

MIRA INFORM REPORT

Report No. :	531095
Report Date :	20.09.2018

IDENTIFICATION DETAILS

Name :	SUZUKI MOTOR CORPORATION
Registered Office :	300 Takatsukacho Minamiku Hamamatsu City Shizuoka-Pref 432-8611
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	March 1920
Com. Reg. No.:	0804-01-002431 (Hamamatsu-Minamiku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Manufacturing of Minicars, Motorcycles
No. of Employees :	15,269

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A++
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Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default

Status :	Excellent
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Japan	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

JAPAN - ECONOMIC OVERVIEW

Over the past 70 years, government-industry cooperation, a strong work ethic, mastery of high technology, and a comparatively small defense allocation (slightly less than 1% of GDP) have helped Japan develop an advanced economy. Two notable characteristics of the post-World War II economy were the close interlocking structures of manufacturers, suppliers, and distributors, known as keiretsu, and the guarantee of lifetime employment for a substantial portion of the urban labor force. Both features have significantly eroded under the dual pressures of global competition and domestic demographic change.

Measured on a purchasing power parity basis that adjusts for price differences, Japan in 2017 stood as the fourth-largest economy in the world after first-place China, which surpassed Japan in 2001, and third-place India, which edged out Japan in 2012. For three postwar decades, overall real economic growth was impressive - averaging 10% in the 1960s, 5% in the 1970s, and 4% in the 1980s. Growth slowed markedly in the 1990s, averaging just 1.7%, largely because of the aftereffects of inefficient investment and the collapse of an asset price bubble in the late 1980s, which resulted in several years of economic stagnation as firms sought to reduce excess debt, capital, and labor. Modest economic growth continued after 2000, but the economy has fallen into recession four times since 2008.

Japan enjoyed an uptick in growth since 2013, supported by Prime Minister Shinzo ABE's "Three Arrows" economic revitalization agenda - dubbed "Abenomics" - of monetary easing, "flexible" fiscal policy, and structural reform. Led by the Bank of Japan's aggressive monetary easing, Japan is making modest progress in ending deflation, but demographic decline - a low birthrate and an aging, shrinking population - poses a major long-term challenge for the economy. The government currently faces the quandary of balancing its efforts to stimulate growth and institute economic reforms with the need to address its sizable public debt, which stands at 235% of GDP. To help raise government revenue, Japan adopted legislation in 2012 to gradually raise the consumption tax rate. However, the first such increase, in April 2014, led to a sharp contraction, so Prime Minister ABE has twice postponed the next increase, which is now scheduled for October 2019. Structural reforms to unlock productivity are seen as central to strengthening the economy in the long-run.

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Scarce in critical natural resources, Japan has long been dependent on imported energy and raw materials. After the complete shutdown of Japan's nuclear reactors following the earthquake and tsunami disaster in 2011, Japan's industrial sector has become even more dependent than before on imported fossil fuels. However, ABE's government is seeking to restart nuclear power plants that meet strict new safety standards and is emphasizing nuclear energy's importance as a base-load electricity source. In August 2015, Japan successfully restarted one nuclear reactor at the Sendai Nuclear Power Plant in Kagoshima prefecture, and several other reactors around the country have since resumed operations; however, opposition from local governments has delayed several more restarts that remain pending. Reforms of the electricity and gas sectors, including full liberalization of Japan's energy market in April 2016 and gas market in April 2017, constitute an important part of Prime Minister Abe's economic program.

Under the Abe Administration, Japan's government sought to open the country's economy to greater foreign competition and create new export opportunities for Japanese businesses, including by joining 11 trading partners in the Trans-Pacific Partnership (TPP). Japan became the first country to ratify the TPP in December 2016, but the United States signaled its withdrawal from the agreement in January 2017. In November 2017 the remaining 11 countries agreed on the core elements of a modified agreement, which they renamed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Japan also reached agreement with the European Union on an Economic Partnership Agreement in July 2017, and is likely seek to ratify both agreements in the Diet this year.

Source : CIA

COMPANY NAME & ADDRESS

SUZUKI MOTOR CORPORATION

REGD NAME: Suzuki KK
MAIN OFFICE: 300 Takatsukacho Minamiku Hamamatsu City Shizuoka-Pref 432-8611 JAPAN
Tel: 053-440-2061 Fax: 053-440-2061

URL: <http://www.suzuki.co.jp/>
E-Mail address: info@suzuki.co.jp

ACTIVITIES: Mfg of minicars, motorcycles
BRANCHES: Tokyo, other (Tot 9)
OVERSEAS: Europe (9), USA (2), Canada, Asia & Oceania (10), S America (--subsidiaries)
FACTORIES: Takatsuka, Kosai, Iwata, Toyokawa, Osuga, Sagara (--Shizuoka);
Asia (8), Americas (5), Europe/Africa (2)

OFFICERS: TOSHIHIRO SUZUKI, PRES Osamu Suzuki, ch
Yasuto Harayama, v pres Toshihiro Suzuki, rep dir
Masahiko Nagao, mgn dir Hiroaki Matsuura, mgn dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 3,757,219 M
PAYMENTS	REGULAR	CAPITAL	Yen 138,014 M
TREND	STEADY	WORTH	Yen 1,297,537 M
STARTED	1920	EMPLOYES	15,269

COMMENT: MFR SPECIALIZING IN MINICARS & MOTORCYCLES. FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

HIGHLIGHTS

This is the second-ranked minicar mfr and 3rd largest maker of motorcycles. Active in overseas, producing 4-wheelers in Asia including India, and Eastern Europe. Originated as Suzuki Loom Works, established in 1909. Launched the sales of motorcycle motors in 1952, and light cars in 1955. Under the charismatic management by Osamu Suzuki, who was appointed president in 1978, and now chairman of the firm. Toshihiro Suzuki took the pres office in Jun/2016. The company makes earnings in India, where the company entered into in 1982, and now boasts a nearly 40% share in the vehicle market. Mainstay models include the "Alto" and "Wagon R" light cars, and the "Swift" registered vehicles. Cancelled its alliance with GM of the US in 2006. Entered into a capital

alliance with VW of Germany in 2009 but broke it off, and also dissolved the alliance after the court's decision was made for the arbitration proceedings & moved forward to a business alliance with Toyota Motor. .

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 3,757,219 million, an 18.54% up from Yen 3,169,542 million in the previous term. The recurring profit was posted at Yen 282,787 million and the net profit at Yen 215,730 million, respectively, compared with Yen 286,691 million recurring profit and Yen 159,956 million net profit, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 380,000 million and net profit at Yen 222,000 million, respectively, on a 3% rise in turnover, to Yen 3,870,000 million.

The financial situation is considered FAIR and good for ORDINARY business engagements.

REGISTRATION

Date Registered: Mar 1920
Regd No.: 0804-01-002431 (Hamamatsu-Minamiku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 1,500 million shares
Issued: 491 million shares
Sum: Yen 138,014 million

Major shareholders (%): Company's Treasury Stock (10.0), Master Trust Bank of Japan T (7.5), Japan Trustee Services T (4.7), Tokio Marine & Nichido Fire Ins (3.6), MUFG (3.2), Shizuoka Bank (2.9), Resona Bank (2.6), JP Morgan Chase Bank 380055 (2.5), Bank of New York Mellon SANV 10 (1.6), Sompo Japan Nipponkoa Ins (1.5); foreign owners (31.9)

No. of shareholders: 27,035

Listed on the S/Exchange (s) of: Tokyo

Nothing detrimental is known as to the commercial morality of executives.

Related companies: Suzuki Jihan Kinki, American Suzuki Motors, Multi Suzuki India, other

OPERATION

Activities: Manufactures motorcycles (7%), four-wheeled cars, mini-cars (91%), outboard motors, boats, electro-scooters, industrial equipment, specialty machines (7%), others (--2%).

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Overseas Sales Ratio (70%)

Clients: [Dealerships, wholesalers] Suzuki Jihan Kinki, Hamamatsu, other (subsidiary dealerships), Multi Suzuki India, American Suzuki Motor Corp, Magyar Suzuki Corp (Hungary), Suzuki International Europe, other.

No. of accounts: 2,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Denso Corp, Jatco, Aisin AW, Metal One, Sumitomo Corp, Aisin Seiki, Toyota Tsusho Corp, JTECT Corp, other.

Payment record: Regular

Location: Business area in Hamamatsu City, Shizuoka-Pref. Office premises at the caption address are owned and maintained satisfactorily.

Bank References:

MUFG (Hamamatsu)

Shizuoka Bank (Hamamatsu)

Relations: Satisfactory

FINANCES

(Consolidated in Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	3,870,000	3,757,219	3,169,542	3,180,659
Recur. Profit	380,000	282,787	286,691	209,109
Net Profit	222,000	215,730	159,956	116,660
Total Assets		3,340,828	3,115,985	2,702,008
Net Worth		1,297,537	119,866	957,699
Capital, Paid-Up		138,064	138,064	138,064
Div.P.Share(¥)		74.00	44.00	32.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	3.00	18.54	-0.35	5.48
Current Ratio	
N.Worth Ratio		38.84	3.85	35.44
N.Profit/Sales	5.74	5.74	5.05	3.67

Notes: Forecast (or estimated) figures for the 31/03/2019 fiscal term.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.67
UK Pound	1	INR 95.59
Euro	1	INR 84.90
YEN	1	INR 0.64

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	TPT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)