

**The items published on the Internet Website upon the Notice of Convocation of
the 150th Ordinary General Meeting of Shareholders**

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

(1 April 2015 – 31 March 2016)

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 136

Name of main consolidated subsidiaries

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

2) Change in the scope of consolidation

Increase 4 companies

Decrease 1 company

3) Name of unconsolidated subsidiary

Name of unconsolidated subsidiary..... Suzuki Motor Co., Ltd.

Reason for exclusion:

Because this unconsolidated subsidiary is a small company, and an influence by its total assets, net sales, net income or loss (the amounts equivalent to the Company's interest in the company) and retained earnings (the amounts equivalent to the Company's interest in the company) 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 33

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

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

Decrease 2 companies

3) Name of unconsolidated subsidiary to which the equity methods is not applied

Name of unconsolidated subsidiary to which the equity methods 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 company), influence of this company on consolidated financial statements is insignificant even if equity method is not applied to the company, and it is not important as a whole.

(3) Fiscal year and others of consolidated subsidiaries

- 1) The account settlement date of 23 consolidated subsidiaries is 31 December, but Magyar Suzuki Corporation Ltd. and 21 others are consolidated based on the financial statements of provisional account settlement as of 31 March. The subsidiary which has been consolidated based on the financial statements as of 31 December is 1 subsidiary.
- 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. As to lease assets with guaranteed residual value under lease agreement, remaining value is the guaranteed residual value. And as 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. As for 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' bonuses
In order to defray bonuses for directors and company auditors, estimated amount of such bonuses is appropriated.
 - (e) Provision for directors' 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 company auditors. 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 company auditors 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 company auditors 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 company auditors.
 - (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 actual sales.
- 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.
As for 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 taxes

The tax exclusion method is applied.

(b) Application of consolidated tax payment

Consolidated tax payment is applied.

(Additional Information)

Revision of the amount of deferred tax assets and deferred tax liabilities due to change in corporation tax rate

“The Act on Partial Revision of the Income Tax Act, etc.” (Act No. 15 of 2016) and “The Act on Partial Revision of the Local Tax Act, etc.” (Act No. 13 of 2016) were enacted in the Diet on 29 March 2016. As a result, the effective corporation tax rate to calculate deferred tax assets and deferred tax liabilities in this consolidated fiscal year (applied only to be settled on or after 1 April 2016) which were expected to be settled from 1 April 2016 to 31 March 2018 was changed to 30.21%, and which were expected to be settled on or after 1 April 2018 was to 29.99%, while the effective corporation tax rate to calculate deferred tax assets and deferred tax liabilities in previous consolidated fiscal year which were expected to be settled from 1 April 2015 to 31 March 2016 was 32.34%, and which were expected to be settled on or after 1 April 2016 was 31.56%.

As a result of this change in corporation tax rate, the amount of deferred tax assets (net amount of deferred tax liabilities) decreased by ¥5,650 million, income taxes-deferred increased by ¥6,882 million, valuation difference on available-for-sale securities increased by ¥1,435 million, deferred gains or losses on hedges increased by ¥1 million, and accumulated adjustment for retirement benefit decreased by ¥204 million.

2. Notes to Changes in Accounting Principles

Application of Accounting Standard for Business Combinations

The “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, 13 September 2013, hereinafter the “Business Combinations Standard”), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, 13 September 2013, hereinafter the “Consolidated Financial Statements Standard”), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, 13 September 2013, hereinafter the “Business Divestitures Standard”) and others have been applied since beginning of this consolidated fiscal year. Accordingly, the Company’s accounting policies have been changed; the difference arising from a change in ownership interest in a subsidiary when the Company continues to have control is recorded as capital surplus, acquisition-related costs are recognized as expenses in the consolidated fiscal year when they are incurred. Also, for business combinations implemented in or after the first quarter of this consolidated fiscal year, when the adjustments to allocated amount of acquisition costs in the finalization of provisional accounting treatment have been processed in the following fiscal year of the business combinations, the accounting method has been changed to present independently the effect to the beginning balance of the fiscal year when the allocation finalized, and to present the beginning balance reflecting the effect. In addition, the Company has changed expression of net income, etc. and changed minority interests to non-controlling interests.

In accordance with transitional treatments stipulated in Paragraph 58-2 (4) of the Business Combinations Standard, Paragraph 44-5 (4) of the Consolidated Financial Statements Standard, and Paragraph 57-4 (4) of the Business Divestitures Standard, the Business Combinations Standard and others have been applied from the beginning of this consolidated fiscal year.

The effect in the consolidated financial statements as a result of the adoption of these accounting standards is insignificant in this consolidated fiscal year.

3. Notes to Changes in Accounting Estimate

(Provision for Product Warranties)

The Company changed warranty estimation method because future after service cost came to be estimated more accurately in this consolidated fiscal year.

The effect in the consolidated financial statements is insignificant in this consolidated fiscal year.

(Provision for Disaster)

The Company changed estimation method of provision for disaster mainly owing to changed relocation project of plants and facilities, etc. in this consolidated fiscal year.

As a result of this change in estimation method, the amounts of operating income, ordinary income and income before income taxes, etc. increased by ¥5,359 million respectively compared to the previous method.

(Provision for Recycling Expenses)

The Company reversed provision for recycling expenses due to insignificant amount of estimated recycling expenses for motorcycle related to the provision and insignificant results of using the recycling systems in this consolidated fiscal year.

The effect in the consolidated financial statements is insignificant in this consolidated fiscal year.

4. Notes to Consolidated Balance Sheets

(1) Assets pledged as collateral and secured liabilities

1) Assets pledged as collateral

Buildings and structures	594 Million Yen
<u>Land</u>	<u>97 Million Yen</u>
Total	691 Million Yen

2) Secured liabilities

Other noncurrent liabilities	372 Million Yen
------------------------------	-----------------

(2) Accumulated depreciation of property, plant and equipment 1,659,584 Million Yen

(3) Guarantee obligations

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

1,427 Million Yen

(4) The Company 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
<u>Actual loan balance</u>	<u>-</u>
Variance	250,000 Million Yen

5. 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	561,047,304	-	70,047,304	491,000,000

[Note] Regarding to the decrease of 70,047,304 shares during the period, the Company resolved to cancel treasury stock, pursuant to provisions of Article 178 of the Companies Act by a Board of Directors' meeting held on 7 March 2016 and carried out cancelling 70,047,304 treasury stocks on 31 March 2016.

(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 26 June 2015	Common stock	9,537 Million Yen	17.00 Yen	31 March 2015	29 June 2015
Meeting of the board of directors held on 4 November 2015	Common stock	6,618 Million Yen	15.00 Yen	30 September 2015	30 November 2015

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 29 June 2016.

(a) Total amount of dividends	7,501 Million Yen
(b) Dividends per share	17.00 Yen
(c) Record date	31 March 2016
(d) Effective date	30 June 2016

Resource of dividends (plan): Retained earnings

6. Notes to Financial Instruments

(1) Matters for conditions of financial instruments

As for the fund management, the Group uses short-term deposits and short-term investment securities, and as for 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 as for 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 2016 (consolidated settlement date of current fiscal year) are as follows.

(Amount: Millions of yen)

	Carrying amount	Fair value	Difference
Assets			
(a) Cash and deposits	497,187	497,187	-
(b) Notes and accounts receivables-trade	355,343	337,385	2,041
(c) Short-term investment securities and investment securities			
Available-for-sale securities	488,274	488,274	-
Stocks of affiliates	588	1,024	436
Liabilities			
(a) Accounts payable-trade	402,624	402,624	-
(b) Short-term loans payable	201,507	201,507	-
(c) Current portion of long-term loans payable	64,982	64,924	58
(d) Accrued expenses	183,695	183,695	-
(e) Long-term loans payable	262,797	260,818	1,979
Derivatives (*)	2,076	2,076	-

(*) 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. So book values are used as fair values.

(c) Short-term investment securities and investment securities

As to these fair values, fair values of stock are prices of exchanges. As 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 (e) 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.

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 ¥17,882 million), unlisted stocks of affiliates (carrying amount in the consolidated balance sheet ¥17,188 million) and other (carrying amount in the consolidated balance sheet ¥210 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.

7. Notes to Information about Per Share Amount

Net assets per share	2,170.73 Yen
Net income per share, Basic	234.98 Yen
Net income per share, Diluted	234.92 Yen

[Note] As mentioned in “5. Notes to Non-Consolidated Statements of Changes in Net Assets” of Notes to Non-Consolidated Financial Statements, the Company carried out the acquisition of 119,787,000 treasury stocks by ¥460,281 million through the trading of repurchase of Suzuki shares owned by Volkswagen AG on 17 September 2015. As a result, net assets which is basis of calculation of Net assets per share decreased by ¥460,281 million and Net assets per share decreased by ¥356.98. Average number of outstanding shares during the period which is basis of calculation of Net income per share, Basic and Net income per share, Diluted decreased by 64,500,693 shares. Net income per share, Basic increased by ¥27.02 and Net income per share, Diluted increased by ¥27.00.

8. Significant Subsequent Event

The Company resolved issuance of Euro Yen Zero Coupon (subject to the maximum number of shares to be delivered) Convertible Bond Due 2021 and Euro Yen Zero Coupon (subject to the maximum number of shares to be delivered) Convertible Bond Due 2023 by a Board of Directors' meeting held on 7 March 2016. All payments were completed on 1 April 2016. An outline of these bonds is as follows:

(1) Name of the bond	SUZUKI MOTOR CORPORATION Euro Yen Zero Coupon(subject to the maximum number of shares to be delivered) Convertible Bond due 2021	SUZUKI MOTOR CORPORATION Euro Yen Zero Coupon(subject to the maximum number of shares to be delivered) Convertible Bond due 2023
(2) Total issue amount	100 billion yen plus the aggregate principal amount of the bonds in respect of replacement certificates of the bonds with stock acquisition rights	Same as to the left
(3) Issue price	100.5% of principal amount	100.0% of principal amount
(4) Offer price	103.0% of principal amount	102.5% of principal amount
(5) Coupon	Zero	Same as to the left
(6) Closing and issue date	1 April 2016	Same as to the left
(7) Redemption price	100% of principal amount	Same as to the left
(8) Redemption at maturity, Early redemption and Cancellation by acquisition	31 March 2021 by 100% of principal amount Early redemption and cancellation by acquisition by the bonds under certain circumstances are specified in the Information Memorandum.	31 March 2023 by 100% of principal amount Same as to the left
(9) Matters concerning the stock acquisition rights		
i. Type of share to be issued upon exercise of the stock acquisition rights	Common stock of the Company	Same as to the left
ii. Total number of stock acquisition rights	10,000 units plus the units of the aggregate principal amount of the bonds in respect of replacement certificates of the bonds with stock acquisition rights divided by 10 million yen	Same as to the left
iii. Conversion price	4,120.0 yen	Same as to the left

(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.)

<p>iv. Exercise period and Supplementary conditions</p>	<p>From 15 April 2016 to 17 March 2021 [Automatic-acquisition-upon-exercise clause (subject to the maximum number of shares to be delivered)] Exercising by 31 December 2020 [One-time acquisition clause (subject to the maximum number of shares to be delivered)] Giving notice From 31 March 2020 to 16 December 2020 [Contingent conversion mechanism (130%)] Until 31 December 2020</p>	<p>From 15 April 2016 to 17 March 2023 [Same as to the left] Exercising by 31 December 2022 [Same as to the left] Giving notice From 31 March 2022 to 16 December 2022 [Same as to the left] Until 31 December 2022</p>
<p>v. Asset and amount to be paid upon exercise of the stock acquisition rights</p>	<p>The bonds in respect of the relevant stock acquisition rights shall be contributed upon exercising of each stock acquisition right, and the price of the bonds shall be equal to the principal amount of the bonds.</p>	
<p>vi. Capital stock and capital surplus increased in case the stocks are issued by exercising stock acquisition rights</p>	<p>The amount of capital stock increased in case the stocks are issued by exercising stock acquisition rights shall be half of the maximum increase of capital stock and etc., calculated in accordance with Article 17 of the “Company Calculation Ordinance,” and any amount less than one yen arising from such calculation shall be rounded up. The increase in capital surplus shall be obtained by subtracting the capital stock increased from the maximum increase of capital stock and etc.</p>	
<p>(10) Security or guarantee</p>	<p>None</p>	
<p>(11) Use of proceeds</p>	<p>Proceeds from the issuance of the bonds shall be used as strategic investment for accelerating the Group’s mid-term management plan and for strengthening its competitive position.</p>	

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. As to lease assets with guaranteed residual value under lease agreement, remaining value is the guaranteed residual value. And as 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. As for 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 directors' bonuses

In order to defray bonuses for directors and company auditors, estimated amount of such bonuses is appropriated.

5) 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.

As for 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) Provision for directors' 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 company auditors. 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 company auditors 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.

7) 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.

8) 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.

9) Provision for recycling expenses

The provision is appropriated for an estimated expense related to the recycle of products of the Company based on actual sales.

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

2. Notes to Changes in Accounting Estimate

(Provision for Product Warranties)

The Company changed warranty estimation method because future after service cost came to be estimated more accurately in this fiscal year.

The effect in the financial statements is insignificant in this fiscal year.

(Provision for Disaster)

The Company changed estimation method of provision for disaster mainly owing to changed relocation project of plants and facilities, etc. in this fiscal year.

As a result of this change in estimation method, the amounts of operating income, ordinary income and income before income taxes etc. increased by ¥5,359 million respectively compared to the previous method.

(Provision for Recycling Expenses)

The Company reversed provision for recycling expenses due to insignificant amount of estimated recycling expenses for motorcycle related to the provision and insignificant results of using the recycling systems in this fiscal year.

The effect in the financial statements is insignificant in this fiscal year.

3. Notes to Non-Consolidated Balance Sheets

(1) Assets pledged as collateral and secured liabilities

1) Assets pledged as collateral

Buildings	210 Million Yen
Land	97 Million Yen
<hr/>	
Total	307 Million Yen

2) Secured liabilities

Other noncurrent liabilities	165 Million Yen
------------------------------	-----------------

(2) Monetary receivables from and payables to subsidiaries and affiliates

Short-term receivables	144,640 Million Yen
Short-term payables	140,049 Million Yen

(3) Accumulated depreciation of property, plant and equipment 833,685 Million Yen

(4) Guarantee obligations

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

PT. Suzuki Finance Indonesia	5,800 Million Yen
Maruti Suzuki India Ltd.	1,566 Million Yen
Others	189 Million Yen
<hr/>	
Total	7,556 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	-
<hr/>	
Variance	250,000 Million Yen

4. Notes to Non-Consolidated Statements of Income

Amount of transactions with subsidiaries and affiliates

Amount of sales	1,137,851 Million Yen
Amount of purchase	387,793 Million Yen
Amount of other operating transactions	130,579 Million Yen
Amount of transactions other than operating transactions	20,834 Million Yen

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

(1) 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	7,248	119,829,893	70,088,820	49,748,321

- [Notes] 1. The increase of 119,829,893 shares in treasury stocks of common stock consists of acquisition of 119,787,000 shares for purpose of the repurchase of ordinary Suzuki shares owned by Volkswagen AG (For more details, please see “(2) Acquisition of Treasury Stock”), acquisition of 41,500 shares by resolution in meeting of the board of directors other than that and purchase of 1,393 shares of odd stocks.
2. The decrease of 70,088,820 shares in treasury stocks of common stock consists of cancelling of 70,047,304 shares carried out on 31 March 2016 (the Company resolved to cancel treasury stock, pursuant to provisions of Article 178 of the Companies Act by a Board of Directors’ meeting held on 7 March 2016), exercise of stock acquisition rights of 41,500 shares, and selling of 16 shares of odd stocks.

(2) Acquisition of Treasury Stock

The Company carried out the acquisition of 119,787,000 treasury stocks through the Tokyo Stock Exchange Trading Network System for Off-Auction Treasury Share Repurchase Trading (ToSTNeT-3) on 17 September 2015 for the purpose of repurchase of 111,610,000 ordinary Suzuki shares owned by Volkswagen AG, pursuant to the arbitration award from International Court of Arbitration of the International Chamber of Commerce on 29 August 2015.

(Details of Acquisition of Treasury Stock)

Type of shares acquired	Ordinary shares of Suzuki
Total number of shares acquired	119,787,000 shares
Total amount paid of the acquisition	460,281 million yen
Acquisition date	17 September 2015 (trade basis)

(Reference Information)

The Company disposed of all of 4,397,000 ordinary Volkswagen AG shares owned by the Company, in line with the intention of Volkswagen AG on 25 September 2015.

(Details of Sales of Volkswagen AG Share)

Type of shares sold	Ordinary shares of Volkswagen AG
Total number of shares sold	4,397,000 shares (All the shares owned by the Company)
Buyer	Porsche Automobil Holding SE
Gain on sales of investment securities	36,691 million yen
Execution of agreement	25 September 2015

6. 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	37,113 Million Yen
Various reserves	26,982 Million Yen
Loss on valuation of securities	25,017 Million Yen
Others	87,213 Million Yen
Sub-total deferred tax assets	176,327 Million Yen
Valuation reserve	(42,842) Million Yen
Total deferred tax assets	133,484 Million Yen
(Deferred tax liabilities)	
Valuation difference for available-for-sale securities	(27,397) Million Yen
Others	(3,365) Million Yen
Total deferred tax liabilities	(30,762) Million Yen
Deferred tax assets, net	102,722 Million Yen

(2) Revision of the amount of deferred tax assets and deferred tax liabilities due to change in corporation tax rate

“The Act on Partial Revision of the Income Tax Act, etc.” (Act No. 15 of 2016) and “The Act on Partial Revision of the Local Tax Act, etc.” (Act No. 13 of 2016) were enacted in the Diet on 29 March 2016. As a result, the effective corporation tax rate to calculate deferred tax assets and deferred tax liabilities in this fiscal year (applied only to be settled on or after 1 April 2016) which were expected to be settled from 1 April 2016 to 31 March 2018 was changed to 30.21%, and which were expected to be settled on or after 1 April 2018 was to 29.99%, while the effective corporation tax rate to calculate deferred tax assets and deferred tax liabilities in the previous fiscal year which were expected to be settled from 1 April 2015 to 31 March 2016 was 32.34%, and which were expected to be settled on or after 1 April 2016 was 31.56%.

As a result of this change in corporation tax rate, the amount of deferred tax assets (net amount of deferred tax liabilities) decreased by ¥4,598 million, income taxes-deferred increased by ¥6,034 million, valuation difference on available-for-sale securities increased by ¥1,434 million and deferred gains or losses on hedges increased by ¥1 million.

7. 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 Concurrent post of Directors/Company auditors	Collection of credit	29,551	Other current assets	27,965
Subsidiary	Magyar Suzuki Corporation Ltd.	Owning direct 97.5	Manufacture and sale of products of the Company	Purchase of product	225,833	Accounts payable-trade	9,704
Subsidiary	PT. Suzuki Indomobil Motor	Owning direct 94.9	Manufacture and sale of products of the Company Loan transaction Concurrent post of Directors/Company auditors	-	-	Long-term loans receivable from subsidiaries and affiliates	21,268

- [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 taxes, etc. Amounts of transactions with others do not include consumption taxes, etc.

(2) Directors and company auditors 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/ Company auditors and their close relatives	Osamu Suzuki	(Owned) 0.1	Representative Director, Chairman of the Board Chairman of Suzuki Foundation	Endowment	100	-	-
		(Owned) 0.1	Representative Director, Chairman of the Board 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 taxes.

8. Notes to Information about Per Share Amount

Net assets per share	1,025.52 Yen
Net income per share, Basic	158.28 Yen
Net income per share, Diluted	158.25 Yen

[Note] As mentioned in “5. Notes to Non-Consolidated Statements of Changes in Net Assets”, the Company carried out the acquisition of 119,787,000 treasury stocks by ¥460,281 million through the trading of repurchase of Suzuki shares owned by Volkswagen AG on 17 September 2015.

As a result, net assets which is basis of calculation of Net assets per share decreased by ¥460,281 million and Net assets per share decreased by ¥601.45. Average number of outstanding shares during the period which is basis of calculation of Net income per share, Basic and Net income per share, Diluted decreased by 64,500,693 shares. Net income per share, Basic increased by ¥18.19 and Net income per share, Diluted increased by ¥18.19.

9. Significant Subsequent Event

Please refer to “8. Significant Subsequent Event” in Notes to Consolidated Financial Statements.