

**The items published on the Internet Website upon the Notice of Convocation of
the 152nd Ordinary General Meeting of Shareholders**

**Notes to Consolidated Financial Statements
&
Notes to Non-Consolidated Financial Statements**

(1 April 2017 – 31 March 2018)

Suzuki Motor Corporation

We provide shareholders with the Notes to Consolidated Financial Statements and the Notes to Non-Consolidated Financial Statements on our website (<http://www.globalsuzuki.com/ir/index.html>) in accordance with the laws and regulations and Article 16 of the Articles of Incorporation.

Notes to Consolidated Financial Statements

1. Notes to Basic Significant Matters for Preparing Consolidated Financial Statements

(1) Scope of consolidation

1) Number of consolidated subsidiaries and name of main consolidated subsidiaries

Number of consolidated subsidiaries 131

Name of main consolidated subsidiaries

Domestic.....	Suzuki Auto Parts Mfg. Co., Ltd. Suzuki Motor Sales Kinki Inc.
Overseas.....	Magyar Suzuki Corporation Ltd. Suzuki Deutschland GmbH Maruti Suzuki India Ltd. Suzuki Motor Gujarat Private Ltd. Pak Suzuki Motor Co., Ltd. PT. Suzuki Indomobil Motor Suzuki Motor (Thailand) Co., Ltd.

2) Change in the scope of consolidation

Increase 3 companies

Decrease 8 companies

3) Name of unconsolidated subsidiaries

Name of main unconsolidated subsidiaries.....Suzuki Motor Co., Ltd.

Reason for exclusion:

Because these unconsolidated subsidiaries are small, and total influence by their total assets, net sales, net income or loss (the amounts equivalent to the Company's interest in the companies) and retained earnings (the amounts equivalent to the Company's interest in the companies) on the consolidated financial statements are insignificant.

(2) Application of the equity methods

1) Number of affiliated companies to which the equity method is applied and name of main affiliated companies

Number of affiliated companies 31

Name of main affiliated company..... Chongqing Changan Suzuki Automobile Co., Ltd.

2) Change in the scope of application of the equity methods

Increase 1 company

Decrease 2 companies

3) Name of unconsolidated subsidiaries and affiliates to which the equity method is not applied

Name of main unconsolidated subsidiaries and affiliates to which the equity method is not applied

..... Suzuki Motor Co., Ltd.

Reason for non-application:

In terms of net income or loss and retained earnings (the amounts equivalent to the Company's interest in the companies), influence of these companies on consolidated financial statements is insignificant even if equity method is not applied to the companies, and it is not important as a whole.

(3) Fiscal year and others of consolidated subsidiaries

- 1) The account settlement date of 19 consolidated subsidiaries is 31 December, but Magyar Suzuki Corporation Ltd. and others are consolidated based on the financial statements of provisional account settlement as of 31 March.
- 2) The account settlement date of other consolidated subsidiaries is the same as the consolidated account settlement date.

(4) Accounting policy

1) Evaluation standards and evaluation methods of significant assets

(a) Securities

Available-for-sale securities

- Securities for which market quotations are available:
Fair value method based on the market values as of the consolidated account settlement date (The evaluation differences shall be reported as a component of net assets, and sales costs shall be calculated mainly by the moving average method)
- Securities for which market quotations are unavailable:
Cost method by a moving average method

(b) Derivatives..... Fair value method

(c) Inventories..... Cost method mainly by the gross average method (figures on the consolidated balance sheet are calculated by the method of book devaluation based on the reduction of profitability)

2) Method of depreciation and amortization of significant depreciable assets

(a) Property, plant and equipment (excluding lease assets)

- Mainly declining balance method

(b) Intangible assets (excluding lease assets)

- Straight line method

(c) Lease assets

Finance lease which transfer ownership

- The same method as depreciation and amortization of self-owned non-current assets

Finance lease which do not transfer ownership

- Straight-line method with the lease period as the durable years. With regard to lease assets with guaranteed residual value under lease agreement, remaining value is the guaranteed residual value. And with regard to other lease assets, remaining value would be zero.

3) Accounting treatment for deferred assets

- They are treated as expenses at the time of expenditure.

4) Basis for significant allowances and provisions

(a) Allowance for doubtful accounts

In order to allow for loss from bad debts, estimated uncollectible amount based on actual ratio of bad debt is appropriated as to general receivable. With regard to specific receivable with higher

- default possibility, possibility of collection is estimated respectively and uncollectible amount is appropriated.
- (b) Allowance for investment loss
The differences between the book value and the fair value of securities and investment not quoted at an exchange are determined and appropriated as reserve in order to allow for losses from these investments.
- (c) Provision for product warranties
The provision is appropriated into this account based on the warranty agreement and past experience in order to allow for expenses related to the maintenance service of products sold.
- (d) Provision for directors' and audit & supervisory board members' bonuses
In order to defray bonuses for directors and audit & supervisory board members, estimated amount of such bonuses is appropriated.
- (e) Provision for directors' and audit & supervisory board members' retirement benefits
The amount to be paid at the end of year had been posted pursuant to the Company's regulations on the retirement allowance of directors and audit & supervisory board members. However, the Company's retirement benefit system for them was abolished at the closure of the ordinary general shareholders' meeting held on 29 June 2006. And it was approved at the shareholders' meeting that reappointed directors and audit & supervisory board members were paid their retirement benefit at the time of their retirement, based on their years of service. Estimated amount of such retirement benefits is appropriated.
Furthermore, for the directors and audit & supervisory board members of some consolidated subsidiaries, the amount to be paid at the end of the year was posted pursuant to their regulation on the retirement allowance of directors and audit & supervisory board members.
- (f) Provision for disaster
Reasonably estimated amount is appropriated for anticipated loss mainly caused by relocation of plants and facilities located in the Ryuyo Region in Iwata City, Shizuoka Prefecture where massive tsunami damages caused by Tokai and Tonankai Earthquake are anticipated.
- (g) Provision for product liabilities
With regards to the products exported to North American market, to prepare for the payment of compensation, not covered by "Product Liability Insurance" the anticipated amount to be borne by the Company is computed and provided on the basis of actual results in the past.
- (h) Provision for recycling expenses
The provision is appropriated for an estimated expenses related to the recycle of products of the Company based on number of vehicles owned in the market, etc.
- 5) Accounting treatment pertaining to retirement benefits
- (a) Method of attributing expected benefit to periods
With regard to calculation of retirement benefit obligations, benefit formula basis method was used to attribute expected benefit to period up to the end of this fiscal year.
- (b) Method to recognize actuarial gains or losses and past service costs as expenses
With regard to past service costs, they are treated as expense on a straight line basis over the certain years within the period of average length of employees' remaining service years at the time when it occurs.
With regard to the actuarial gains or losses, the amounts, prorated on a straight line basis over the certain years within the period of average length of employees' remaining service years in each year in which the differences occur, are respectively treated as expenses from the next term of the year in which they arise.
- 6) Recognition of important revenue and expense
Revenue recognition of finance lease transaction:
Net sales and costs of sales are recognized when due for payment of lease fees has come.

7) Standards for translation of significant assets or liabilities in foreign currencies into the Japanese currency

Receivable and payable in foreign currencies are translated into yen on the spot exchange rate of the consolidated account settlement date, and the exchange difference shall be processed as gain or loss. Further, assets and liabilities of foreign consolidated subsidiaries and others shall be translated into yen by the spot exchange rate as of the consolidated account settlement date, profits and expenses are translated into yen by the average exchange rate during the year, and exchange differences shall be recorded to foreign currency translation adjustment and non-controlling interests of the net assets.

8) Method of significant hedge accounting

The deferred hedge processing is mainly applied. If foreign currency forward contracts meet certain criteria, exceptional hedge accounting is applied and these contracts are handled together with hedged items. If interest rate swap contracts meet certain criteria, special exceptional hedge accounting is applied and these contracts are handled together with hedged items. If cross currency interest rate swap contracts meet certain criteria, integration method (special exceptional method and exceptional method) is applied and these contracts are handled together with hedged items.

9) Method for amortization of goodwill and terms of amortization

They are amortized by the straight-line method for five years.

10) Other significant matters for preparing consolidated financial statements

(a) Processing method of consumption tax, etc.

The tax exclusion method is applied.

(b) Application of consolidated tax payment

Consolidated tax payment is applied.

2. Notes to Consolidated Balance Sheets

(1) Assets pledged as collateral and secured liabilities

1) Assets pledged as collateral

Buildings and structures	524 Million Yen
Land	97 Million Yen
Total	621 Million Yen

2) Secured liabilities

Other noncurrent liabilities	228 Million Yen
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(2) Accumulated depreciation of property, plant and equipment 1,840,003 Million Yen

(3) Guarantee obligations

The Group guarantees borrowing from financial institution etc. by other companies which are not consolidated subsidiaries.

1,351 Million Yen

(4) The Group has the commitment line contract with 6 banks for effective financing.

The outstanding balance of the contract at the end of the current consolidated fiscal year is as follows.

Commitment line contract total	250,000 Million Yen
Actual loan balance	-
Variance	250,000 Million Yen

3. Notes to Consolidated Statements of Changes in Net Assets

(1) Type and number of outstanding shares

(Shares)

Type of shares	Number of shares at beginning of current fiscal year	Increased number of shares during the period	Decreased number of shares during the period	Number of shares at end of current fiscal year
Common stock	491,000,000	18,100	-	491,018,100

[Notes] The increase of 18,100 shares of common stock consists of issuance of new shares as restricted stock compensation based on resolution of a board of directors' meeting held on 18 July 2017.

(2) Dividends

1) Dividends paid

Resolution	Type of shares	Total amount of dividends	Dividends per share	Record date	Effective date
Ordinary general shareholders' meeting held on 29 June 2017	Common stock	11,914 Million Yen	27.00 Yen	31 March 2017	30 June 2017
Meeting of the board of directors held on 2 November 2017	Common stock	13,239 Million Yen	30.00 Yen	30 September 2017	30 November 2017

2) Dividends, which record date is during the current consolidated fiscal year, with their effective date in the next consolidated fiscal year

The following dividends are proposed as a matter of resolution at the ordinary general shareholders' meeting scheduled to be held on 28 June 2018.

(a) Total amount of dividends	19,439 Million Yen
(b) Dividends per share	44.00 Yen
(c) Record date	31 March 2018
(d) Effective date	29 June 2018
Resource of dividends (plan): Retained earnings	

4. Notes to Financial Instruments

(1) Matters for conditions of financial instruments

With regard to the fund management, the Group uses short-term deposits and short-term investment securities, and with regard to the fund-raising, the Group uses borrowings from financial institutions such as banks and issuance of bonds.

The Group mitigates customers' credit risks from notes and accounts receivables-trade in line with our rules and regulations for credit control. The Group hedges risks of exchange-rate fluctuations from operating receivables denominated in foreign currency by forward exchange contract in principle. Investment securities are mainly stocks, and with regard to listed stocks, the Group quarterly identifies those fair values.

Applications of borrowings are operating capital (mainly short term) and fund for capital expenditures (long term). The Group uses interest-rate swaps or cross currency interest rate swap as hedge instruments for the risk of fluctuation in interest rate and foreign exchange rate of some long-term borrowings. In addition, the Group uses derivatives within the actual demand in accordance with our administrative rules.

(2) Matters for fair values of the financial instruments

Carrying amounts in the consolidated balance sheet, fair value and differences between them at 31 March 2018 (consolidated settlement date of current fiscal year) are as follows.

(Amount: Millions of yen)

	Carrying amount	Fair value	Difference
Assets			
(a) Cash and deposits	690,418	690,418	-
(b) Notes and accounts receivables-trade	388,973	391,536	2,563
(c) Short-term investment securities and investment securities			
Available-for-sale securities	753,949	753,949	-
Stocks of affiliates	725	3,300	2,575
Liabilities			
(a) Accounts payable-trade	443,916	443,916	-
(b) Short-term loans payable	97,598	97,598	-
(c) Current portion of long-term loans payable	93,157	93,235	(78)
(d) Accrued expenses	215,335	215,335	-
(e) Bonds with subscription rights to shares	194,211	275,825	(81,613)
(f) Long-term loans payable	192,943	192,920	23
Derivatives (*)	204	204	-

(*) Assets or liabilities derived from derivatives are shown on a net basis and net liabilities are shown as ().

[Notes] 1. Matters for methods used to measure fair values of financial instruments

Assets

(a) Cash and deposits

Because fair values of deposits are approximately equal to the book values, book values are used as fair values.

(b) Notes and accounts receivables-trade

Fair values of sales finance receivables are calculated on the discount method by the expected rate applied to new loan contract, on each receivable classified into a certain term. Notes and accounts receivables-trade except sales finance are settled in short term and those fair values are approximately equal to the book values. Therefore book values are used as fair values.

(c) Short-term investment securities and investment securities

With regard to these fair values, fair values of stock are prices of exchanges. With regard to negotiable certificate of deposit and other types of securities, book values are used as fair values because they are settled in short term and those fair values are approximately equal to the book values.

Liabilities

(a) Accounts payable-trade, (b) Short-term loans payable, and (d) Accrued expenses

Because these are settled in short term and those fair values are approximately equal to the book values, such book values are used.

(c) Current portion of long-term loans payable and (f) Long-term loans payable

These fair values are measured by discounting. The discounting is based on the estimated interest rates at which similar new loans with same amount of principal and interest could have been borrowed.

(e) Bonds with subscription rights to shares

With regard to fair values of bonds with subscription rights to shares, they are calculated based on the prices offered by financial institutions, etc.

Derivatives

Calculation is based on prices offered by financial institutions, etc.

2. Unlisted stocks other than stocks of affiliates (carrying amount in the consolidated balance sheet ¥17,682 million), unlisted stocks of affiliates (carrying amount in the consolidated balance sheet ¥24,943 million) and other (carrying amount in the consolidated balance sheet ¥2,880 million) are not included in "(c) Short-term investment securities and investment securities". That is because those fair values are not available and future cash flows cannot be estimated, it is extremely difficult to identify those fair values.

5. Notes to Information about Per Share Amount

Net assets per share	2,937.35 Yen
Net income per share, Basic	488.86 Yen
Net income per share, Diluted	473.74 Yen

6. Significant Subsequent Event

None

Notes to Non-Consolidated Financial Statements

1. Notes to Significant Accounting Policies

(1) Evaluation standards and evaluation methods of assets

1) Securities

Stocks of subsidiaries and affiliates

..... Cost method by a moving average method

Available-for-sale securities

..... Securities for which market quotations are available:

Fair value method based on the market values as of the account settlement date (The evaluation differences shall be reported as a component of net assets, and sales costs shall be calculated by the moving average method)

Securities for which market quotations are unavailable:

Cost method by a moving average method

2) Derivatives..... Fair value method

3) Inventories..... Cost method mainly by the gross average method (figures on the balance sheet are calculated by the method of book devaluation based on the reduction of profitability)

(2) Method of depreciation and amortization of non-current assets

1) Property, plant and equipment (excluding lease assets)

..... Declining balance method

2) Intangible assets (excluding lease assets)

..... Straight line method

3) Lease assets

Finance lease which transfer ownership

..... The same method as depreciation and amortization of self-owned non-current assets

Finance lease which do not transfer ownership

..... Straight-line method with the lease period as the durable years. With regard to lease assets with guaranteed residual value under lease agreement, remaining value is the guaranteed residual value. And with regard to other lease assets, remaining value would be zero.

(3) Accounting treatment for deferred assets

..... They are treated as expenses at the time of expenditure.

(4) Allowances and provisions

1) Allowance for doubtful accounts

In order to allow for loss from bad debts, estimated uncollectible amount based on actual ratio of bad debt is appropriated as to general receivable. With regard to specific receivable with higher default possibility, possibility of collection is estimated respectively and estimated uncollectible amount is appropriated.

2) Allowance for investment loss

The differences between the book value and the fair value of securities and investment not quoted at an exchange are determined and appropriated as reserve in order to allow for losses from these investments.

3) Provision for product warranties

The provision is appropriated into this account based on the warranty agreement and past experience in order to allow for expenses related to the maintenance service of products sold.

- 4) Provision for retirement benefits

In order to allow for payment of employees' retirement benefits, based on estimated amount of retirement benefits liabilities and pension assets at the end of current fiscal year is appropriated.

 - (a) Method of attributing expected benefit to periods

With regard to calculation of retirement benefit obligations, benefit formula basis method was used to attribute expected benefit to period up to the end of this fiscal year.
 - (b) Method to recognize actuarial gains or losses and past service costs as expenses

With regard to past service costs, they are treated as expense on a straight line basis over the certain years within the period of average length of employees' remaining service years at the time when it occurs.
With regard to the actuarial gains or losses, the amounts, prorated on a straight line basis over the certain years within the period of average length of employees' remaining service years in each year in which the differences occur, are respectively treated as expenses from the next term of the year in which they arise.
 - 5) Provision for directors' and audit & supervisory board members' retirement benefits

The amount to be paid at the end of year had been posted pursuant to the Company's regulations on the retirement allowance of directors and audit & supervisory board members. However, the Company's retirement benefit system for them was abolished at the closure of the ordinary general shareholders' meeting held on 29 June 2006. And it was approved at the shareholders' meeting that reappointed directors and audit & supervisory board members were paid their retirement benefit at the time of their retirement, based on their years of service. Estimated amount of such retirement benefits is appropriated.
 - 6) Provision for disaster

Reasonably estimated amount is appropriated for anticipated loss mainly caused by relocation of plants and facilities located in the Ryuyo Region in Iwata City, Shizuoka Prefecture where massive tsunami damages caused by Tokai and Tonankai Earthquake are anticipated.
 - 7) Provision for product liabilities

With regards to the products exported to North American market, to prepare for the payment of compensation, not covered by "Product Liability Insurance" the anticipated amount to be borne by the Company is computed and provided on the basis of actual results in the past.
 - 8) Provision for recycling expenses

The provision is appropriated for an estimated expense related to the recycle of products of the Company based on number of vehicles owned in the market, etc.
- (5) Standards for translation of significant assets and liabilities in foreign currencies into the Japanese currency
- Receivable and payable in foreign currencies are translated into yen on the spot exchange rate of the account settlement date, and the translation difference shall be processed as gain or loss.
- (6) Method of hedge accounting
- The deferred hedge processing is mainly applied. If foreign currency forward contracts meet certain criteria, exceptional hedge accounting is applied and these contracts are handled together with hedged items. If interest rate swap contracts meet certain criteria, special exceptional hedge accounting is applied and these contracts are handled together with hedged items. If cross currency interest rate swap contracts meet certain criteria, integration method (special exceptional method and exceptional method) is applied and these contracts are handled together with hedged items.
- (7) Other significant matters for preparing financial statements
- 1) Processing method of consumption tax, etc.

The tax exclusion method is applied.
 - 2) Application of consolidated tax payment

Consolidated tax payment is applied.

2. Notes to Non-Consolidated Balance Sheets

(1) Assets pledged as collateral and secured liabilities

1) Assets pledged as collateral

Buildings	180 Million Yen
Land	97 Million Yen
Total	277 Million Yen

2) Secured liabilities

Other noncurrent liabilities	73 Million Yen
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(2) Monetary receivables from and payables to subsidiaries and affiliates

Short-term receivables	204,123 Million Yen
Short-term payables	172,088 Million Yen

(3) Accumulated depreciation of property, plant and equipment 855,189 Million Yen

(4) Guarantee obligations

The Company guarantees the other companies' borrowings from financial institutions.

PT. Suzuki Finance Indonesia	16,147 Million Yen
Others	16 Million Yen
Total	16,164 Million Yen

(5) The Company has the commitment line contract with 6 banks for effective financing.

The outstanding balance of the contract at the end of current fiscal year is as follows.

Commitment line contract total	250,000 Million Yen
Actual loan balance	-
Variance	250,000 Million Yen

3. Notes to Non-Consolidated Statements of Income

Amount of transactions with subsidiaries and affiliates

Amount of sales	1,339,697 Million Yen
Amount of purchase	394,737 Million Yen
Amount of other operating transactions	140,502 Million Yen
Amount of transactions other than operating transactions	26,481 Million Yen

4. Notes to Non-Consolidated Statements of Changes in Net Assets

Type and number of treasury stocks

(Share)

Type of shares	Number of shares at beginning of current fiscal year	Increased number of shares during the period	Decreased number of shares during the period	Number of shares at end of current fiscal year
Common stock	49,717,597	1,127	502,557	49,216,167

- [Notes] 1. The increase of 1,127 shares in treasury stocks of common stock consists of purchase of shares of odd stocks.
2. The decrease of 502,557 shares in treasury stocks of common stock consists of conversion of convertible bond-type bonds with subscription rights to shares.

5. Notes to Tax Effect Accounting

- (1) Breakdown of deferred tax assets and deferred tax liabilities by their main occurrence causes

(Deferred tax assets)

Impairment loss and Excess depreciation	42,066 Million Yen
Various reserves	37,957 Million Yen
Loss on valuation of securities	46,415 Million Yen
Others	72,669 Million Yen
Sub-total deferred tax assets	199,108 Million Yen
Valuation reserve	(58,818) Million Yen
Total deferred tax assets	140,289 Million Yen

(Deferred tax liabilities)

Valuation difference for available-for-sale securities	(20,256) Million Yen
Others	(3,250) Million Yen
Total deferred tax liabilities	(23,506) Million Yen
Deferred tax assets, net	116,783 Million Yen

- (2) Details of differences which cause important differences between statutory tax rate and the effective tax rate after application of tax effect accounting

Statutory tax rate	30.2 %
(Adjustment)	
Valuation reserve	2.7 %
Tax credit	(5.6) %
Tax-deductible of dividend income	(4.7) %
Others	1.1 %
Effective tax rate after application of tax effect accounting	23.7 %

(This is an English translation of the original document in Japanese language provided on our website and is for reference purpose only.
If there are any discrepancies between this document and original Japanese one, the original prevails.)

6. Notes to Related Party Transactions

(1) Subsidiaries and affiliates, etc.

Type	Name	Own (owned) voting right (%)	Relation with related parties	Details of transaction [Note] 1	Amounts of transaction (Million Yen) [Note] 2	Account	Balance at end of current fiscal year (Million Yen)
Subsidiary	Suzuki Finance Co., Ltd.	Owning direct 95.9	Financial services related to sale of products of the Company Loan transaction	Collection of credit	24,768	Other current assets	36,510
Subsidiary	Magyar Suzuki Corporation Ltd.	Owning direct 97.5	Manufacture and sale of products of the Company Concurrent post of Directors/Audit & Supervisory Board Members	Purchase of product	188,745	Accounts payable-trade	7,677
Subsidiary	Suzuki Motor Gujarat Private Ltd.	Owning direct 100.0	Manufacture of products of the Company	Underwriting of capital increase	42,640	Stocks of subsidiaries and affiliates	144,430
Subsidiary	Maruti Suzuki India Ltd.	Owning direct 56.2	Manufacture and sale of products of the Company Concurrent post of Directors/Audit & Supervisory Board Members	Dividends income	21,464	-	-

[Notes] 1. Conditions of transaction are determined taking into consideration arms-length basis based on market prices.
2. Amounts of transaction with Suzuki Finance Co., Ltd. include consumption tax, etc. Amounts of transactions with others do not include consumption tax, etc.

(2) Directors and Audit & Supervisory Board Members and individual major shareholders, etc.

Type	Name	Own (owned) voting right (%)	Relation with related parties	Details of transaction [Note] 1.	Amounts of transaction (Million Yen) [Note] 2.	Account	Balance at end of current fiscal year (Million Yen)
Directors/Audit & Supervisory Board Members and their close relatives	Osamu Suzuki	(Owned) direct 0.1	Representative Director, Chairman of the Board Chairman of Suzuki Foundation	Endowment	110	-	-
	Toshihiro Suzuki	(Owned) direct 0.01	Representative Director, President Chairman of Suzuki Education & Culture Foundation	Endowment	100	-	-

[Notes] 1. Transactions with Suzuki Foundation and Suzuki Education & Culture Foundation are transactions for the Benefit of a third party.
2. Amounts of transaction do not include consumption tax, etc.

7. Notes to Information about Per Share Amount

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Net assets per share	1,331.87 Yen
Net income per share, Basic	237.56 Yen
Net income per share, Diluted	230.21 Yen

8. Significant Subsequent Event

None