

Consolidated Financial Summary for the First Nine Months Ended 31 December 2020

[Japanese GAAP]

5 February 2021

Company name : SUZUKI MOTOR CORPORATION
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 Date of Filing Quarterly Securities Report : 12 February 2021
 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 FY2020 first nine months (1 April – 31 December 2020)

(1) Consolidated management results

(Percentage indicates change from the same period of the previous fiscal 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 2020 first nine months	2,175,532	-17.2	138,777	-18.6	174,887	-10.2	113,249	-2.8
FY 2019 first nine months	2,626,070	-7.5	170,433	-33.6	194,764	-36.4	116,564	-35.5

[Note] Comprehensive Income
 FY2020 first nine months 159,206 Million Yen (35.4%)
 FY2019 first nine months 117,599 Million Yen (-23.8%)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY 2020 first nine months	233.33	233.30
FY 2019 first nine months	251.36	251.33

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
FY 2020 third quarter	3,827,039	1,896,687	41.4
FY 2019	3,339,783	1,793,657	44.5

[Reference] Shareholders' equity:
 (Net assets excluding non-controlling interests and subscription rights to shares)
 FY2020 third quarter 1,584,834 Million Yen
 FY2019 1,487,550 Million Yen

2. Cash dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2019	-	37.00	-	48.00	85.00
FY2020	-	37.00	-	-	-
FY2020 (Forecast)	-	-	-	-	-

[Note] 1 Revision of the latest forecasts of cash dividends announced: None
 2 With respect to the forecasts of cash dividends for FY2020, the company is still unable to provide.

3. Forecasts for Consolidated Operating Results of FY 2020 (1 April 2020 – 31 March 2021)

(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	3,000,000	-14.0	160,000	-25.6	180,000	-26.7	110,000	-18.0	226.61

[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 the end of period
(including treasury stock)

FY2020 Q3	491,098,300	FY2019	491,067,800
FY2020 Q3	5,540,320	FY2019	5,735,335
FY2020 Q3	485,367,150	FY2019 Q3	463,730,379

2) Number of treasury stock at the 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

(<https://www.globalsuzuki.com>) on 5 February 2021.

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1. Summary of Management Results, etc.

(1) Summary of Management Results and Financial Positions

(Management results of FY2020 first nine months)

With respect to the management environment of the Group for FY2020 first nine months, the spread of new coronavirus infection has slowed the global economy and been affecting our group's operating results.

Particularly for April-June period, the implementation of restriction measures in each country restricted the attendance of employees and delayed the supply of parts in the supply chain, which resulted in the suspension of production, production cutbacks, and sales suspension.

On the other hand, for July-September period, the company gradually restarted production and sales activities according with the lift of lockdown orders in Japan and India, which are the important markets for our group.

For following October-December period, production and sales recovered owing to strong sales during India's festive season. However, the management environment of the Group remains extremely uncertain due to the spread of the new coronavirus variants, a shortage of semiconductors, and rising price of raw materials, etc.

Under such circumstances, with respect to the Group's operating results for FY2020 first nine months, consolidated net sales decreased by ¥450.6 billion (17.2%) to ¥2,175.5 billion, and operating income decreased by ¥31.6 billion (18.6%) to ¥138.8 billion year-on-year. The decreased net sales and income for April-June period could not be covered with recovery of sales in India and Japan, and efforts to decrease expenses from July.

Ordinary income decreased by ¥19.9 billion (10.2%) to ¥174.9 billion, despite improvement in financial revenue. With respect to net income attributable to owners of the parent, since there was recording of ¥11.9 billion as gain on sales of investment securities, it became ¥113.2 billion, a decrease of ¥3.4 billion (2.8%) year-on-year.

<The operating results by business segmentation>

(Automobile Business)

For FY2020 first nine months, net sales decreased by ¥415.3 billion (17.5%) to ¥1,961.8 billion, and operating income decreased by ¥30.0 billion (19.1%) to ¥126.6 billion year-on-year. The decreased net sales and income for April-June period could not be covered with recovery of sales in India and Japan, and efforts to decrease expenses from July.

(Motorcycle Business)

For FY2020 first nine months, net sales decreased by ¥36.8 billion (20.2%) to ¥145.4 billion year-on-year, and operating loss of ¥1.4 billion was recorded owing to decrease in sales during the sales season of large motorcycles in April-June period, and the impact of decrease in sales of small motorcycles in markets including India and ASEAN.

(Marine Business, etc.)

For FY2020 first nine months, net sales increased by ¥1.5 billion (2.3%) to ¥68.3 billion year-on-year, owing to strong sales of large outboard motors mainly in North America. Operating income decreased by ¥0.2 billion (1.5%) to ¥13.6 billion year-on-year.

With respect to the operating results of Marine business, net sales increased by ¥3.4 billion (6.0%) to ¥59.6 billion, and operating income increased by ¥0.4 billion (3.4%) to ¥11.6 billion year-on-year.

<The operating results by geographical region>

With respect to operating income by geographical region for FY2020 first nine months, Japan and other areas were flat on the year, while Europe and Asia decreased year-on-year.

(Financial Positions of FY2020 third quarter)

- Assets, liabilities and net assets

With respect to the financial positions at the end of FY2020 third quarter, total assets were ¥3,827.0 billion (increased by ¥487.3 billion from the end of the previous consolidated fiscal year). With respect to liabilities, the company borrowed ¥400.0 billion for securing sufficient cash on hand in April-June period as the outlook of the new coronavirus was uncertain. As a result, interest-bearing debt were ¥785.3 billion (increased by ¥381.1 billion from the end of the previous consolidated fiscal year) and total liabilities were ¥1,930.4 billion (increased by ¥384.2 billion from the end of the previous consolidated fiscal year). Total net assets were ¥1,896.7 billion (increased by ¥103.0

billion from the end of the previous consolidated fiscal year).

As for the shareholders' equity ratio, the company had been working to improve it to 45% till the previous consolidated fiscal year. However, it dropped to 41.4% at the end of FY2020 third quarter due to the borrowings in April-June period. The company will continue to work for improving the shareholders' equity ratio as an important management issue, in balance with securing funds.

- Cash flows

The balance of cash and cash equivalents at the end of FY2020 third quarter amounted to ¥879.2 billion (increased by ¥458.8 billion from the end of the previous consolidated fiscal year). Cash flows for FY2020 first nine months are as follows.

(Net cash provided by operating activities)

Net cash provided by operating activities for FY2020 first nine months amounted to ¥269.6 billion of positive due to recovery of performance (¥178.7 billion of positive year-on year).

(Net cash provided by investing activities)

Net cash provided by investing activities for FY2020 first nine months amounted to ¥140.9 billion of negative which was used for capital investment in Japan and India, etc (¥186.3 billion of negative year-on year).

As a result, free cash flow amounted to ¥128.7 billion of positive (¥7.6 billion of negative year-on year).

(Net cash provided by financing activities)

Net cash provided by financing activities for FY2020 first nine months amounted to ¥324.2 billion of positive (¥51.6 billion of positive year-on year).

This resulted from borrowing ¥400.0 billion in April-June period to secure sufficient cash on hand due to the uncertain outlook for the new coronavirus.

(2) Forecasts for Consolidated Operating Results

With respect to forecasts for consolidated operating results for FY2020, as the trends of the new coronavirus is still unclear and there are issues including the price of raw materials and supply of parts, we have kept the forecasts unchanged from the latest announcement.

(Forecasts for the consolidated operating results-Full Year)

Net Sales	¥3,000.0	billion	(down 14.0% year-on-year)
Operating income	¥160.0	billion	(down 25.6% year-on-year)
Ordinary income	¥180.0	billion	(down 26.7% year-on-year)
Net Income attributable to owners of the parent	¥110.0	billion	(down 18.0% year-on-year)

(Foreign Exchange Rate) ¥106/US\$, ¥120/Euro, ¥1.43/Indian Rupee, ¥0.73/100 Indonesian Rupiah, ¥3.38/Thai Baht

*Forecasts for the consolidated operating results are based on currently available information and assumptions, contain risks and uncertainty and do not constitute guarantees of future achievement. Please note that the actual results may greatly vary by the changes of various factors. Those factors, which may influence the future results, include economic conditions and the trend of demand in major markets and the fluctuations of foreign exchange rates (mainly U.S. dollar/Yen rate, Euro/Yen rate, Indian Rupee/Yen rate).

2. Quarterly Consolidated Financial Statements and Significant Notes

(1) Quarterly Consolidated Balance Sheet

(Amount: Millions of yen)

	FY2019 (As of 31 March 2020)	FY2020 third quarter (As of 31 December 2020)
Assets		
Current assets		
Cash and deposits	485,808	932,828
Notes and accounts receivables-trade	427,358	392,850
Short-term investment securities	118,584	100,471
Merchandise and finished goods	245,409	256,466
Work in process	47,420	47,086
Raw materials and supplies	62,662	59,099
Other	155,349	144,466
Allowance for doubtful accounts	(2,871)	(3,179)
Total current assets	1,539,722	1,930,089
Non-current assets		
Property, plant and equipment	920,144	939,471
Intangible assets	1,604	1,474
Investments and other assets		
Investment securities	662,194	742,420
Other	216,713	214,237
Allowance for doubtful accounts	(445)	(395)
Allowance for investment loss	(150)	(258)
Total investments and other assets	878,312	956,004
Total non-current assets	1,800,060	1,896,950
Total assets	3,339,783	3,827,039
Liabilities		
Current liabilities		
Accounts payable-trade	257,996	300,580
Electronically recorded obligations	71,869	80,978
Short-term loans payable	195,598	506,417
Current portion of bonds with subscription rights to shares	2,972	-
Income taxes payable	22,310	38,526
Provision for product warranties	243,920	181,092
Other	430,838	430,813
Total current liabilities	1,225,506	1,538,409
Non-current liabilities		
Bonds with subscription rights to shares	8,560	8,560
Long-term loans payable	197,064	270,326
Other provision	15,898	16,252
Liabilities for retirement benefits	67,206	60,862
Other	31,889	35,940
Total non-current liabilities	320,619	391,942
Total liabilities	1,546,126	1,930,351

(Amount: Millions of yen)

	FY2019 (As of 31 March 2020)	FY2020 third quarter (As of 31 December 2020)
Net assets		
Shareholders' equity		
Capital stock	138,202	138,262
Capital surplus	146,490	143,410
Retained earnings	1,414,665	1,486,653
Treasury stock	(21,775)	(21,026)
Total shareholders' equity	<u>1,677,583</u>	<u>1,747,300</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	87,455	108,722
Deferred gains or losses on hedges	(269)	(319)
Foreign currency translation adjustment	(255,266)	(250,171)
Accumulated adjustment for retirement benefits	(21,951)	(20,698)
Total accumulated other comprehensive income	<u>(190,032)</u>	<u>(162,465)</u>
Subscription rights to shares	115	115
Non-controlling interests	305,990	311,738
Total net assets	<u>1,793,657</u>	<u>1,896,687</u>
Total liabilities and net assets	<u>3,339,783</u>	<u>3,827,039</u>

**(2) Quarterly Consolidated Statement of Income and
Quarterly Consolidated Statement of Comprehensive Income
(First nine months ended 31 December 2020)
【Quarterly Consolidated Statement of Income】**

(Amount: Millions of yen)

	FY2019 first nine months (1 April – 31 December 2019)	FY2020 first nine months (1 April – 31 December 2020)
Net sales	2,626,070	2,175,532
Cost of sales	1,890,593	1,569,687
Gross profit	735,476	605,845
Selling, general and administrative expenses	565,043	467,067
Operating income	170,433	138,777
Non-operating income		
Interest income	22,822	30,748
Dividends income	3,178	5,143
Equity in earnings of affiliates	4,378	4,912
Other	6,414	7,561
Total non-operating income	36,794	48,365
Non-operating expenses		
Interest expenses	3,705	3,408
Foreign exchange losses	3,303	952
Other	5,454	7,895
Total non-operating expenses	12,464	12,256
Ordinary income	194,764	174,887
Extraordinary income		
Gain on sales of non-current assets	752	496
Gain on sales of investment securities	10	11,915
Total extraordinary income	763	12,411
Extraordinary loss		
Loss on COVID-19	-	※ 15,428
Loss on sales of non-current assets	162	961
Impairment loss	565	1,079
Total extraordinary loss	727	17,469
Income before income taxes	194,799	169,828
Income taxes	54,917	43,666
Net income	139,881	126,161
Net income attributable to non-controlling interests	23,317	12,912
Net income attributable to owners of the parent	116,564	113,249

【Quarterly Consolidated Statement of Comprehensive Income】

(Amount: Millions of yen)

	FY2019 first nine months (1 April – 31 December 2019)	FY2020 first nine months (1 April – 31 December 2020)
Net income	139,881	126,161
Other comprehensive income		
Valuation difference on available-for-sale securities	19,992	33,843
Deferred gains or losses on hedges	(938)	74
Foreign currency translation adjustment	(41,456)	(2,488)
Adjustment for retirement benefits	1,056	1,598
Share of other comprehensive income of affiliates accounted for using equity method	(935)	17
Total other comprehensive income	(22,282)	33,045
Comprehensive income	117,599	159,206
Comprehensive income attributable to:		
owners of the parent	103,035	140,815
non-controlling interests	14,564	18,391

(3) Quarterly Consolidated Statement of Cash Flows

(Amount: Millions of yen)

	FY2019 first nine months (1 April-31 December 2019)	FY2020 first nine months (1 April-31 December 2020)
Net cash provided by (used in) operating activities		
Income before income taxes	194,799	169,828
Depreciation and amortization	118,819	96,782
Impairment loss	565	1,079
Increase (decrease) in allowance for doubtful accounts	(2,288)	83
Increase (decrease) in liabilities for retirement benefits	(12,788)	(6,664)
Increase (decrease) in provision for product warranties	3,627	(63,443)
Interest and dividends income	(26,001)	(35,891)
Interest expenses	3,705	3,408
Foreign exchange losses (gains)	302	952
Equity in losses (earnings) of affiliates	(4,378)	(4,912)
Loss (gain) on sales of property, plant and equipment	(589)	465
Loss (gain) on sales of investment securities	(10)	(11,915)
Decrease (increase) in notes and accounts receivable-trade	46,178	42,309
Decrease (increase) in inventories	(10,710)	2,500
Decrease (increase) in accounts receivable-other	(7,620)	21,126
Increase (decrease) in notes and accounts payable-trade	(48,269)	48,534
Increase (decrease) in accrued expenses	(42,388)	(21,705)
Other, net	(5,183)	25,142
Subtotal	207,768	267,679
Interest and dividends income received	25,798	36,196
Interest expenses paid	(3,472)	(3,231)
Income taxes paid	(51,346)	(31,029)
Net cash provided by (used in) operating activities	178,747	269,615
Net cash provided by (used in) investing activities		
Payments into time deposits	(72,321)	(64,228)
Proceeds from withdrawal of time deposits	63,982	74,733
Purchase of short-term investment securities	(563,148)	(232,016)
Proceeds from sales and redemption of short-term investment securities	599,263	227,703
Purchases of property, plant and equipment	(190,899)	(126,805)
Other, net	(23,225)	(20,308)
Net cash provided by (used in) investing activities	(186,348)	(140,922)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(417)	165,267
Proceeds from long-term loans payable	55,451	266,567
Repayment of long-term loans payable	(45,297)	(52,052)
Purchase of convertible bonds with subscription rights to shares	-	(2,970)
Disposal of treasury stock	96,096	-
Cash dividends paid	(34,144)	(41,259)
Cash dividends paid to non-controlling interests	(20,102)	(11,409)
Other, net	(14)	25
Net cash provided by (used in) financing activities	51,571	324,168
Effect of exchange rate changes on cash and cash equivalents	1,811	5,977
Net increase (decrease) in cash and cash equivalents	45,781	458,838
Cash and cash equivalents at the beginning of period	473,097	420,392
Cash and cash equivalents at the end of period	518,878	879,231

(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.

(Notes to Quarterly Consolidated Statement of Income)

※Loss on COVID-19

FY2020 first nine months (1 April - 31 December 2020)

¥15,428 million equivalent to fixed expenses related to production suspension due to lockdown in countries including India and Hungary to prevent the spread of the new coronavirus pandemic was recorded as extraordinary loss.

(Segment Information)

1. FY2019 first nine months (1 April - 31 December 2019)

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	2,377,133	182,125	66,811	2,626,070
Segment profit (loss) *1	156,576	27	13,829	170,433

2. Impairment Losses on Non-current Assets or Goodwill of Each Segment

(Significant Impairment Losses on Non-current Assets)

This information is not provided due to its low materiality.

2. FY2020 first nine months (1 April - 31 December 2020)

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	1,961,805	145,399	68,327	2,175,532
Segment profit (loss) *1	126,602	(1,447)	13,622	138,777

2. Impairment Losses on Non-current Assets or Goodwill of Each Segment

(Significant Impairment Losses on Non-current Assets)

This information is not provided due to its low materiality.

[Notes] *1. Segment profit (loss) is an operating income in the quarterly consolidated statement 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, Houses

(Reference)

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

[Operating Results by Geographic Region]

FY2019 first nine months (1 April - 31 December 2019)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	1,001,604	301,075	1,185,128	138,262	2,626,070	—	2,626,070
2) Internal net sales or transfer among geographical regions	469,698	129,394	81,754	89	680,936	(680,936)	—
Total	1,471,302	430,469	1,266,882	138,352	3,307,007	(680,936)	2,626,070
Operating income	91,941	15,107	54,075	5,653	166,778	3,655	170,433

FY2020 first nine months (1 April - 31 December 2020)

(Amount: Millions of yen)

	Japan	Europe	Asia	Other	Total	Eliminations	Consolidated
Net Sales							
1) Net sales to external customers	926,837	251,505	874,213	122,976	2,175,532	—	2,175,532
2) Internal net sales or transfer among geographical regions	395,201	90,086	54,314	456	540,058	(540,058)	—
Total	1,322,038	341,592	928,527	123,432	2,715,591	(540,058)	2,175,532
Operating income	93,376	4,211	32,966	5,865	136,420	2,356	138,777

[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.