

# ANNUAL REPORT

## 2016



**SUZUKI MOTOR CORPORATION**

## FINANCIAL SECTION

---

### CONTENTS

<b>Management Discussion and Analysis</b> .....	<b>31</b>
<b>Five-Year Summary</b> .....	<b>33</b>
<b>Consolidated Financial Statements</b> .....	<b>34</b>
Consolidated Balance Sheets .....	34
Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....	36
Consolidated Statements of Changes in Net Assets.....	38
Consolidated Statements of Cash Flows.....	40
Notes to Consolidated Financial Statements.....	41
Independent Auditor's Report.....	66

# Management Discussion and Analysis

---

## 1. Operating results

### (1) The operating results by business segment

#### (a) Motorcycle

The net sales decreased by ¥16.6 billion (6.6%) to ¥233.9 billion year-on-year mainly owing to the decrease in Indonesia, despite sales contribution of the new road sportbike GSX-S1000 and the Indian Gixxer. The operating loss of ¥0.7 billion in the previous fiscal year became an operating loss of ¥10.2 billion partly owing to the quality-related expenses. The Company will strive to eliminate its loss-making structure through selection and concentration on the motorcycle business.

#### (b) Automobile

The Company made efforts to expand its sales and strengthen the products, such as receiving high appraisal in Japan for the Alto and Alto Lapin minicars including the RJC Car of the Year award (the second consecutive win for the Company following the Hustler minicar in the previous year), and launching Solio, Escudo (Vitara), Ignis, and Baleno compact cars in Japan. However, owing to the hike in the rate of the light motor vehicle tax and decrease in the OEM sales, the Japanese domestic net sales decreased year-on-year. The overseas net sales increased year-on-year mainly owing to the sales contribution of the Vitara in Europe and the increase in India and Pakistan. Consequently, the net sales of the automobile business increased by ¥176.5 billion (6.5%) to ¥2,878.5 billion year-on-year. The operating income increased by ¥20.8 billion (12.1%) to ¥192.6 billion year-on-year mainly owing to the increase in the income in India.

#### (c) Marine and Power products, etc.

The net sales increased by ¥5.3 billion (8.3%) to ¥68.3 billion year-on-year mainly owing to the increase in the sales of outboard motors in the US. The operating income increased by ¥4.6 billion (55.8%) to ¥12.9 billion year-on-year.

### (2) The operating results by geographical areas

#### (a) Japan

The net sales increased by ¥45.2 billion (2.6%) to ¥1,810.2 billion year-on-year mainly owing to expansion of triangular trade via Japan. The operating income decreased by ¥5.9 billion (6.5%) to ¥84.8 billion year-on-year mainly owing to the increase in the research and development expenses and the depreciation.

#### (b) Europe

The net sales increased by ¥114.4 billion (26.2%) to ¥550.5 billion year-on-year mainly owing to the sales contribution of all-new compact SUV Vitara and expansion of triangle trade via Japan. The operating income increased by ¥1.6 billion (31.4%) to ¥6.7 billion year-on-year.

#### (c) Asia

The net sales increased by ¥189.9 billion (14.5%) to ¥1,496.1 billion year-on-year mainly owing to the increase in the sales of automobile in India and Pakistan, despite the decrease of the sales in Indonesia. The operating income increased by ¥22.2 billion (27.2%) to ¥103.8 billion year-on-year mainly owing to the increase in the income in India and Pakistan.

#### (d) Other areas

The net sales decreased by ¥4.8 billion (3.0%) to ¥154.4 billion year-on-year partly owing to the adjusting stock of motorcycle, despite the increase in the sales of outboard motors in the US. The operating income decreased by ¥0.2 billion (7.2%) to ¥2.4 billion year-on-year owing to the decrease of income in Latin America and others.

### (3) Selling, general and administrative expenses

In the current consolidated fiscal year, the amount of selling, general and administrative expenses increased of ¥25.8 billion (4.0%) to ¥671.6 billion year-on-year mainly owing to increase of sales expenses such as advertising expenses.

### (4) Other income and expenses

In the current consolidated fiscal year, the net amount of other income and expenses was a gain of ¥50.3 billion, which increased by ¥36.5 billion year-on-year. This was due to increase of gain on sales of investment securities from the previous fiscal year.

## (5) Forecasts for the next fiscal year

For the next fiscal year, the Company prospects increase in sales of automobiles mainly in Europe and India. However, the Company prospects decrease in sales and income results owing to the appreciation of the yen. The Group will work as one to reform in every field and pursue the business activities to accomplish more than the below forecasts for the consolidated operating results.

(Forecasts for the consolidated operating results-First Half)

Net Sales	¥1,500.0 billion	(down 3.6% year-on-year)
Operating income	¥90.0 billion	(down 11.0% year-on-year)
Net income attributable to owners of the parent	¥46.5 billion	(down 41.2% year-on-year)

(Forecasts for the consolidated operating results-Full Year)

Net Sales	¥3,100.0 billion	(down 2.5% year-on-year)
Operating income	¥180.0 billion	(down 7.8% year-on-year)
Net income attributable to owners of the parent	¥93.0 billion	(down 20.3% year-on-year)
Foreign exchange rates	105 yen/US\$, 120 yen/Euro, 1.60 yen/Indian Rupee 0.80 yen/100 Indonesian Rupiah, 3.00 yen/Thai Baht	

\* The forecasts for the next fiscal year mentioned above 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 actual results, include economic conditions and the trend of demand in major markets and the fluctuation of foreign exchange rate (mainly US dollar/Yen rate, Euro/Yen rate and Indian Rupee/Yen rate).

## 2. Liquidity and capital resources

### Cash flow

Cash flow provided by operating activities for fiscal year 2015 (April 2015 to March 2016) amounted to ¥294.1 billion (¥255.0 billion was provided in the previous fiscal year). In investing activities, ¥242.4 billion was used for purchase of short-term investment securities, the acquisition of property, plant and equipment and other purposes (¥120.9 billion was used in the previous fiscal year). As a result, free cash flow amounted to ¥51.7 billion of positive (¥134.1 billion of positive for the previous fiscal year). In financing activities, ¥520.4 billion was used for purchase of treasury stock and other purposes (¥84.5 billion was provided in the previous fiscal year).

As a result, the balance of cash and cash equivalents as of 31 March 2016 amounted to ¥450.1 billion and decreased by ¥482.2 billion from the end of previous fiscal year.

## 3. Significant accounting policies

For information regarding significant accounting policies, please refer to the Notes to Consolidated Financial Statements.

\* An amount less than 100 million yen has been rounded off in "Management discussion and analysis" section.

# Five-Year Summary

SUZUKI MOTOR CORPORATION

## CONSOLIDATED

Years ended 31 March	Millions of yen (except per share amounts)					Thousands of US dollars (except per share amounts)
	2016	2015	2014	2013	2012	2016
Net sales .....	<b>¥3,180,659</b>	¥3,015,461	¥2,938,314	¥2,578,317	¥2,512,186	<b>\$28,227,361</b>
Net income attributable to owners of the parent.....	<b>116,660</b>	96,862	107,484	80,389	53,887	<b>1,035,323</b>
Net income per share:						
Primary (yen / US dollars).....	<b>234.98</b>	172.67	191.60	143.31	96.06	<b>2.09</b>
Fully diluted (yen / US dollars) .	<b>234.92</b>	172.63	191.57	131.67	88.28	<b>2.09</b>
Cash dividends per share (yen / US dollars) .....	<b>32.00</b>	27.00	24.00	18.00	15.00	<b>0.28</b>
Net assets .....	<b>1,187,703</b>	1,701,390	1,494,357	1,298,553	1,111,757	<b>10,540,496</b>
Total current assets.....	<b>1,632,630</b>	2,008,729	1,790,832	1,560,218	1,509,568	<b>14,489,091</b>
Total assets .....	<b>2,702,008</b>	3,252,800	2,874,074	2,487,635	2,302,439	<b>23,979,484</b>
Depreciation and amortization....	<b>168,315</b>	134,377	117,188	93,680	103,117	<b>1,493,749</b>

## NON-CONSOLIDATED

Years ended 31 March	Millions of yen (except per share amounts)					Thousands of US dollars (except per share amounts)
	2016	2015	2014	2013	2012	2016
Net sales .....	<b>¥1,609,065</b>	¥1,663,147	¥1,498,853	¥1,422,595	¥1,383,269	<b>\$14,279,954</b>
Net income.....	<b>78,593</b>	51,248	67,219	36,405	15,846	<b>697,490</b>
Net income per share:						
Primary (yen / US dollars).....	<b>158.28</b>	91.34	119.81	64.89	28.25	<b>1.41</b>
Fully diluted (yen / US dollars) .	<b>158.25</b>	91.32	119.79	59.64	25.98	<b>1.40</b>
Cash dividends per share (yen / US dollars) .....	<b>32.00</b>	27.00	24.00	18.00	15.00	<b>0.28</b>
Net assets .....	<b>452,701</b>	937,767	859,224	761,353	703,292	<b>4,017,587</b>
Total current assets.....	<b>669,423</b>	1,191,614	1,070,668	921,352	921,669	<b>5,940,921</b>
Total assets .....	<b>1,519,889</b>	2,096,545	1,850,068	1,641,700	1,597,903	<b>13,488,548</b>
Depreciation and amortization....	<b>40,935</b>	37,421	33,605	35,626	38,532	<b>363,288</b>

Note: Yen amounts are translated into US dollars for convenience only, at ¥112.68 = US\$1, the prevailing exchange rate as of 31 March 2016.

# Consolidated Financial Statements

## Consolidated Balance Sheets

As of 31 March 2016 and 2015

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of US dollars
	2016	2015	2016
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents *NOTE 11 .....	¥ 450,088	¥ 932,261	\$ 3,994,398
Receivables:			
Notes and accounts receivable-trade *NOTE 5 .....	335,343	316,826	2,976,072
Allowance for doubtful accounts.....	(5,528)	(4,156)	(49,061)
Inventories.....	286,301	314,391	2,540,836
Deferred tax assets *NOTE 9 .....	116,378	115,015	1,032,819
Others.....	450,046	334,391	3,994,027
Total current assets.....	<u>1,632,630</u>	<u>2,008,729</u>	<u>14,489,091</u>
<b>Property, plant and equipment:</b>			
Land *NOTE 6 .....	255,013	259,540	2,263,163
Buildings and structures *NOTE 6 .....	416,217	403,922	3,693,799
Machinery, equipment and vehicles.....	1,286,385	1,280,563	11,416,272
Tools, furniture and fixtures.....	408,683	391,797	3,626,939
Construction in progress .....	50,361	70,456	446,938
	<u>2,416,660</u>	<u>2,406,280</u>	<u>21,447,114</u>
Accumulated depreciation.....	(1,659,584)	(1,610,388)	(14,728,295)
Total property, plant and equipment.....	<u>757,076</u>	<u>795,892</u>	<u>6,718,818</u>
<b>Investments and other assets:</b>			
Investment securities *NOTE 5 .....	226,516	341,325	2,010,260
Investments in affiliates *NOTE 5 .....	46,250	59,544	410,462
Assets for retirement benefits *NOTE 8 .....	50	1,860	447
Deferred tax assets *NOTE 9 .....	14,773	19,985	131,111
Others.....	24,709	25,462	219,292
Total investments and other assets .....	<u>312,301</u>	<u>448,179</u>	<u>2,771,574</u>
Total assets.....	<u>¥2,702,008</u>	<u>¥3,252,800</u>	<u>\$23,979,484</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

	Millions of yen		Thousands of US dollars
	2016	2015	2016
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Short-term loans payable *NOTE 5 and 6 .....	¥ 201,507	¥ 177,805	\$ 1,788,315
Current portion of long-term loans payable *NOTE 5 and 6 .....	64,982	104,145	576,703
Accounts payable-trade *NOTE 5 .....	402,624	479,950	3,573,165
Electronically recorded obligations.....	64,055	—	568,476
Income taxes payable.....	29,486	21,797	261,686
Accrued expenses *NOTE 5 .....	183,695	181,217	1,630,239
Provision for product warranties *NOTE 4 .....	66,032	60,305	586,013
Deferred tax liabilities *NOTE 9 .....	481	6,190	4,274
Others *NOTE 6 .....	133,089	121,188	1,181,131
Total current liabilities.....	<u>1,145,956</u>	<u>1,152,601</u>	<u>10,170,006</u>
<b>Noncurrent liabilities:</b>			
Long-term loans payable *NOTE 5 and 6 .....	262,797	272,717	2,332,249
Liabilities for retirement benefits *NOTE 8 .....	56,346	40,791	500,061
Provision for disaster *NOTE 4 .....	3,056	8,923	27,122
Deferred tax liabilities *NOTE 9 .....	7,484	43,766	66,418
Others *NOTE 6 .....	38,663	32,609	343,129
Total noncurrent liabilities .....	<u>368,348</u>	<u>398,808</u>	<u>3,268,981</u>
Total liabilities .....	<u>1,514,305</u>	<u>1,551,409</u>	<u>13,438,988</u>
<b>Net assets:</b>			
<b>Shareholders' equity: *NOTE 12</b>			
Capital stock:			
Common stock: Authorized-1,500,000,000 shares Issued, as of 31 March 2016 – 491,000,000.....	138,014	—	1,224,838
as of 31 March 2015 – 561,047,304.....	—	138,014	—
Capital surplus.....	144,166	144,364	1,279,428
Retained earnings .....	913,656	1,082,440	8,108,421
Treasury stock *NOTE 14 .....	(191,169)	(62)	(1,696,568)
Total shareholders' equity.....	<u>1,004,668</u>	<u>1,364,757</u>	<u>8,916,119</u>
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities .....	77,624	158,788	688,897
Deferred gains or losses on hedges.....	536	679	4,762
Foreign currency translation adjustment .....	(115,551)	(42,997)	(1,025,481)
Accumulated adjustment for retirement benefits .....	(9,580)	864	(85,027)
Total accumulated other comprehensive income .....	<u>(46,970)</u>	<u>117,333</u>	<u>(416,849)</u>
Subscription rights to shares *NOTE 16 .....	188	250	1,676
Non-controlling interests.....	229,816	219,048	2,039,549
Total net assets	<u>¥1,187,703</u>	<u>¥1,701,390</u>	<u>\$10,540,496</u>
Commitments and contingent liabilities *NOTE 17			
Total liabilities and net assets.....	<u>¥2,702,008</u>	<u>¥3,252,800</u>	<u>\$23,979,484</u>

## Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### (Consolidated Statements of Income)

Years ended 31 March 2016 and 2015

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of US dollars
	2016	2015	2016
<b>Net sales</b> .....	<b>¥3,180,659</b>	¥3,015,461	<b>\$28,227,361</b>
<b>Cost of sales</b> .....	<b>2,313,779</b>	2,190,309	<b>20,534,071</b>
Gross profit.....	<b>866,879</b>	825,152	<b>7,693,290</b>
<b>Selling, general and administrative expenses</b> .....	<b>671,571</b>	645,727	<b>5,959,990</b>
Operating income .....	<b>195,308</b>	179,424	<b>1,733,300</b>
<b>Other income (expenses):</b>			
Interest and dividend income.....	<b>20,885</b>	25,259	<b>185,355</b>
Interest expense .....	<b>(6,381)</b>	(9,433)	<b>(56,631)</b>
Equity in earnings (losses) of affiliates.....	<b>(2,492)</b>	(1,454)	<b>(22,119)</b>
Others, net.....	<b>38,311</b>	(549)	<b>339,999</b>
Income before income taxes etc.....	<b>245,631</b>	193,246	<b>2,179,903</b>
<b>Income taxes: *NOTE 9</b>			
Current.....	<b>87,279</b>	70,589	<b>774,576</b>
Deferred .....	<b>5,051</b>	(4,970)	<b>44,832</b>
	<b>92,330</b>	65,619	<b>819,408</b>
Net income .....	<b>153,300</b>	127,627	<b>1,360,495</b>
Net income attributable to non-controlling interests.....	<b>36,640</b>	30,765	<b>325,171</b>
<b>Net income attributable to owners of the parent</b> .....	<b>¥ 116,660</b>	¥ 96,862	<b>\$ 1,035,323</b>
		Yen	US dollars
<b>Net income per share:</b>			
Primary .....	<b>¥ 234.98</b>	¥ 172.67	<b>\$ 2.09</b>
Fully diluted .....	<b>234.92</b>	172.63	<b>2.09</b>
<b>Cash dividends per share</b> .....	<b>32.00</b>	27.00	<b>0.28</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.



**(Consolidated Statements of Comprehensive Income)**

Years ended 31 March 2016 and 2015

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of US dollars
	2016	2015	2016
<b>Net Income</b> .....	<b>¥153,300</b>	¥127,627	<b>\$1,360,495</b>
<b>Other comprehensive income</b> *NOTE 13			
Valuation difference on available-for-sale securities .....	<b>(77,011)</b>	57,734	<b>(683,453)</b>
Deferred gains or losses on hedges.....	<b>(29)</b>	587	<b>(261)</b>
Foreign currency translation adjustment .....	<b>(100,590)</b>	46,774	<b>(892,708)</b>
Adjustment for retirement benefits .....	<b>(10,562)</b>	(3,005)	<b>(93,737)</b>
Share of other comprehensive income of associates accounted for using equity method .....	<b>(3,411)</b>	3,489	<b>(30,277)</b>
Total other comprehensive income .....	<b>(191,605)</b>	105,579	<b>(1,700,437)</b>
<b>Comprehensive income</b> .....	<b>(38,304)</b>	233,206	<b>(339,942)</b>
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent	<b>(51,260)</b>	178,312	<b>(454,919)</b>
Comprehensive income attributable to non-controlling interests	<b>12,955</b>	54,894	<b>114,977</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

## Consolidated Statements of Changes in Net Assets

Years ended 31 March 2016 and 2015

Millions of yen

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Thousands of shares of common stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total other comprehensive income	Subscription rights to shares	Non-controlling interests
<b>Balance as of 31 March 2014</b>	<b>561,047</b>	<b>¥138,014</b>	<b>¥144,364</b>	<b>¥1,008,555</b>	<b>¥(57)</b>	<b>¥35,846</b>	<b>¥168</b>	<b>¥167,464</b>
Cumulative effects of changes in accounting policies.....	—	—	—	(8,118)	—	—	—	—
<b>Balance as of 31 March 2014 reflected changes in accounting policies</b>	<b>561,047</b>	<b>¥138,014</b>	<b>¥144,364</b>	<b>¥1,000,437</b>	<b>¥(57)</b>	<b>¥35,846</b>	<b>¥168</b>	<b>¥167,464</b>
Dividends from surplus..	—	—	—	(13,464)	—	—	—	—
Net income attributable to owners of the parent..	—	—	—	96,862	—	—	—	—
Effects of changes of fiscal year.....	—	—	—	(1,384)	—	—	—	—
Purchase of treasury stock..	—	—	—	—	(30)	—	—	—
Disposal of treasury stock..	—	—	(9)	—	25	—	—	—
Transfer to capital surplus from retained earnings.....	—	—	9	(9)	—	—	—	—
Net changes of items other than shareholders' equity....	—	—	—	—	—	81,487	81	51,583
Total changes during the fiscal year.....	—	—	—	82,003	(4)	81,487	81	51,583
<b>Balance as of 31 March 2015</b>	<b>561,047</b>	<b>¥138,014</b>	<b>¥144,364</b>	<b>¥1,082,440</b>	<b>¥(62)</b>	<b>¥117,333</b>	<b>¥250</b>	<b>¥219,048</b>
Dividends from surplus..	—	—	—	(16,156)	—	—	—	—
Net income attributable to owners of the parent.....	—	—	—	116,660	—	—	—	—
Purchase of treasury stock <sup>#NOTE 14</sup> .....	—	—	—	—	(460,479)	—	—	—
Disposal of treasury stock..	—	—	(95)	—	180	—	—	—
Retirement of treasury stock <sup>#NOTE 14</sup> .....	(70,047)	—	(269,191)	—	269,191	—	—	—
Transfer to capital surplus from retained earnings.....	—	—	269,287	(269,287)	—	—	—	—
Capital increase of consolidated subsidiaries.....	—	—	(198)	—	—	—	—	—
Net changes of items other than shareholders' equity...	—	—	—	—	—	(164,304)	(62)	10,768
Total changes during the fiscal year.....	—	—	(198)	(168,783)	(191,107)	(164,304)	(62)	10,768
<b>Balance as of 31 March 2016</b>	<b>491,000</b>	<b>¥138,014</b>	<b>¥144,166</b>	<b>¥913,656</b>	<b>¥(191,169)</b>	<b>¥(46,970)</b>	<b>¥188</b>	<b>¥229,816</b>

	Thousands of US dollars							
	Thousands of shares of common stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total other comprehensive income	Subscription rights to shares	Non-controlling interests
<b>Balance as of 31 March 2015</b>	<b>561,047</b>	<b>\$1,224,838</b>	<b>\$1,281,192</b>	<b>\$9,606,323</b>	<b>\$(551)</b>	<b>\$1,041,302</b>	<b>\$2,226</b>	<b>\$1,943,983</b>
Dividends from surplus ..	—	—	—	(143,383)	—	—	—	—
Net income attributable to owners of the parent .....	—	—	—	1,035,323	—	—	—	—
Purchase of treasury stock <sup>*NOTE 14</sup> .....	—	—	—	—	(4,086,612)	—	—	—
Disposal of treasury stock ..	—	—	(847)	—	1,601	—	—	—
Retirement of treasury stock <sup>*NOTE 14</sup> .....	(70,047)	—	(2,388,993)	—	2,388,993	—	—	—
Transfer to capital surplus from retained earnings ..	—	—	2,389,841	(2,389,841)	—	—	—	—
Capital increase of consolidated subsidiaries ....	—	—	(1,763)	—	—	—	—	—
Net changes of items other than shareholders' equity .....	—	—	—	—	—	(1,458,151)	(550)	95,565
Total changes during the fiscal year .....	—	—	(1,763)	(1,497,901)	(1,696,017)	(1,458,151)	(550)	95,565
<b>Balance as of 31 March 2016</b>	<b>491,000</b>	<b>\$1,224,838</b>	<b>\$1,279,428</b>	<b>\$8,108,421</b>	<b>\$(1,696,568)</b>	<b>\$(416,849)</b>	<b>\$1,676</b>	<b>\$2,039,549</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

## Consolidated Statements of Cash Flows

Years ended 31 March 2016 and 2015

SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES	Millions of yen		Thousands of US dollars
	2016	2015	2016
<b>Cash flows from operating activities</b>			
Income before income taxes etc. ....	¥245,631	¥193,246	\$2,179,903
Depreciation and amortization .....	168,315	134,377	1,493,749
Impairment loss .....	322	969	2,861
Increase (decrease) in allowance for doubtful accounts	(1,029)	(867)	(9,137)
Interest and dividend income.....	(20,885)	(25,259)	(185,355)
Interest expenses .....	6,381	9,433	56,631
Foreign exchange losses (gains).....	4,627	4,804	41,071
Equity in (earnings) losses of affiliates.....	2,492	1,454	22,119
Loss (gain) on sales of property, plant and equipment ...	(83)	102	(743)
Loss (gain) on sales of investment securities.....	(36,760)	—	(326,239)
Decrease (increase) in notes and accounts receivable-trade	3,479	(9,242)	30,876
Decrease (increase) in inventories .....	8,298	(37,179)	73,650
Increase (decrease) in notes and accounts payable-trade ..	593	44,390	5,266
Increase (decrease) in accrued expenses .....	14,857	2,542	131,856
Others, net.....	(36,630)	15,838	(325,079)
Sub-total	359,610	334,611	3,191,431
Interest and dividend income received .....	20,328	25,347	180,413
Interest expenses paid .....	(7,833)	(8,108)	(69,520)
Income taxes paid .....	(78,010)	(96,813)	(692,319)
Net cash provided by (used in) operating activities	294,095	255,037	2,610,004
<b>Cash flows from investing activities</b>			
Payments into time deposits .....	(61,915)	(79,661)	(549,481)
Proceeds from withdrawal of time deposits.....	28,596	136,236	253,789
Purchases of short-term investment securities .....	(274,553)	(193,152)	(2,436,578)
Proceeds from sales of short-term investment securities	173,478	206,239	1,539,563
Purchases of property, plant and equipment .....	(162,574)	(192,694)	(1,442,796)
Others, net.....	54,533	2,123	483,966
Net cash provided by (used in) investing activities	(242,435)	(120,909)	(2,151,536)
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable.....	27,088	(26,353)	240,404
Proceeds from long-term loans payable .....	45,400	173,000	402,910
Repayment of long-term loans payable .....	(108,365)	(45,191)	(961,710)
Purchase of treasury stock.....	(460,479)	(30)	(4,086,612)
Cash dividends paid .....	(16,156)	(13,466)	(143,381)
Cash dividends paid to non-controlling interests.....	(7,504)	(3,456)	(66,599)
Others, net.....	(344)	(28)	(3,057)
Net cash provided by (used in) financing activities	(520,361)	84,472	(4,618,044)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(13,471)	5,042	(119,554)
<b>Net increase (decrease) in cash and cash equivalents</b>	(482,172)	223,643	(4,279,131)
<b>Cash and cash equivalents at beginning of period</b>	932,261	710,611	8,273,530
<b>Increase (decrease) in cash and cash equivalents resulting from change of fiscal year of subsidiaries</b>	—	(2,039)	—
<b>Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	—	45	—
<b>Cash and cash equivalents at end of period *NOTE 11</b>	¥450,088	¥932,261	\$3,994,398

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

## Notes to Consolidated Financial Statements

### NOTE 1: Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of Suzuki Motor Corporation (the "Company"), consolidated Subsidiaries, and Affiliates (the "Group") have been prepared on the basis of generally accepted accounting principles and practices in Japan, and the consolidated financial statements were filed with the Financial Services Agency as required by the Financial Instruments and Exchange Act of Japan.

The preparation of the consolidated financial statements requires the management to select and adopt accounting standards and make estimates and assumptions that affect the reported amount of assets and liabilities, revenue and expenses, and the corresponding methods of disclosure.

As such, the management's estimates are made reasonably based on historical results. However, due to the inherent uncertainties involved in making estimates, actual results could differ from these estimates.

For the convenience of readers outside Japan, certain reclassifications and modifications have been made to the original consolidated financial statements.

As permitted, an amount of less than one million yen has been omitted. For the convenience of the readers, the consolidated financial statements, including the opening balance of shareholders' equity, have been presented in US dollars by translating all Japanese yen amounts on the basis of 112.68 to US\$1, the rate of exchange prevailing as of 31 March 2016. Consequently, the totals shown in the consolidated financial statements (both in yen and in US dollars) do not necessarily agree with the sum of the individual amounts.

### NOTE 2: Summary of significant accounting policies

#### (a) Principles of consolidation

The consolidated financial statements for the years ended 31 March 2016 and 2015 include the accounts of the Group, and the numbers of consolidated subsidiaries were 136 and 133 respectively. In addition, the numbers of investments in affiliated companies for the years ended 31 March 2016 and 2015 were 33 and 35 respectively. All significant inter-company accounts and transactions are eliminated in consolidation. Investments in affiliated companies are accounted for by the equity method. The difference at the time of acquisition between the cost and underlying net equity of investments in consolidated subsidiaries (goodwill) and in affiliated companies accounted for under the equity method is, as a rule, amortized on a straight-line basis over a period of five years after appropriate adjustments.

The account settlement date of 23 consolidated subsidiaries is December 31, however Magyar Suzuki Corporation Ltd. and 21 others are consolidated based on the financial statements of provisional account settlement as of March 31. Subsidiary which has been consolidated based on the financial statements as of 31 December is 1 subsidiary.

The account settlement date of other consolidated subsidiaries is the same as the consolidated account settlement date.

#### (b) 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 general receivable. With respect to specific receivable with higher default possibility, recoverable amount is estimated respectively and uncollectible amount is appropriated.

#### (c) Allowance for investment loss

In order to allow for loss from non-marketable securities, the difference between book value and fair value is appropriated.

#### (d) 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.

#### (e) Provision for directors' bonuses

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

#### (f) Provision for directors' retirement benefits

The amount to be paid at the end of fiscal 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 Meeting of Shareholders held on 29 June 2006. And it was approved at Ordinary General Meeting of Shareholders 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 at the end of the current consolidated fiscal year. 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.

#### (g) 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.

#### (h) Provision for product liabilities

The provision is appropriated for product compensation related to North American market which is not covered by "Product Liability Insurance" based on the actual payments.

(i) **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.

(j) **Short-term investment securities and Investment securities**

The Company and its subsidiaries hold securities of listed companies, which have a risk of price fluctuations, and non-listed companies whose stock prices are difficult to be evaluated.

If the Company and its subsidiaries judge the decline in investment value is not temporary, the Company and its subsidiaries recognize revaluation loss based on the reasonable standard. If the stock market falls, the Company and its subsidiaries may incur significant loss on valuation of securities.

Securities have to be classified into four categories: trading securities; held-to-maturity debt securities; investments of the Company in equity securities issued by consolidated subsidiaries and affiliates; and available-for-sale securities.

According to this classification, securities held by the Company and its subsidiaries are available-for-sale securities. Available-for-sale securities for which market quotations are available are stated at market value method based on the market values as of the consolidated account settlement date (the evaluation differences shall be reported as other comprehensive income, and sales costs shall be calculated mainly by moving average method).

Available-for-sale securities for which market quotations are unavailable are stated at cost by moving average method.

(k) **Hedge accounting**

Gains or losses arising from changes in fair value of the derivatives designated as “hedging instruments” are deferred until the gains and losses on the hedged items or transactions are recognized.

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.

The derivatives designated as hedging instruments by the Company and its subsidiaries are principally forward exchange contracts, interest swaps and cross currency interest rate swaps. The related hedged items are foreign currency denominated transaction and borrowings.

The Company and its subsidiaries have a policy to utilize the above hedging instruments in order to reduce our exposure to the risks of the fluctuation of interest rate and foreign exchange. Thus, our purchases of the hedging instruments are limited to, at maximum, the amounts of the hedged items. The Company and its subsidiaries evaluate effectiveness of their hedging activities by reference to the accumulated gains or losses on the hedging instruments and the related hedged items from the commencement of the hedges.

(l) **Foreign currency translation**

All monetary assets and liabilities denominated in foreign currencies, whether long-term or short-term, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting gains and losses are included in net income or loss for the period.

Assets and liabilities of the foreign subsidiaries and affiliates are translated into Japanese yen at the exchange rates prevailing at the balance sheet date.

The components of net assets are translated into Japanese yen at their historical rates. Profit and loss accounts for the fiscal year are translated into Japanese yen by using the average exchange rate during the fiscal year. Differences in yen amounts arising from the use of different rates are presented as “Foreign currency translation adjustment” and “Non-controlling interests” in the net assets.

(m) **Inventories**

Stated at cost mainly determined by the gross average method (figures on the consolidated balance sheet are measured by the method of book devaluation based on the reduction of profitability).

(n) **Method of depreciation and amortization of significant depreciable assets**

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

..... Mainly declining balance method for the Company and domestic subsidiaries and mainly straight-line method for foreign subsidiaries.

Main durable years are as follows:

Buildings and structures 3 to 75 years

Machinery, equipment and vehicles 3 to 15 years

b. Intangible assets (excluding lease assets)

..... Straight-line method

c. Lease assets

Finance leases which transfer ownership

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

Finance leases which do not transfer ownership

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

**(o) Income taxes**

The provision for income taxes is computed based on the income before income taxes included in the consolidated statements of income. The asset and liability approach is adopted to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. In making a valuation for the possibility of collection of deferred tax assets, the Company and its subsidiaries estimate their future taxable income reasonably. If the estimated amounts of future taxable income decrease, deferred tax assets may decrease and income taxes may be posted.

Consolidated tax payment has been applied to the Company and its domestic wholly owned subsidiaries since the fiscal year ended 31 March 2012.

**(p) Retirement benefits**

With respect to calculation of retirement benefit obligations, benefit formula basis method is used to attribute expected benefit to period up to the end of this fiscal year. With respect 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 respect to the actuarial gain or loss, 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.

Retirement benefit cost and retirement benefit obligation are calculated based on the actuarial assumptions, which include discount rate, assumed return of investment ratio, revaluation ratio, salary rise ratio, retirement ratio and mortality ratio. Discount rate is decided based on yield on low-risk and long-term bonds, and assumed return of investment ratio is decided based on the investment policies of pension assets of each pension system etc.

Decreased yield on long-term bond leads to a decrease in discount rate and it has an adverse influence on the calculation of retirement benefit cost. However, the pension system adopted by the Company has a cash balance type plan, and thus the revaluation ratio, which is one of the base ratios, can reduce adverse effects caused by the decrease in discount rate. If the investment yield of pension assets is less than the assumed return of investment ratio, it will have an adverse effect on the calculation of retirement benefit cost. However, by focusing on low-risk investments, this influence should be minimal in the case of the pension fund systems of the Company and its subsidiaries.

**(q) Net income per share**

Primary net income per share is computed based on the weighted average number of shares issued during the respective years. Fully diluted net income per share is computed assuming that all stock options are exercised. Cash dividends per share are the amounts applicable to the respective periods including dividends to be paid after the end of the period.

**(r) Cash and cash equivalents**

All highly liquid investments with original maturities of three months or less when purchased are considered cash equivalents.

**(s) Reclassification**

Certain reclassifications of previously reported amounts are made to conform to current classifications.

**NOTE 3: Changes in accounting policies****(a) 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, regarding business combinations to be performed at and after the beginning of this consolidated fiscal year, a method was changed with respect to the retrospective adjustment of the purchase price allocation based on provisional accounting applicable to the consolidated financial statements of the fiscal period in which the business combination occurred. In addition, the Company has changed expression of net income, etc. and changed minority interests to non-controlling interests. To reflect these changes in presentation, consolidated financial statements in the previous fiscal year have been reclassified. 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.

In the consolidated statements of cash flows in this consolidated fiscal year, cash flow of acquisition or sale by the Company of the subsidiary's shares which would not change the scope of consolidation was included in "Net cash provided by (used in) financing activities" while cash flow of costs related to acquisition by the Company of the subsidiary's shares which would change the scope of consolidation, and cash flow of costs related to acquisition or sale by the Company of the subsidiary's shares which would not change the scope of consolidation, were included in "Net cash provided by (used in) operating activities".

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

(b) **New accounting standards not yet applied**

“Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Statement No.26, 28 March, 2016)

a. Overview

The “Implementation Guidance on Recoverability of Deferred Tax Assets” groups companies into five categories and with respect to guidelines related to the recoverability of deferred tax assets, principally those provided in the Auditing Guidance No.66; “Audit Treatment for Judgment of Recoverability of Deferred Assets”. The Implementation Guidance basically continues to apply the framework for handling estimates of the amount of deferred tax assets recorded according to these categories, making several necessary revisions with respect to the below accounting treatments.

- 1.) Accounting treatments of entities not satisfying any of the category criteria from “Category 1” to “Category 5”
- 2.) Category criteria of “Category 2” and “Category 3”
- 3.) Accounting treatments of unscheduled deductible temporary differences for entities in “Category 2”
- 4.) Accounting treatments for reasonably estimable period for taxable income before temporary differences for entities in “Category 3”
- 5.) Accounting treatments for entities satisfying the category criteria of “Category 4” and also falling in “Category 2” or “Category 3”

b. Application date

These revisions will be applied from the beginning of consolidated fiscal year on and after 1 April 2016.

c. Effect of applying accounting standard

The amount of the effect is currently under assessment.

**NOTE 4: Changes in Accounting Estimates**

**[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 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 motor-cycle 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.

**NOTE 5: Financial Instruments**

(a) **Matters for conditions of financial instruments**

a. **Policy for financial instruments**

With respect to the fund management, the Group uses short-term deposits and short-term investment securities, and with respect to the fund-raising, the Group uses borrowings from financial institutions such as banks and issuance of bonds. The Group uses derivatives to hedge and manage the risks of the fluctuations of interest rates and exchange rates, and does not use derivatives for speculation purposes.

b. **Type of financial instruments, risks and risk management**

With respect to customers' credit risks from operating receivables such as notes and accounts receivable-trade, in order to mitigate the risks, the Group identifies credit standing of major counterparties and manages due date and receivable balance of each counterparty in line with our rules and regulations for credit control. The Group hedges the risks of the fluctuation exchange rate from operating receivables denominated in foreign currency by forward exchange contract in principle. Investment securities are mainly stocks of companies with which the Group has business relationship, and with respect to listed stocks, the Group quarterly identifies those fair values and reports them to the Board of Directors. Basically, accounts payable-trade is due within one year.

Applications of borrowings are fund for operating capital (mainly short-term) and capital expenditures (long-term), and the Group uses interest-rate swaps or cross currency interest rate swaps for the risks of the fluctuation of interest rate and exchange rate of some long-term borrowings.

Objectives of derivative transactions are foreign currency forward contracts to hedge the risks of the fluctuation of exchange rate related to receivables and payables denominated in foreign currencies, interest rate swaps to hedge the risks of the fluctuation of interest rate related to borrowings, and cross currency interest rate swaps to hedge the risks of the fluctuation of exchange rate and interest rate related to borrowings and lending. The Group executes and manages derivatives within the actual demand in line with our rules and regulations which set out the authority to trade. In addition, in using derivatives, the Group deals with financial institutions which have high credit grade in order to reduce credit risks.

In addition, each company of the Group manages liquidity risk related to accounts payable and borrowings by making a financial plan.

c. **Supplement to fair values of financial instruments**

Fair values of financial instruments include values based on quoted prices in active markets and values assessed by rational valuation techniques in case quoted prices are not available. Since the rational valuation techniques include variable factors, the results of valuation may differ when different assumptions are applied. In addition, in Note 5 (d) Derivative transactions, contract amounts do not present market risks for the derivative transactions.



## (b) Matters for fair values of the financial instruments

Carrying amounts in the consolidated balance sheet, fair values and difference as of 31 March 2016 and 2015 were as follows. Financial instruments whose fair value cannot be reliably measured are not included in the below table.

Millions of yen

	2016			2015		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
(1) Cash and deposits	<b>¥497,187</b>	<b>¥497,187</b>	<b>¥ —</b>	¥457,513	¥457,513	¥ —
(2) Notes and accounts receivable-trade	<b>335,343</b>	<b>337,385</b>	<b>2,041</b>	316,826	318,567	1,741
(3) Short-term investment securities and Investment securities						
Available-for-sale securities	<b>488,274</b>	<b>488,274</b>	<b>—</b>	1,007,347	1,007,347	—
Investments in affiliates	<b>588</b>	<b>1,024</b>	<b>436</b>	616	669	52
Total of assets	<b>1,321,394</b>	<b>1,323,872</b>	<b>2,477</b>	1,782,304	1,784,098	1,794
(1) Accounts payable-trade	<b>402,624</b>	<b>402,624</b>	<b>—</b>	479,950	479,950	—
(2) Short-term loans payable	<b>201,507</b>	<b>201,507</b>	<b>—</b>	177,805	177,805	—
(3) Current portion of long-term loans payable	<b>64,982</b>	<b>64,924</b>	<b>58</b>	104,145	103,768	377
(4) Accrued expenses	<b>183,695</b>	<b>183,695</b>	<b>—</b>	181,217	181,217	—
(5) Long-term loans payable	<b>262,797</b>	<b>260,818</b>	<b>1,979</b>	272,717	268,346	4,370
Total of liabilities	<b>1,115,607</b>	<b>1,113,569</b>	<b>2,037</b>	1,215,834	1,211,087	4,747
Derivatives						
Hedge accounting is applied	<b>1,340</b>	<b>1,340</b>	<b>—</b>	1,072	1,072	—
Hedge accounting is not applied	<b>736</b>	<b>736</b>	<b>—</b>	1,603	1,603	—

Thousands of US dollars

	2016		
	Carrying amount	Fair value	Difference
(1) Cash and deposits	<b>\$4,412,385</b>	<b>\$4,412,385</b>	<b>\$ —</b>
(2) Notes and accounts receivable-trade	<b>2,976,072</b>	<b>2,994,193</b>	<b>18,120</b>
(3) Short-term investment securities and Investment securities			
Available-for-sale securities	<b>4,333,282</b>	<b>4,333,282</b>	<b>—</b>
Investments in affiliates	<b>5,225</b>	<b>9,096</b>	<b>3,870</b>
Total of assets	<b>11,726,965</b>	<b>11,748,956</b>	<b>21,991</b>
(1) Accounts payable-trade	<b>3,573,165</b>	<b>3,573,165</b>	<b>—</b>
(2) Short-term loans payable	<b>1,788,315</b>	<b>1,788,315</b>	<b>—</b>
(3) Current portion of long-term loans payable	<b>576,703</b>	<b>576,183</b>	<b>519</b>
(4) Accrued expenses	<b>1,630,239</b>	<b>1,630,239</b>	<b>—</b>
(5) Long-term loans payable	<b>2,332,249</b>	<b>2,314,682</b>	<b>17,566</b>
Total of liabilities	<b>9,900,672</b>	<b>9,882,587</b>	<b>18,085</b>
Derivatives			
Hedge accounting is applied	<b>11,898</b>	<b>11,898</b>	<b>—</b>
Hedge accounting is not applied	<b>6,533</b>	<b>6,533</b>	<b>—</b>

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

\*1. Matters for methods used to measure fair values of financial instruments

Assets:

a. Cash and deposits

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

b. Notes and accounts receivable-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 receivable-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 respect to these fair values, fair values of stock are prices of exchanges. With respect 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, Short-term loans payable and Accrued expenses

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

b. Current portion of long-term loans payable and Long-term loans payable

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

Derivatives:

Please refer to Note 5 (d) Derivative transactions.

\*2. Financial instruments whose fair value cannot be reliably determined

	Millions of yen		Thousands of US dollars
	2016	2015	2016
<b>Available-for-sale securities</b>			
Unlisted stock other than stocks of affiliates	<b>¥17,882</b>	¥18,748	<b>\$158,701</b>
Unlisted stock of affiliates .....	<b>17,188</b>	23,084	<b>152,547</b>
Others .....	<b>210</b>	119	<b>1,871</b>

Those fair values cannot be reliably measured because market values are unavailable and future cash flows cannot be estimated. Therefore they are not included in "(3) Short-term investment securities and Investment securities" of assets.

\*3. The amounts to be redeemed after the account settlement date of monetary receivables and available-for-sale securities

Millions of yen

	2016			2015		
	Within 1 year	Over 1 year, Within 5 years	Over 5 years, Within 10 years	Within 1 year	Over 1 year, Within 5 years	Over 5 years, Within 10 years
Cash and deposits	¥ 497,187	¥ —	¥ —	¥ 457,513	¥ —	¥ —
Notes and accounts receivable- trade	244,470	90,513	360	241,373	75,017	435
Securities and investment securities with maturities	279,571	—	—	685,647	—	—
Total	¥1,021,229	¥90,513	¥360	¥1,384,534	¥75,017	¥435

Thousands of US dollars

	2016		
	Within 1 year	Over 1 year, Within 5 years	Over 5 years, Within 10 years
Cash and deposits	\$4,412,385	\$ —	\$ —
Notes and accounts receivable- trade	2,169,598	803,275	3,198
Securities and investment securities with maturities	2,481,109	—	—
Total	\$9,063,093	\$803,275	\$3,198

(c) Securities

a. Available-for-sale securities with market value

Millions of yen

	2016			2015		
	Acquisition cost	Carrying Amount	Difference	Acquisition cost	Carrying Amount	Difference
Securities for which the carrying amount exceeds the acquisition costs						
Stocks.....	¥ 50,789	¥149,942	¥ 99,152	¥ 93,769	¥ 320,628	¥226,859
Bonds.....	—	—	—	—	—	—
Others.....	302,911	332,224	29,313	249,238	263,329	14,090
Sub-Total	¥353,700	¥482,166	¥128,465	¥343,008	¥ 583,957	¥240,949
Securities for which the carrying amount does not exceed the acquisition costs						
Stocks.....	¥ 6,549	¥ 6,107	¥ (441)	¥ 1,549	¥ 1,191	¥ (358)
Bonds.....	—	—	—	—	—	—
Others.....	—	—	—	422,198	422,198	—
Sub-Total	¥ 6,549	¥ 6,107	¥ (441)	¥423,748	¥ 423,389	¥ (358)
Total	¥360,249	¥488,274	¥128,024	¥766,756	¥1,007,347	¥240,591

	Thousands of US dollars		
	Acquisition cost	<b>2016</b>	
		Carrying Amount	Difference
Securities for which the carrying amount exceeds the acquisition costs			
Stocks.....	<b>\$ 450,744</b>	<b>\$ 1,330,690</b>	<b>\$ 879,945</b>
Bonds.....	—	—	—
Others.....	<b>2,688,241</b>	<b>2,948,388</b>	<b>260,147</b>
Sub-Total	<b>\$ 3,138,985</b>	<b>\$ 4,279,078</b>	<b>\$ 1,140,092</b>
Securities for which the carrying amount does not exceed the acquisition costs			
Stocks.....	<b>\$ 58,120</b>	<b>\$ 54,203</b>	<b>\$ (3,917)</b>
Bonds.....	—	—	—
Others.....	—	—	—
Sub-Total	<b>\$ 58,120</b>	<b>\$ 54,203</b>	<b>\$ (3,917)</b>
Total	<b>\$ 3,197,106</b>	<b>\$ 4,333,282</b>	<b>\$ 1,136,175</b>

## b. Available-for-sale securities sold

	Millions of yen		Thousands of US dollars
	<b>2016</b>	2015	<b>2016</b>
Amounts sold .....	<b>¥247,317</b>	¥206,255	<b>\$2,194,867</b>
Gains on sales of available-for-sale securities .....	<b>36,760</b>	—	<b>326,239</b>

## c. Marketable securities impaired / Loss on valuation of securities

Year ended 31 March 2015

Not applicable.

With respect to impairing securities with a market value, if the market value at the end of the period has significantly declined compared to the acquisition cost, the Group recognizes impairment to the extent deemed necessary based on recoverability. With respect to impairing securities without a market value, if the real price has significantly declined compared to the acquisition cost, the Group recognizes impairment to the extent deemed necessary based on recoverability.

Year ended 31 March 2016

The Group recognized impairment of 1,337 million yen (11,871 thousand US dollars) on available-for-sale securities. With respect to impairing securities with a market value, if the market value at the end of the period has significantly declined compared to the acquisition cost, the Group recognizes impairment to the extent deemed necessary based on recoverability. With respect to impairing securities without a market value, if the real price has significantly declined compared to the acquisition cost, the Group recognizes impairment to the extent deemed necessary based on recoverability.

## (d) Derivative transactions

The contract/notional amounts of derivatives which are shown in the below table do not represent the Group's exposure to market risk. With respect to fair values of derivatives which are shown in the below tables, commodity transactions are valued based on market price. Other transactions are valued based on the price offered by financial institutions.

## a. Derivative transactions to which hedge accounting is not applied

Currency related transactions (non-market transactions)

Millions of yen

Type	2016				2015			
	Contract/ notional amount	Amount due after one year	Fair value	Gain (loss)	Contract/ notional amount	Amount due after one year	Fair value	Gain (loss)
Foreign currency forward contracts								
Selling								
USD	¥ 5,444	—	¥175	¥175	¥ —	—	¥ —	¥ —
Buying								
JPY	3,733	—	160	160	14,550	—	(43)	(43)
EUR	766	—	36	36	1,694	—	(16)	(16)
USD	83	—	(0)	(0)	3,746	—	394	394
MXN	57	—	(1)	(1)	—	—	—	—
Total	¥10,085	—	¥370	¥370	¥19,990	—	¥333	¥333

Thousands of US dollars

Type	2016			
	Contract/ notional amount	Amount due after one year	Fair value	Gain (loss)
Foreign currency forward contracts				
Selling				
USD	\$48,320	—	\$1,560	\$1,560
Buying				
JPY	33,131	—	1,420	1,420
EUR	6,799	—	324	324
USD	738	—	(5)	(5)
MXN	512	—	(12)	(12)
Total	\$89,502	—	\$3,287	\$3,287

Interest and currency related transactions (non-market transactions)

Millions of yen

Type	2016				2015			
	Contract/ notional amount	Amount due after one year	Fair value	Gain (loss)	Contract/ notional amount	Amount due after one year	Fair value	Gain (loss)
Cross currency interest rate swap								
Pay floating								
receive floating								
Pay INR								
receive USD	¥ 2,610	¥ —	¥842	¥842	¥ 5,568	¥ 2,784	¥1,323	¥1,323
Pay fixed								
receive floating								
Pay IDR								
receive JPY	10,000	10,000	418	418	10,000	10,000	(0)	(0)
Pay fixed								
receive floating								
Pay IDR								
receive USD	11,268	11,268	(932)	(932)	12,017	12,017	0	0
Total	¥23,878	¥21,268	¥328	¥328	¥27,585	¥24,801	¥1,323	¥1,323

Thousands of US dollars

Type	2016			
	Contract/ notional amount	Amount due after one year	Fair value	Gain (loss)
Cross currency interest rate swap Pay floating receive floating Pay INR receive USD	\$ 23,170	\$ —	\$7,473	\$7,473
Pay fixed receive floating Pay IDR receive JPY	88,746	88,746	3,717	3,717
Pay fixed receive floating Pay IDR receive USD	100,000	100,000	(8,272)	(8,272)
Total	\$211,916	\$188,746	\$2,917	\$2,917

Commodity-related transactions (market transactions)

Millions of yen

Type	2016				2015			
	Contract/ notional amount	Amount due after one year	Fair value	Gain (loss)	Contract/ notional amount	Amount due after one year	Fair value	Gain (loss)
Commodity futures contract Buying	¥859	—	¥36	¥36	¥1,304	—	¥(54)	¥(54)
Total	¥859	—	¥36	¥36	¥1,304	—	¥(54)	¥(54)

Thousands of US dollars

Type	2016			
	Contract/ notional amount	Amount due after one year	Fair value	Gain (loss)
Commodity futures contract Buying	\$7,625	—	\$328	\$328
Total	\$7,625	—	\$328	\$328

Earthquake-related transactions

Since fair values for derivative contract relating to earthquakes were not measured due to characteristic of instruments, they are not accounted for at fair values.

## b. Derivative transactions to which hedge accounting is applied

## Currency related transactions

Millions of yen

Type	2016			2015		
	Contract/ notional amount	Amount due after one year	Fair value	Contract/ notional amount	Amount due after one year	Fair value
Foreign currency forward contracts (Principle hedge accounting)						
Selling (Principal hedged item: Accounts receivable-trade)						
USD	¥ 6,790	—	¥106	¥ 8,034	—	¥ 42
EUR	5,738	—	227	21,695	—	1,012
CAD	296	—	3	414	—	11
AUD	2,897	—	(81)	4,528	—	141
NZD	270	—	(1)	1,236	—	3
GBP	575	—	35	40	—	1
MXN	1,657	—	(17)	1,518	—	14
Buying (Principal hedged item: Accounts payable-trade)						
THB	4,289	—	(41)	—	—	—
EUR	515	—	1	11,083	—	(88)
Foreign currency forward contracts (Exceptional hedge accounting)						
Selling (Principal hedged item: Accounts receivable-trade)						
USD	961	—	*	—	—	*
EUR	20,169	—	*	19,354	—	*
CAD	353	—	*	51	—	*
AUD	3,417	—	*	2,883	—	*
NZD	308	—	*	375	—	*
GBP	195	—	*	40	—	*
MXN	597	—	*	492	—	*
CNY	2,371	—	*	720	—	*
Buying (Principal hedged item: Accounts payable-trade)						
THB	2,223	—	*	—	—	*
JPY	400	—	*	895	—	*
EUR	—	—	*	2,726	—	*
USD	—	—	*	3,649	—	*
Total	¥54,032	—	¥231	¥79,742	—	¥1,139

Thousands of US dollars

Type	2016		
	Contract/ notional amount	Amount due after one year	Fair value
Foreign currency forward contracts (Principle hedge accounting)			
Selling (Principal hedged item: Accounts receivable-trade)			
USD	\$ 60,266	—	\$ 942
EUR	50,931	—	2,021
CAD	2,634	—	30
AUD	25,717	—	(725)
NZD	2,398	—	(10)
GBP	5,107	—	313
MXN	14,710	—	(158)
Buying (Principal hedged item: Accounts payable-trade)			
THB	38,069	—	(371)
EUR	4,579	—	9
Foreign currency forward contracts (Exceptional hedge accounting)			
Selling (Principal hedged item: Accounts receivable-trade)			
USD	8,529	—	*
EUR	179,001	—	*

CAD	3,138	—	*
AUD	30,327	—	*
NZD	2,735	—	*
GBP	1,738	—	*
MXN	5,302	—	*
CNY	21,047	—	*
Buying (Principal hedged item: Accounts payable-trade)			
THB	19,730	—	*
JPY	3,549	—	*
Total	\$479,519	—	\$2,050

\* Since these foreign currency forward contracts are handled together with hedged items, their fair values are included in that of hedged items.

## Interest and currency related transactions

Millions of yen

Type	Principal hedged item	2016			2015		
		Contract/ notional amount	Amount due after one year	Fair value	Contract/ notional amount	Amount due after one year	Fair value
Interest rate swap (special exceptional hedge accounting)							
Pay fixed receive floating	Long-term debt	¥ 32,500	¥ 12,500	*	¥ —	¥ —	¥ —
Interest rate swap (Principle hedge accounting)							
Pay fixed receive floating	Long-term debt	—	—	—	63,500	63,500	(32)
Cross currency interest rate swap (Principle hedge accounting)							
Pay fixed receive floating Pay IDR receive USD	Long-term debt	12,608	5,055	—	8,919	4,026	(18)
Pay fixed receive floating Pay THB receive USD							
Cross currency interest rate swap (Integration hedge accounting)							
Pay fixed receive floating Pay JPY receive USD	Long-term debt	118,000	118,000	*	98,000	98,000	*
Pay fixed receive floating Pay CNY receive JPY	Long-term receivable	243	243	*	243	243	*
Pay fixed receive floating Pay INR receive USD							
Total		¥178,983	¥151,430	¥1,109	¥188,538	¥183,645	¥(67)

Thousands of US dollars

Type	Principal hedged item	2016		
		Contract/ notional amount	Amount due after one year	Fair value
Interest rate swap (special exceptional hedge accounting)				
Pay fixed receive floating	Long-term debt	\$288,427	\$110,933	*
Cross currency interest rate swap (Principle hedge accounting)				
Pay fixed receive floating Pay IDR receive USD	Long-term debt	111,893	44,869	—



Pay fixed receive floating Pay THB receive USD	Long-term debt	<b>114,481</b>	<b>114,481</b>	<b>9,847</b>
Cross currency interest rate swap (Integration hedge accounting)				
Pay fixed receive floating Pay JPY receive USD	Long-term debt	<b>1,047,213</b>	<b>1,047,213</b>	*
Pay fixed receive floating Pay CNY receive JPY	Long-term receivable	<b>2,156</b>	<b>2,156</b>	*
Pay fixed receive floating Pay INR receive USD		<b>24,248</b>	<b>24,248</b>	*
Total		<b>\$1,588,420</b>	<b>\$1,343,902</b>	<b>\$9,847</b>

\* Since these cross currency interest rate swap transactions are handled together with hedged items, their fair values are included in that of hedged items.

#### NOTE 6: Short-term debts and long-term debts

Short-term debts were as follows. The annual interest rates of short-term debts as of 31 March 2016 were from **0.10** percent to **19.8** percent.

	Millions of yen		Thousands of US dollars
	<b>2016</b>	2015	<b>2016</b>
Short-term loans payable and Current portion of long-term loans payable			
Unsecured .....	<b>¥266,490</b>	¥281,950	<b>\$2,365,018</b>
Lease obligations due within one year .....	<b>41</b>	43	<b>368</b>
	<b>¥266,531</b>	¥281,994	<b>\$2,365,387</b>

Long-term debts were as follows:

	Millions of yen		Thousands of US dollars
	<b>2016</b>	2015	<b>2016</b>
Long-term loans payable maturing through 2021			
Unsecured .....	<b>¥262,797</b>	¥272,717	<b>\$2,332,249</b>
Lease obligations due more than one year .....	<b>16</b>	49	<b>143</b>
Other interest-bearing debts (Long-term guarantee deposited)	<b>11,900</b>	13,731	<b>105,609</b>
	<b>¥274,714</b>	¥286,497	<b>\$2,438,001</b>

As is customary in Japan, both short-term and long-term bank loans are subjected to general agreements which provide that the banks may, under certain circumstances, request additional security for those loans, and may treat any security furnished to the banks, as well as cash deposited with them, as security for all present and future indebtedness.

The aggregate annual maturities of long-term debts excluding other interest-bearing debts as of 31 March 2016 were as follows:

Year ending 31 March	Millions of yen	Thousands of US dollars
2018 .....	<b>¥109,249</b>	<b>\$ 969,555</b>
2019 .....	<b>61,563</b>	<b>546,359</b>
2020 .....	<b>15,000</b>	<b>133,126</b>
Thereafter .....	<b>77,000</b>	<b>683,351</b>
	<b>¥262,813</b>	<b>\$2,332,392</b>

Assets pledged as collateral as of 31 March 2016:

	Millions of yen	Thousands of US dollars
Buildings and structures .....	<b>¥594</b>	<b>\$5,271</b>
Land .....	<b>97</b>	<b>861</b>
	<b>¥691</b>	<b>\$6,133</b>

Secured liabilities as of 31 March 2016:

	Millions of yen	Thousands of US dollars
Others (noncurrent liabilities) .....	<b>¥372</b>	<b>\$3,309</b>

**NOTE 7: Loan commitment**

The Company has the commitment line contract with six banks for effective financing. The outstanding balance of this contract was as follows:

	Millions of yen		Thousands of US dollars
	<b>2016</b>	2015	<b>2016</b>
Commitment line contract total .....	<b>¥250,000</b>	¥200,000	<b>\$2,218,672</b>
Actual loan balance.....	—	—	—
Variance	<b>¥250,000</b>	¥200,000	<b>\$2,218,672</b>

**NOTE 8: Retirement and severance benefits****1. Outline of adopted retirement benefit systems**

The Company established cash balance corporate pension plan and lump-sum retirement benefit plan. Some of consolidated subsidiaries established defined benefit corporate pension plan and lump-sum retirement benefit plan. Some of foreign consolidated subsidiaries established defined contribution plan.

Some of consolidated subsidiaries adopt simplified method for the calculation of retirement benefits.

**2. Defined benefit plan****(a) Reconciliation of retirement benefit obligation from the opening balance to the closing balance**

	Millions of yen		Thousands of US dollars
	2016	2015	
Opening balance of retirement benefit obligation .....	<b>¥133,418</b>	¥111,096	<b>\$1,184,051</b>
Cumulative effects of changes in accounting policies.....	—	12,243	—
Opening balance reflected changes in accounting.....	<b>¥133,418</b>	¥123,339	<b>\$1,184,051</b>
Service cost .....	<b>8,322</b>	6,638	<b>73,862</b>
Interest cost .....	<b>1,855</b>	1,681	<b>16,467</b>
Actuarial differences.....	<b>14,073</b>	886	<b>124,901</b>
Retirement allowance paid .....	<b>(4,753)</b>	(4,751)	<b>(42,188)</b>
Past service cost .....	<b>347</b>	5,322	<b>3,084</b>
Others .....	<b>(1,103)</b>	301	<b>(9,792)</b>
Closing balance of retirement benefit obligation	<b>¥152,161</b>	¥133,418	<b>\$1,350,387</b>

**(b) Reconciliation of pension assets from the opening balance to the closing balance**

	Millions of yen		Thousands of US dollars
	2016	2015	
Opening balance of pension assets .....	<b>¥94,487</b>	¥90,040	<b>\$838,551</b>
Expected return on pension assets.....	<b>1,537</b>	1,000	<b>13,643</b>
Actuarial differences.....	<b>(1,344)</b>	454	<b>(11,929)</b>
Contribution from employers.....	<b>4,856</b>	5,905	<b>43,097</b>
Retirement allowance paid .....	<b>(3,452)</b>	(3,364)	<b>(30,639)</b>
Others .....	<b>(219)</b>	451	<b>(1,950)</b>
Closing balance of pension assets	<b>¥95,865</b>	¥94,487	<b>\$850,772</b>

**(c) Reconciliation between closing balance of retirement benefit obligation and pension assets and net amount of liability/asset for retirement benefits recognized in consolidated balance sheet**

	Millions of yen		Thousands of US dollars
	2016	2015	
Defined benefit obligation of funded severance plan .....	<b>¥108,729</b>	¥95,065	<b>\$964,943</b>
Pension assets.....	<b>(95,865)</b>	(94,487)	<b>(850,772)</b>
	<b>12,864</b>	577	<b>114,170</b>
Defined benefit obligation of unfunded severance plan .....	<b>43,431</b>	38,353	<b>385,443</b>
Net amount of liability and asset for retirement benefits recognized in consolidated balance sheet.....	<b>¥56,296</b>	¥38,930	<b>\$499,614</b>
Liabilities for retirement benefits .....	<b>¥56,346</b>	¥40,791	<b>\$500,061</b>
Assets for retirement benefits .....	<b>(50)</b>	(1,860)	<b>(447)</b>
Net amount of liability and asset for retirement benefits recognized in consolidated balance sheet.....	<b>¥56,296</b>	¥38,930	<b>\$499,614</b>

## (d) Breakdown of retirement benefit expenses

	Millions of yen		Thousands of US dollars
	2016	2015	
Service cost .....	<b>¥8,322</b>	¥6,638	<b>\$73,862</b>
Interest cost .....	<b>1,855</b>	1,681	<b>16,467</b>
Expected return on pension assets .....	<b>(1,537)</b>	(1,000)	<b>(13,643)</b>
Recognition of actuarial gains and losses .....	<b>987</b>	992	<b>8,762</b>
Amortization of past service cost .....	<b>(342)</b>	117	<b>(3,036)</b>
Others .....	<b>48</b>	46	<b>426</b>
Total amount of retirement benefit expenses for defined benefit plans .....	<b>¥9,334</b>	¥8,477	<b>\$82,839</b>

## (e) Adjustment for retirement benefits

Breakdown of adjustment for retirement benefit recognized were as follows:

	Millions of yen		Thousands of US dollars
	2016	2015	
Past service cost .....	<b>¥(293)</b>	¥(5,140)	<b>\$(2,608)</b>
Actuarial gains and losses .....	<b>(14,782)</b>	616	<b>(131,186)</b>
Total	<b>¥(15,075)</b>	¥(4,524)	<b>\$(133,794)</b>

## (f) Accumulated adjustment for retirement benefits

Breakdown of accumulated adjustment for retirement benefit recognized were as follows:

	Millions of yen		Thousands of US dollars
	2016	2015	
Unrecognized past service cost .....	<b>¥(2,158)</b>	¥(1,864)	<b>\$(19,152)</b>
Unrecognized actuarial gains and losses .....	<b>(11,437)</b>	3,344	<b>(101,508)</b>
Total	<b>¥(13,596)</b>	¥1,479	<b>\$(120,661)</b>

## (g) Pension assets

## a. Major breakdown of pension assets

Portion of major components to total pension assets were as follows:

	2016	2015
Debt securities .....	<b>43.9%</b>	49.0%
General account of life insurance companies .....	<b>37.9%</b>	37.9%
Others .....	<b>18.2%</b>	13.1%
Total	<b>100.0%</b>	100.0%

## b. Method to determine long-term expected return on pension assets

Expected return on pension assets were determined by considering the current and anticipated future portfolio of pension assets and current and anticipated future long-term performance of various asset classes that comprise pension assets.

## (h) Actuarial assumptions

	2016	2015
Discount rate .....	<b>0.15%</b>	1.12%
Expected long-term return on pension assets .....	<b>1.80%</b>	0.88%

## 3. Defined contribution plan

## Year ended 31 March 2015

Contribution to defined contribution plan by the Company and consolidated subsidiaries was 231 million yen.

## Year ended 31 March 2016

Contribution to defined contribution plan by the Company and consolidated subsidiaries was 233 million yen (2,069 thousand US dollars).

**NOTE 9: Income taxes**

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

	Millions of yen		Thousands of US dollars
	2016	2015	2016
<b>Deferred tax assets</b>			
Impairment loss and Excess-depreciation .....	<b>¥57,330</b>	¥57,418	<b>\$508,789</b>
Various provisions .....	<b>34,044</b>	37,254	<b>302,133</b>
Unrealized profits elimination .....	<b>19,383</b>	24,197	<b>172,021</b>
Loss on valuation of securities .....	<b>13,655</b>	14,265	<b>121,189</b>
Deferred assets .....	<b>3,606</b>	3,579	<b>32,010</b>
Others.....	<b>81,523</b>	75,362	<b>723,494</b>
Deferred tax assets sub-total .....	<b>209,544</b>	212,078	<b>1,859,638</b>
Valuation allowance .....	<b>(36,743)</b>	(39,996)	<b>(326,091)</b>
Deferred tax assets total .....	<b>¥172,800</b>	¥172,082	<b>\$1,533,547</b>
<b>Deferred tax liabilities</b>			
Valuation difference on available-for-sale securities .....	<b>¥(39,938)</b>	¥(76,700)	<b>\$(354,438)</b>
Variance from the complete market value method of consolidated subsidiaries .....	<b>(5,264)</b>	(5,811)	<b>(46,723)</b>
Reserve for advanced depreciation of noncurrent assets ...	<b>(3,265)</b>	(3,450)	<b>(28,983)</b>
Others.....	<b>(1,145)</b>	(1,076)	<b>(10,164)</b>
Deferred tax liabilities total .....	<b>(49,614)</b>	(87,038)	<b>(440,309)</b>
Net amounts of deferred tax assets.....	<b>¥123,186</b>	¥85,043	<b>\$1,093,237</b>

\* Net amounts of deferred tax assets are included in the following accounts in the consolidated balance sheets.

	Millions of yen		Thousands of US dollars
	2016	2015	2016
Current assets – Deferred tax assets.....	<b>¥116,378</b>	¥115,015	<b>\$1,032,819</b>
Investment and other assets – Deferred tax assets.....	<b>14,773</b>	19,985	<b>131,111</b>
Current liabilities – Deferred tax liabilities .....	<b>(481)</b>	(6,190)	<b>(4,274)</b>
Noncurrent liabilities – Deferred tax liabilities.....	<b>(7,484)</b>	(43,766)	<b>(66,418)</b>

## (b) Breakdown of the differences between the statutory tax rate and the effective tax rate

	2016	2015
Statutory tax rate.....	<b>32.34%</b>	—
Tax rate difference .....	<b>2.82%</b>	—
Effect of change of tax rate .....	<b>2.64%</b>	—
Others.....	<b>(0.21)%</b>	—
Effective tax rate .....	<b>37.59%</b>	—

\* For the year ended 31 March 2015, the note was omitted as the difference between the statutory tax rate and the effective tax rate after adoption of tax effect accounting was less than 5% of the statutory tax rate.

## (c) 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.

**NOTE 10: Research and development costs**

Research and development costs included in selling, general and administrative expenses were as follows:

	Millions of yen		Thousands of US dollars
	2016	2015	2016
Research and development costs.....	<b>¥131,031</b>	¥125,896	<b>\$1,162,859</b>

**NOTE 11: Cash and cash equivalents**

Cash and cash equivalents were as follows:

	Millions of yen		Thousands of US dollars
	2016	2015	2016
Cash and deposits .....	<b>¥497,187</b>	¥457,513	<b>\$4,412,385</b>
Short-term investment securities .....	<b>279,571</b>	685,647	<b>2,481,109</b>
Time deposits with maturities of over three months.....	<b>(47,098)</b>	(18,012)	<b>(417,986)</b>
Bonds etc. with redemption period of over three months .....	<b>(279,571)</b>	(192,888)	<b>(2,481,109)</b>
	<b>¥450,088</b>	¥932,261	<b>\$3,994,398</b>

**NOTE 12: Net assets**

The Companies Act of Japan ("the Companies Act") requires that at least 50% of the contribution of new shares shall be included in capital stock. The portion to be recorded as capital stock is determined by resolution of the meeting of the Board of Directors. Proceeds in excess of the capital stock shall be credited to "Legal capital surplus".

The Companies Act provides that an amount equivalent to 10% of cash dividends shall be appropriated as a legal capital surplus or legal retained earnings until total amount of them reaches a certain limit, defined as 25% of the capital stock.

The Companies Act allows both legal capital surplus and legal retained earnings to be transferred to the capital stock following the approval at an Ordinary General Meeting of Shareholders.

The legal retained earnings of the Company and its subsidiaries are included in "Retained earnings" on the consolidated balance sheets and are not shown separately.

According to the Companies Act, the articles of incorporation allow to repurchase treasury stock and dispose of such treasury stock by resolution of meeting of the Board of Directors.

**NOTE 13: Other comprehensive income**

	Millions of yen		Thousands of US dollars
	2016	2015	2016
Valuation difference on available-for-sale securities			
Loss (gain) arising during the period.....	<b>¥(78,299)</b>	¥77,327	<b>\$ (694,886)</b>
Reclassification adjustments.....	<b>(35,422)</b>	—	<b>(314,367)</b>
Before tax effect.....	<b>(113,722)</b>	77,327	<b>(1,009,254)</b>
Tax effect.....	<b>36,711</b>	(19,592)	<b>325,801</b>
Balance at the end of the period.....	<b>¥(77,011)</b>	¥57,734	<b>\$ (683,453)</b>
Deferred gains or losses on hedges			
Loss (gain) arising during the period.....	<b>¥2,939</b>	¥965	<b>\$ 26,088</b>
Reclassification adjustments.....	<b>(3,088)</b>	75	<b>(27,407)</b>
Before tax effect.....	<b>(148)</b>	1,041	<b>(1,318)</b>
Tax effect.....	<b>119</b>	(453)	<b>1,057</b>
Balance at the end of the period.....	<b>¥(29)</b>	¥587	<b>\$ (261)</b>
Foreign currency translation adjustment			
Loss (gain) arising during the period.....	<b>¥(101,996)</b>	¥46,774	<b>\$ (905,183)</b>
Reclassification adjustments.....	<b>1,405</b>	—	<b>12,474</b>
Balance at the end of the period.....	<b>¥(100,590)</b>	¥46,774	<b>\$ (892,708)</b>
Adjustment for retirement benefit			
Loss (gain) arising during the period.....	<b>¥(15,274)</b>	¥(5,176)	<b>\$ (135,552)</b>
Reclassification adjustments.....	<b>198</b>	651	<b>1,757</b>
Before tax effect.....	<b>(15,075)</b>	(4,524)	<b>(133,794)</b>
Tax effect.....	<b>4,513</b>	1,518	<b>40,056</b>
Balance at the end of the period.....	<b>¥(10,562)</b>	¥(3,005)	<b>\$ (93,737)</b>
Share of other comprehensive income of associates accounted for using equity method			
Loss (gain) arising during the period.....	<b>¥(3,411)</b>	¥3,489	<b>\$ (30,277)</b>
Total other comprehensive income.....	<b>¥(191,605)</b>	¥105,579	<b>\$ (1,700,437)</b>

**NOTE 14: Significant Changes in the Amount of Shareholders' Equity****(a) Acquisition of treasury stock and sales of Volkswagen AG share**

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.

And the Company also 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 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 (4,084,850 thousand US dollars)
Acquisition date	17 September 2015 (trade basis)

(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 (325,621 thousand US dollars)
Execution of agreement	25 September 2015

**(b) Retirement of treasury stock**

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. The Company carried out cancelling 70,047,304 treasury stocks on 31 March 2016.

**NOTE 15: Cash dividends**

	Resolutions			
	Ordinary General Meeting of Shareholders held on 26 June 2015		Meeting of the Board of Directors held on 4 November 2015	
Total amount of cash dividends	¥9,537 million	\$84,643 thousand	¥6,618 million	\$58,739 thousand
Cash dividends per share	¥17.00	\$0.15	¥15.00	\$0.13
Record date	31 March 2015		30 September 2015	
Effective date	29 June 2015		30 November 2015	

Dividends which record date was in the current consolidated fiscal year and effective date was in the next fiscal year:

	Resolution	
	Ordinary General Meeting of Shareholders held on 29 June 2016	
Total amount of cash dividends	¥7,501 million	\$66,571 thousand
Cash dividends per share	¥17.00	\$0.15
Record date	31 March 2016	
Effective date	30 June 2016	



**NOTE 16: Stock option plans**

The Company adopts stock option plan by using subscription rights to shares.

The plans were adopted at the Ordinary General Meetings of Shareholders and meetings of the Board of Directors held on 28 June 2012, 27 June 2013 and 27 June 2014 based on the Companies Act.

The details of the plans were as follows:

<b>1. Resolution date</b>	28 June 2012
<b>2. Category and number of people to whom stock options are granted</b>	10 Directors of the Company (excluding Outside Directors) 6 Managing Officers who do not concurrently serve as Directors
<b>3. Class of shares that are the subject of subscription rights to shares</b>	Common stock of the Company
<b>4. Number of shares</b>	50,000 shares
<b>5. Amount to be paid for subscription rights to shares</b>	1 yen per 1 share
<b>6. Period during which subscription rights to shares can be exercised</b>	From 21 July 2012 to 20 July 2042
<b>7. Terms of exercise of subscription rights to shares</b>	(1) A person who is allocated subscription rights to shares shall be able to exercise share subscription rights only up until 10th day (the next business day if the 10th day falls on a non-business day) from the day immediately following the date of resignation as the Company's Director as well as the Senior Managing Officer or Managing Officer without the role of Director being served concurrently. (2) If a person who is allocated subscription rights to shares was dead, the person's heir shall be able to exercise the rights.
<b>8. Matters relating to assignment of subscription rights to shares</b>	The acquisition of subscription rights to shares by assignment shall require the approval of the Board of Directors of the Company.
<b>9. Matters relating to subrogation payment</b>	None

<b>1. Resolution date</b>	27 June 2013
<b>2. Category and number of people to whom stock options are granted</b>	7 Directors of the Company (excluding Outside Directors) 10 Senior Managing Officers and Managing Officers who do not concurrently serve as Directors
<b>3. Class of shares that are the subject of subscription rights to shares</b>	Same to the plan adopted at 28 June 2012
<b>4. Number of shares</b>	29,400 shares
<b>5. Amount to be paid for subscription rights to shares</b>	Same to the plan adopted at 28 June 2012
<b>6. Period during which subscription rights to shares can be exercised</b>	From 20 July 2013 to 19 July 2043
<b>7. Terms of exercise of subscription rights to shares</b>	Same to the plan adopted at 28 June 2012
<b>8. Matters relating to assignment of subscription rights to shares</b>	Same to the plan adopted at 28 June 2012
<b>9. Matters relating to subrogation payment</b>	Same to the plan adopted at 28 June 2012

1. Resolution date 27 June 2014
2. Category and number of people to whom stock options are granted 6 Directors of the Company (excluding Outside Directors) 6 Managing Officers who do not concurrently serve as Directors
3. Class of shares that are the subject of subscription rights to shares Same to the plan adopted at 28 June 2012
4. Number of shares 20,500 shares
5. Amount to be paid for subscription rights to shares Same to the plan adopted at 28 June 2012
6. Period during which subscription rights to shares can be exercised From 23 July 2014 to 22 July 2044
7. Terms of exercise of subscription rights to shares Same to the plan adopted at 28 June 2012
8. Matters relating to assignment of subscription rights to shares Same to the plan adopted at 28 June 2012
9. Matters relating to subrogation payment Same to the plan adopted at 28 June 2012

#### NOTE 17: Contingent liabilities

As of 31 March 2016 and 2015, the Company and some of consolidated subsidiaries had the contingent liabilities as follows:

	Millions of yen		Thousands of US dollars
	<b>2016</b>	2015	<b>2016</b>
Guarantee of indebtedness of affiliates and others .....	<b>¥1,427</b>	¥10,425	<b>\$12,670</b>

#### NOTE 18: Segment Information

##### 1. Outline of reportable segments

The reportable segments of the Company are the components of the Company business for which discrete financial information is available, and whose operating results are regularly reviewed by our decision-making body such as Board of Directors to make decisions about resources to be allocated to the segments and to assess their performances.

The Group has three reportable segments of "Motorcycle", "Automobile" and "Marine and Power products, etc." based on the form of management organization and nature of products and services.

Main products and services of each segment are as follows:

Segment	Main products and services
Motorcycle	Motorcycles, All-terrain vehicles
Automobile	Minivehicles, Sub-compact vehicles, Standard-sized vehicles
Marine and Power products, etc.	Outboard motors, Engines for snowmobiles, etc., Electro senior vehicles, Houses

##### 2. Methods of measurement for the amounts of net sales, profit or loss, assets and other items for each reportable segment

The accounting policies of the reportable segments are consistent to the description of the "Summary of significant accounting policies" (Note 2).

## 3. Information about the amounts of net sales, profit or loss, assets and other items by reportable segment

	Millions of yen				
	2016				
	Motorcycle	Automobile	Marine & Power products, etc.	Adjustment	Consolidated
Net Sales:					
Net sales to external customers ...	<b>¥233,889</b>	<b>¥2,878,515</b>	<b>¥68,253</b>	<b>¥ —</b>	<b>¥3,180,659</b>
Segment profit (loss) .....	<b>(10,198)</b>	<b>192,619</b>	<b>12,887</b>	<b>—</b>	<b>195,308</b>
Segment assets .....	<b>190,376</b>	<b>1,984,591</b>	<b>46,094</b>	<b>480,945</b>	<b>2,702,008</b>
Other content:					
Depreciation .....	<b>7,992</b>	<b>158,116</b>	<b>2,207</b>	<b>—</b>	<b>168,315</b>
Amortization of goodwill .....	<b>184</b>	<b>1,723</b>	<b>79</b>	<b>—</b>	<b>1,988</b>
Impairment loss .....	<b>30</b>	<b>292</b>	<b>—</b>	<b>—</b>	<b>322</b>
Investments in affiliated companies accounted for by equity method ...	<b>3,990</b>	<b>42,193</b>	<b>67</b>	<b>—</b>	<b>46,250</b>
Increase in property, plant and equipment and intangible assets ...	<b>7,531</b>	<b>161,679</b>	<b>2,324</b>	<b>—</b>	<b>171,535</b>

	Millions of yen				
	2015				
	Motorcycle	Automobile	Marine & Power products, etc.	Adjustment	Consolidated
Net Sales:					
Net sales to external customers ...	¥250,485	¥2,701,942	¥63,033	¥ —	¥3,015,461
Segment profit (loss) .....	(675)	171,827	8,272	—	179,424
Segment assets .....	203,256	1,893,036	45,159	1,111,348	3,252,800
Other content:					
Depreciation .....	8,504	124,686	1,186	—	134,377
Amortization of goodwill .....	639	1,757	122	—	2,519
Impairment loss .....	—	969	—	—	969
Investments in affiliated companies accounted for by equity method ....	15,089	45,346	82	—	60,519
Increase in property, plant and equipment and intangible assets ...	8,356	184,785	1,314	—	194,457

	Thousands of US dollars				
	2016				
	Motorcycle	Automobile	Marine & Power products, etc.	Adjustment	Consolidated
Net Sales:					
Net sales to external customers ...	<b>\$2,075,700</b>	<b>\$25,545,935</b>	<b>\$605,725</b>	<b>\$ —</b>	<b>\$28,227,361</b>
Segment profit (loss) .....	<b>(90,510)</b>	<b>1,709,435</b>	<b>114,375</b>	<b>—</b>	<b>1,733,300</b>
Segment assets .....	<b>1,689,535</b>	<b>17,612,632</b>	<b>409,075</b>	<b>4,268,241</b>	<b>23,979,484</b>
Other content:					
Depreciation .....	<b>70,928</b>	<b>1,403,233</b>	<b>19,586</b>	<b>—</b>	<b>1,493,749</b>
Amortization of goodwill .....	<b>1,639</b>	<b>15,299</b>	<b>707</b>	<b>—</b>	<b>17,646</b>
Impairment loss .....	<b>266</b>	<b>2,594</b>	<b>—</b>	<b>—</b>	<b>2,861</b>
Investment in affiliated companies accounted for by equity method ....	<b>35,410</b>	<b>374,451</b>	<b>600</b>	<b>—</b>	<b>410,462</b>
Increase in property, plant and equipment and intangible assets ...	<b>66,841</b>	<b>1,434,854</b>	<b>20,629</b>	<b>—</b>	<b>1,522,325</b>

(Reference information)

As reference information, operating results by geographical areas were as follows:

(a) The amount of net sales, operating income or loss based on location of the Company and its consolidated subsidiaries

	Millions of yen					
	2016					
	Japan	Europe	Asia	Other areas	Eliminations	Consolidated
Net Sales:						
Net sales to external customers...	¥1,301,207	¥323,309	¥1,402,285	¥153,857	¥ —	¥3,180,659
Internal net sales or transfer among geographical areas.....	508,962	227,156	93,830	542	(830,491)	—
Total	1,810,169	550,465	1,496,116	154,399	(830,491)	3,180,659
Operating income.....	84,812	6,721	103,823	2,431	(2,481)	195,308

	Millions of yen					
	2015					
	Japan	Europe	Asia	Other areas	Eliminations	Consolidated
Net Sales:						
Net sales to external customers...	¥1,317,659	¥306,156	¥1,233,494	¥158,151	¥ —	¥3,015,461
Internal net sales or transfer among geographical areas.....	447,311	129,982	72,736	1,029	(651,059)	—
Total	1,764,970	436,139	1,306,230	159,181	(651,059)	3,015,461
Operating income.....	90,718	5,116	81,607	2,620	(637)	179,424

	Thousands of US dollars					
	2016					
	Japan	Europe	Asia	Other areas	Eliminations	Consolidated
Net sales:						
Net sales to external customers...	\$11,547,808	\$2,869,267	\$12,444,845	\$1,365,439	\$ —	\$28,227,361
Internal net sales or transfer among geographical areas.....	4,516,881	2,015,941	832,719	4,810	(7,370,352)	—
Total	16,064,689	4,885,208	13,277,565	1,370,250	(7,370,352)	28,227,361
Operating income.....	752,686	59,648	921,405	21,579	(22,020)	1,733,300

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

## (b) The amount of net sales based on external customers

Millions of yen				
2016				
	Japan	India	Others	Consolidated
Net sales.....	¥1,047,883	¥980,288	¥1,152,486	¥3,180,659

  

Millions of yen				
2015				
	Japan	India	Others	Consolidated
Net sales.....	¥1,094,611	¥814,584	¥1,106,265	¥3,015,461

  

Thousands of US dollars				
2016				
	Japan	India	Others	Consolidated
Net sales.....	\$9,299,642	\$8,699,758	\$10,227,961	\$28,227,361

**NOTE 19: 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. The 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 (887 million US dollars) plus the aggregate principal amount of the bonds in respect of replacement certificates of the bonds with stock acquisition rights	Same as on 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 on the left
(6) Closing and issue date	1 April 2016	Same as on the left
(7) Redemption price	100% of principal amount	Same as on 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 on 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 on 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 on the left
iii. Conversion price	4,120.0 yen (36.6 US dollars)	Same as on the left
iv. Exercise period and Supplementary conditions	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	From 15 April 2016 to 17 March 2023 [Same as on the left] Exercising by 31 December 2022 [Same as on the left] Giving notice from 31 March 2022 to 16 December 2022 [Same as on the left] Until 31 December 2022
v. Asset and amount to be paid upon exercise of the stock acquisition rights	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.	
vi. Capital stock and capital surplus increased in case the stocks are issued by exercising stock acquisition rights	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.	
(10) Security or guarantee	None	
(11) Use of proceeds	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.	

## Independent Auditor's Report

To the Board of Directors of  
Suzuki Motor Corporation

We have audited the accompanying consolidated financial statements of Suzuki Motor Corporation and its subsidiaries, which comprise the consolidated balance sheet as of 31 March 2016, and the consolidated statement of income, statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, all expressed in Japanese Yen, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Suzuki Motor Corporation and its consolidated subsidiaries as of 31 March 2016, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 19 "Significant Subsequent Event" to the consolidated financial statements, 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.

### Convenience Translation

The amounts expressed in US dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying consolidated financial statements.



Seimei Audit Corporation  
Tokyo, Japan  
29 June 2016

# Company Outline

<b>1. Company Name</b>	<b>SUZUKI MOTOR CORPORATION</b>
<b>2. Date of Incorporation</b>	March 1920      Incorporated as Suzuki Loom Manufacturing Co. June 1954      Name changed to Suzuki Motor Co., Ltd. October 1990    Name changed to Suzuki Motor Corporation
<b>3. Head Office</b>	300 Takatsuka-cho, Minami-ku, Hamamatsu-shi, Shizuoka 432-8611 Japan <b>Website Address</b> : <a href="http://www.globalsuzuki.com">http://www.globalsuzuki.com</a>
<b>4. Main Products</b>	Automobiles, Motorcycles, Outboard Motors, Motorized Wheelchairs, Electro Senior Vehicles, Industrial Equipment
<b>5. Fiscal Year-End</b>	31 March
<b>6. Public Accounting Firm</b>	Seimei Audit Corporation

## 7. Capital and Shareholders (as of 31 March, 2016)

Capital	¥138,014 million
Total number of authorized shares	1,500 million
Total number of shares issued	491,000,000
Number of shareholders	33,252
Stock Listing	Tokyo Stock Exchange
Securities Code	7269
Ordinary General Meeting of Shareholders	June
Record Dates	<ul style="list-style-type: none"> <li>• Ordinary General Meeting of Shareholders 31 March</li> <li>• Year-End Dividend 31 March</li> <li>• Interim Dividend 30 September</li> </ul>
Shareholders' Register Manager	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo

### <Ten Major Shareholders>

Name of Shareholder	Number of Shares Held (Thousands of Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	26,216	5.9
JP Morgan Chase Bank 380055	21,804	4.9
Japan Trustee Services Bank, Ltd. (Trust Account)	20,209	4.6
Tokio Marine & Nichido Fire Insurance Co., Ltd.	17,961	4.1
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	16,000	3.6
The Shizuoka Bank, Ltd.	14,500	3.3
Resona Bank, Ltd.	13,000	2.9
Sompo Japan Nipponkoa Insurance Inc.	7,761	1.8
Nippon Steel & Sumitomo Metal Corporation	7,759	1.8
Fuji Heavy Industries Ltd.	5,780	1.3

(Note) \*1. Number of shares less than 1,000 is truncated.

\*2. Percentage of Shareholding is calculated excluding treasury stock (49,748 thousand shares).

## Suzuki Group

Subsidiaries: 136 companies (69 in domestic, 67 in overseas) Affiliates: 33 companies

### (1) Major Domestic Subsidiaries

#### [Manufacturing Subsidiaries]

Suzuki Auto Parts Mfg. Co., Ltd.

Snic Co., Ltd.

Suzuki Akita Auto Parts Mfg. Co., Ltd.

Suzuki Toyama Auto Parts Mfg. Co., Ltd.

### (2) Major Overseas Subsidiaries

#### [EUROPE]

<b>Germany</b>	Suzuki Deutschland GmbH
<b>Spain</b>	Suzuki Motor Iberica, S.A.U.
<b>Italy</b>	Suzuki Italia S.p.A.
<b>France</b>	Suzuki France S.A.S.
<b>Hungary</b>	Magyar Suzuki Corporation Ltd.
<b>UK</b>	Suzuki GB PLC
<b>Austria</b>	Suzuki Austria Automobil Handels G.m.b.H
<b>Poland</b>	Suzuki Motor Poland SP.Z.O.O.

#### [AMERICA]

<b>USA</b>	Suzuki Motor of America, Inc.
<b>USA</b>	Suzuki Manufacturing of America Corporation
<b>Canada</b>	Suzuki Canada Inc.
<b>Mexico</b>	Suzuki Motor de Mexico S.A. DE C.V.
<b>Colombia</b>	Suzuki Motor de Colombia S.A.

#### [Non-Manufacturing Subsidiaries]

Suzuki Transportation & Packing Co., Ltd.

Suzuki Business Co., Ltd.

Suzuki Engineering Co., Ltd.

#### [Marketing Subsidiaries]

54 directly managed domestic marketing companies

#### [ASIA]

<b>India</b>	Maruti Suzuki India Ltd.
<b>India</b>	Suzuki Motorcycle India Private Limited
<b>Pakistan</b>	Pak Suzuki Motor Co., Ltd.
<b>Indonesia</b>	PT. Suzuki Indomobil Motor
<b>Thailand</b>	Thai Suzuki Motor Co., Ltd.
<b>Thailand</b>	Suzuki Motor (Thailand) Co., Ltd.
<b>Philippines</b>	Suzuki Philippines Inc.
<b>Cambodia</b>	Cambodia Suzuki Motor Co., Ltd.
<b>China</b>	Suzuki Motor (China) Investment Co., Ltd.
<b>Vietnam</b>	Vietnam Suzuki Corporation
<b>Taiwan</b>	Taiwan Suzuki Automobile Corporation
<b>Myanmar</b>	Suzuki (Myanmar) Motor Co., Ltd.

#### [OCEANIA]

<b>Australia</b>	Suzuki Australia Pty. Ltd.
<b>New Zealand</b>	Suzuki New Zealand Ltd.

#### [AFRICA]

<b>South Africa</b>	Suzuki Auto South Africa (Pty.) Ltd.
---------------------	--------------------------------------

### Marketing Subsidiaries

44 directly managed overseas marketing companies





**Way of Life!**

**SUZUKI MOTOR CORPORATION**

300 Takatsuka-Cho,  
Minami-Ku, Hamamatsu-shi,  
Shizuoka, Japan 432-8611  
<http://www.globalsuzuki.com>