlook in India for FY2026?

A. While FY2026 follows the usual pattern, the FY2025 was somewhat irregular. The volume effect in operating profit reflects shipment volume changes, including exports from each entity.

In the fourth quarter of FY2025, exports from Japan and Maruti Suzuki increased more significantly, creating a discrepancy and resulting in an irregular level in volume impact.

(India Automobile business)

Q6: What is the current demand environment and the impact of restrictions such as cutting fuel use?

A. There has been no significant change in order intake at present. However, due to the Middle East situation, Prime Minister Modi announced austerity measures, including reduced outings, refraining from gold purchases for one year, and limiting overseas travel.

Fuel prices remain unchanged for now, but future revisions could impact consumer purchasing power. We will closely monitor demand while promoting the appeal of our fuel-efficient compact cars to maximize sales.

Additionally, as India depends on imports for 90% of its oil, we will strengthen our biogas initiatives and accelerate production and sales of CNG vehicles.

Q7: What is the status of production constraints in India?

A. India serves as both a domestic supply base and an increasingly important global export hub. In FY2025, exports reached 448,000 units and they continue to grow.

Following the GST revision in September 2025, the Indian passenger vehicle market has been strong, with total market growth of 113% year-on-year in the fourth quarter. However, our domestic supply grew only 103% due to capacity constraints, resulting in tight supply-demand conditions.

Current annual production capacity is 2.4 million units, but we plan to expand to 2.9 million units (an increase of 500,000 units, or about 20%) by adding two new lines during this fiscal year. Of this increase, approximately 250,000 units (around 10%) will be reflected this year and mainly allocated to the domestic market, targeting a 10% increase in domestic sales.

Q8: What is your approach to pricing strategy and profitability?

A. As a top brand, we aim to maintain appropriate pricing while ensuring profitability through stronger sales capabilities and enhanced product competitiveness. Price revisions remain an option depending on rising raw material costs, but fundamentally we seek to secure profits through improved sales strength and cost reductions through VE/VA activities.

From a global perspective, rising fuel prices may shift consumer behavior toward more frugal purchasing and usage. We will adopt a balanced investment approach—cutting where appropriate while investing where necessary—to support vehicle development, production, and sales.

Q9: In India, there is a view that effective selling prices are rising despite no official price increases. How do you see competitiveness and profitability?

A. While the environment remains uncertain, Maruti Suzuki will continue to leverage its position as a top brand to maintain appropriate pricing, including potential price increases if necessary. We will also enhance earning power at the retail level, strengthen sales capabilities, and review our profit structure.

(Japan Automobile business)

Q10: What further growth potential exists in the sub-compact & standard-sized vehicle business and product mix improvement in Japan?

A. Demand for models such as the FRONX and Jimny NOMADE remains strong, and we will continue to meet that demand. Additionally, the XBEE has undergone a minor change comparable to a full model change. We will continue to capture demand for upgrading from mini vehicles.

(Mid-Term Management Plan / Management Policy)

Q11: Operating profit declined for the first time in four years, and a decline is also forecast for next year. What are the challenges and drivers for achieving the mid-term target of ¥800 billion by FY2030?

A. Alongside strengthening product competitiveness, we will continue efforts to communicate the value embedded by our development teams to customers and enhance the earning power of "Team Suzuki."

Despite a challenging external environment, we will make focused investments in areas such as human capital and AI, while exercising cost discipline elsewhere, aiming to increase profits by ¥200 billion through unified efforts.

Q12: Could you elaborate on ROIC management and efforts to reduce capital costs?

A. We have begun initiatives to strengthen capital efficiency, an area where we have traditionally been weak, by closely monitoring each business. We will continue to build this as a core management foundation going forward.

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