



Integrated Report

2023

Suzuki Motor Corporation



Integrated Report 2023 Contents

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Editorial Policy

About this report

In order for the Suzuki Group to continuously grow for the next 100 years, the Company is promoting various initiatives. This report was published to help our stakeholders including shareholders, investors, and employees, to understand those initiatives. Financial and non-financial information are also available at our website.

Period covered

The period covered by this report is FY2022 (from April 1, 2022 through March 31, 2023). However, this report also contains descriptions of some activities which took place before or after that time period.

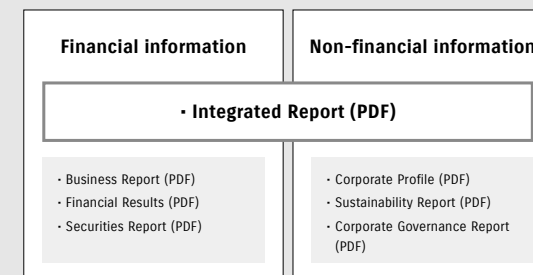
Information covered

This report covers information about not only Suzuki Motor Corporation, but also domestic and overseas Suzuki Group companies. (Unless "Group companies," "dealers," or "overseas" are indicated in each description, the information is related to Suzuki Motor Corporation alone.)

Referred guidelines

Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation by the Ministry of Economy, Trade and Industry International Integrated Reporting Framework by The IFRS Foundation and other guidelines

Information disclosure system



Caution with respect to forward-looking statements

This report contains forward-looking statements based on the Company's judgments in line with current assumptions and information available at the time of publication. Therefore, these forward-looking statements involve risks and uncertainties. The Company does not guarantee that such forward-looking statements will be realized.

Please be advised that actual results may differ materially from those expressed or implied in the Company's forward-looking statements as a result of changes in a variety of factors.

Factors that may affect actual results include economic conditions and trends in demand in major markets, as well as volatility in foreign exchange rates (mainly the US dollar/yen, euro/yen, and Indian rupee/yen rates).

Message from the President

Embodying the founding principle of “focusing on the customer,” we will aim to be an infrastructure company closely connected with people’s lives

Based on the foundation of “focusing on the customer”

For the first time in 61 years, we have revised our Mission Statement. Previously, the first point in our Mission Statement used the word “consumer,” but we have revised the wording in response to a suggestion from within the Company that “customer” would be more appropriate.

In formulating our Growth Strategy for FY2030 announced in January 2023, we revisited our Mission Statement, the founding principle of the Company. The Company’s founder Michio Suzuki made a loom by hand in order to make his mother’s work easier. Word of the loom’s reputation spread throughout the neighborhood, and many people asked to have it. Suzuki continued making improvements to the loom by incorporating direct feedback from his customers and paying close attention to them. This was truly the origin of creating valuable products “focusing on the customer.” If we develop products just for self-satisfaction, the products will not be useful to customers. We believe that a valuable product is one that makes customers say things like, “This is just what I was looking for.” We hope that this revision to the Mission Statement will provide an opportunity for each and every employee to reflect on what makes a valuable product by keeping the customer in mind.

As an organization grows larger, it tends to become more distant from its customers. Sales and customer service representatives receive direct feedback from customers, but in order for that feedback to be reflected in products, it must be properly delivered to the actual design and development departments. Osamu Suzuki, our advisor, always spoke of “Entrepreneurial Spirit.” In a small organization,

people can connect with each other, see each other’s faces, and practice “Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty)” through quick decision-making. In large organizations, however, there is distance between management and frontline employees, which tends to cause poor communication leading to misunderstandings. Preserving the kind of flexibility that small- and medium-sized companies have, which allows for close proximity between people and the accurate and quick communication that speeds up decision-making, I will go to each of our departments and communicate with employees who work there in accordance with “visiting the actual place, seeing the actual thing, and understanding the actual situation.”

Supporting rich and fulfilling lives

Our goal is to be a company dedicated to enriching people’s lives. We have contributed to the economic development of the countries and regions in which we operate by expanding our industrial base through production, sales, procurement, and development. We recognize that staying closely attuned to people’s lives and providing a means of mobility for local communities is our ongoing mission. We also need to pursue product development with a clear view of what our customers really want, without clinging to past successes. In our efforts toward electrification to achieve carbon neutrality, we will not simply provide electric vehicles (EVs) to replace gasoline-powered vehicles but rather develop environmentally friendly mobility utilizing the structure and characteristics of compact cars, which are our area of expertise. In addition to solving environmental problems, we also aim to be a company that continues to pursue what is useful for each individual’s life, such as by



Toshihiro Suzuki
Representative Director
and President

thoroughly investigating how EVs are used today and encouraging people to use them as a source of energy supporting a part of their daily lives.

A growth strategy to provide clear direction

We formulated our Growth Strategy for FY2030 in order to map out our ideal future and show the direction the Company as a whole will take to approach challenges. Until then, we had not been able to present our direction to our employees in such a way, so I feel that this was a

major turning point for me. The sales target of ¥7 trillion is double that of the ¥3.5 trillion for the fiscal year ended March 31, 2022, and while this is not an easy endeavor, we can accomplish it through perseverance. To achieve this target, it is important that our employees share the same target and incorporate it into their own individual work, accurately grasp how the times are changing and what our customers are looking for, and communicate with each other to collaborate within the Company. Even in the last six months, I have felt the small individual efforts of employees contributing to a larger movement towards change. We will continue to make steps toward the realization of our growth strategy by constantly moving forward to “create a dynamic Team Suzuki that can assess the condition in these turbulent times, take action, and initiate activities.”

Aiming to develop and contribute to Indian society

We are also taking on the challenge of biogas business to realize a carbon neutral society and develop rural areas in India. This involves the production and supply of biogas derived from cow dung, which is dairy waste that can be seen mainly in India’s rural area, and the solids and liquids generated in the biogas refining process are used as organic fertilizer. This biogas produced from cow dung can be used to fuel CNG vehicles. We also expect that the use of cow dung as a raw material will provide a new source



of income for farmers and contribute to the development of local agriculture. Beyond these efforts, we are also considering supplying biogas throughout India and constructing a power plant.

We concluded a three-party agreement between the National Dairy Development Board (NDDDB) and one of the largest dairy manufacturers in Asia to establish four biogas production plants in the state of Gujarat and are making steady progress on this project. We will continue to develop our business not only in pursuit of profit but also in consideration of how much we can contribute to India’s development.

Aiming to enhance human capital and strengthen governance

A company consists of individuals, so it is essential to enhance our human capital. We must never forget this starting point when we pursue manufacturing: to meet the expectations of our customers and make them fans of Suzuki. Each and every employee of the Group is highly capable, and I believe that our organizational strength will be maximized if employees think about what skills and abilities they should have and approach their work with a sense of purpose, and if the Company provides education to further enhance each employee’s capability. In addition, Indian personnel excel in the field of software development, and we will further strengthen these global human resources and deepen our internal and external relationships.

To strengthen governance and compliance, we are promoting Remember 5.18 activities after deep reflection on past issues such as misconduct regarding fuel efficiency and final inspections. Specifically, having grasped the purpose and background of the relevant laws and internal regulations and thoroughly visualized how they connect to each individual’s work, we foster an environment that encourages employees to report problems themselves under the slogan “Don’t turn away, don’t hide, don’t lie.” Throughout this process, I am once again reminded that our business might not have come this far if we had experienced only successes along the way. A company is a living organism constantly faced with various problems. Cultivating the ability to think about what is right and what



should be done is turning what was previously a weakness into a strength. Of course, misconduct must never be tolerated, but I believe our efforts to revise operations through trial and error in the Remember 5.18 activities are commendable, and we will continue to work on these activities in the future.

Aiming to be a lifestyle infrastructure company closely connected with people

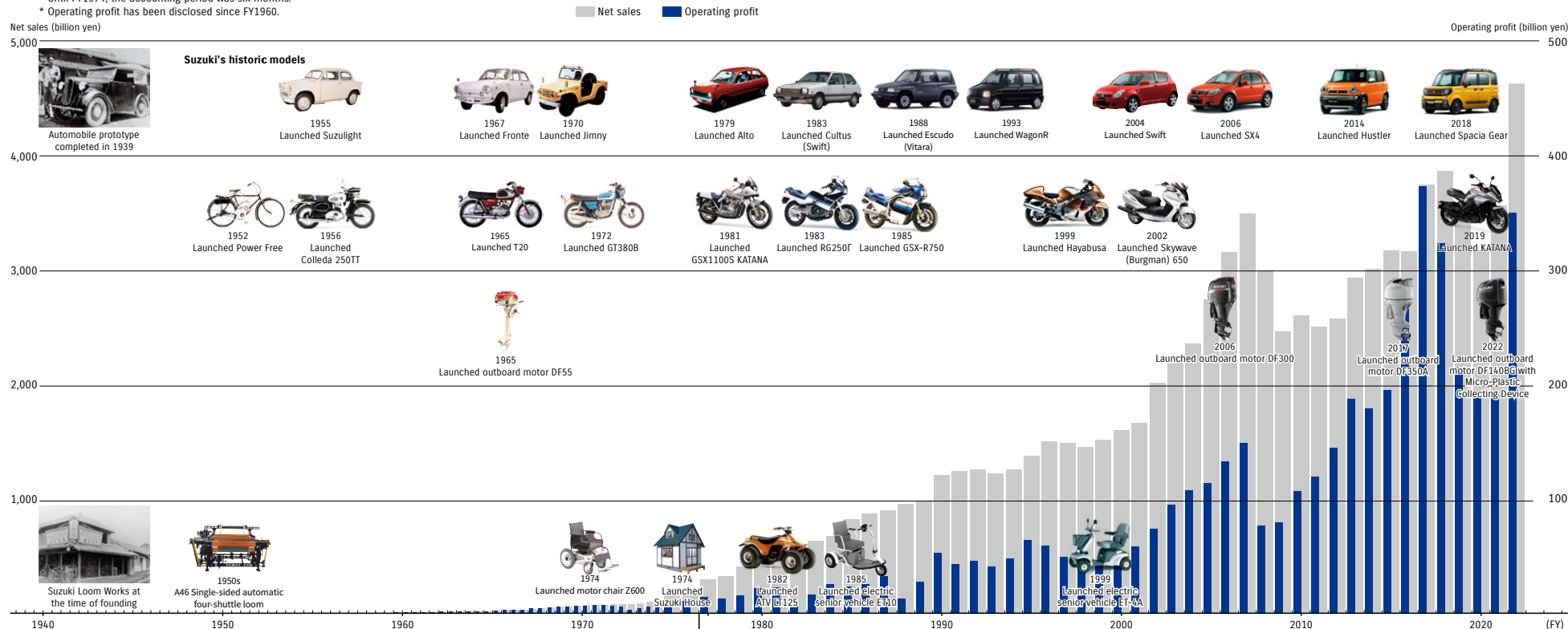
I believe our strength is that we have developed our business of manufacturing with an unwavering commitment to “Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty)” in a timely manner enabled by “Entrepreneurial Spirit.” and in accordance with “Three Actuals” – visiting the actual place, seeing the actual thing and understanding the actual situation. These three aspects of the Philosophy of Conduct are Suzuki’s strengths, and we must firmly uphold and continue to refine them as principles to never lose sight of.

We are currently “a mobility company that supports people’s daily lives,” but in the future we aim to become “an infrastructure company closely connected with people’s lives.” We are determined to continue our activities to help develop local communities and grow together with them.

We hope that our stakeholders will watch our activities closely, become fans of Suzuki, and hold high expectations for Suzuki’s future.

Growth History

* The graph below is based on non-consolidated figures until FY1976 and consolidated figures from FY1977.
 * Until FY1974, the accounting period was six months.
 * Operating profit has been disclosed since FY1960.



Major management topics

Starting out as a loom manufacturer, ambition for cars			Transformation to an automobile manufacturer			Taking on the world: Growth as a global company			Working toward the next 100 years		
Year	Month	Topic	Year	Month	Topic	Year	Month	Topic	Year	Month	Topic
1909	Oct.	Michio Suzuki founded Suzuki Loom Works	1952	Jun.	Announced the Power Free bicycle engine, entering the transportation equipment field	1981	Aug.	Entered into business tie-up with General Motors Corp. (GM)	2015	Jun.	Toshihiro Suzuki appointed as President
1911	-	Invented an upper and lower shuttle device and developed a two-shuttle tread loom that can weave striped patterns	1954	Jan.	Commenced research on mini vehicles	1982	Sep.	Commenced automobile production at Pak Suzuki Motor Co., Ltd. in Pakistan	2015	Sep.	Announced the Mid-Term Management Plan SUZUKI NEXT 100
1912	-	Invented a warp regulator, thereby completing the development of the Suzuki Power Loom	1955	Oct.	Company name changed to Suzuki Motor Co., Ltd.	1983	Dec.	Commenced automobile production at Maruti Udyog Ltd. (currently Maruti Suzuki India Limited) in India	2017	Sep.	Acquired all the shares of Suzuki held by VW
1920	Mar.	Suzuki Loom Manufacturing Co. incorporated with Michio Suzuki as President	1957	Feb.	Launched the Suzulight, blazing a trail for mini vehicles	1990	Oct.	Commenced automobile production at Magyar Suzuki Corporation Ltd. in Hungary	2017	Feb.	Commenced automobile production at Suzuki Motor Gujarat Private Limited in India
1929	-	Invented a card-saving device for the quad-shuttle loom, thereby completing the development of a sarong loom	1962	Mar.	Mission Statement established	1992	Oct.	Company name changed to Suzuki Motor Corporation	2019	Apr.	Concluded memorandum toward business partnership with Toyota
1930	-	Started exporting a sarong loom to Southeast Asia	1965	Apr.	Entered the outboard motor field	2000	Jun.	Commenced automobile production at Magyar Suzuki Corporation Ltd. in Hungary	2019	Apr.	Reached basic agreement with Toshiba and Denso to establish a joint venture company for production of automotive lithium-ion battery packs in India
1936	Aug.	Commenced research on automobiles	1973	May	Jitsujiro Suzuki appointed as President	2003	Jun.	Masao Toda appointed as President	2019	Aug.	Osamu Suzuki appointed as chairman and CEO
1937	-	Succeeded in developing an engine prototype	1974	Apr.	Entered the medical equipment field	2003	Apr.	Osamu Suzuki appointed as chairman and CEO	2020	Mar.	Hiroshi Tsuda appointed as President
1939	-	Completed a small four-wheel sedan prototype	1974	Apr.	Entered the housing field	2008	Nov.	Dissolved business tie-up with GM	2020	Nov.	Announced the Suzuki Environmental Vision 2050
1941	-	Halted research on automobiles	1975	-	Suffered severe difficulties owing to delays in compliance with car emission regulations	2008	Dec.	Chairman and CEO Osamu Suzuki additionally appointed as President	2021	Feb.	Announced the new Mid-Term Management Plan (April 2021 to March 2026) "Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty)"
			1978	Jun.	Osamu Suzuki appointed as President	2009	Dec.	Signed framework agreement with Volkswagen AG (VW) for a comprehensive partnership	2023	Jan.	Announced the Growth Strategy for FY2030

Financial and Non-Financial Highlights

Suzuki's strengths

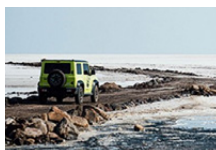
Strength	Reference
<p>Penetration of hybrid vehicles</p> <p>Suzuki has been working to popularize hybrid electric vehicles (HEVs) as part of its efforts against climate change. In FY2022, HEVs accounted for 27% of Suzuki's global sales. HEVs accounted for over half of sales in Japan and more than 90% of sales in Europe. We plan to focus on promoting the widespread use of HEVs in India as well.</p> <ul style="list-style-type: none"> Ratio of hybrid models (FY2022) <ul style="list-style-type: none"> Japan 51.7% India 18.0% Europe 91.2% Global 26.7% 	P.030 Climate Change
<p>Large market share in Japan and India</p> <p>Suzuki has also been working to popularize mini vehicles in Japan and compact cars in emerging countries, which provide an indispensable means of mobility for local communities and people's daily lives. In FY2022, Suzuki's mini vehicle market share was 30.5% in Japan, and its passenger car market share was 41.3% in India. We will continue to aim for a mini vehicle market share of 30% or more in Japan and a passenger car market share of 50% or more in India.</p> <ul style="list-style-type: none"> Market share (FY2022) <ul style="list-style-type: none"> Japan (mini vehicles)..... 30.5% India (passenger cars)..... 41.3% 	P.018 Business Overview
<p>Solid financial performance</p> <p>Suzuki's consolidated profit has been positive for 72 consecutive years since the fiscal year ended November 30, 1950. The shareholders' equity ratio was 45.4% as of March 31, 2023. We will continue working to improve the shareholders' equity ratio as an important management priority, while maintaining a healthy balance in securing funds.</p> <ul style="list-style-type: none"> Consolidated profit Consecutive years of profits..... 72 	P.005 Growth History P.073 Financial Review

Countries where Suzuki has the No. 1 market share for automobiles (FY2022)

12
countries

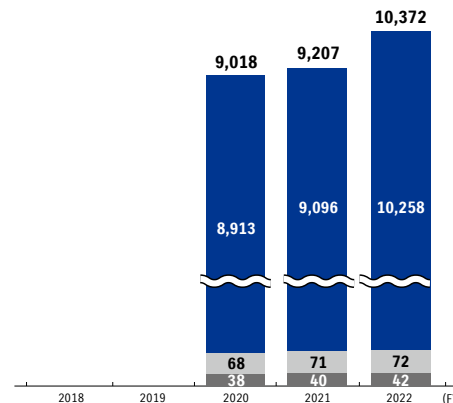
- Asia / Pakistan, India, Bhutan, Myanmar
- Latin America / Barbados, Bolivia
- Africa* / Côte d'Ivoire, Djibouti, Angola, Ethiopia, Nigeria, Mauritius

* Source: Suzuki's research



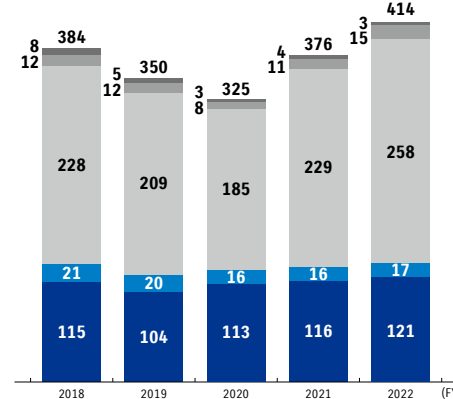
Non-financial

CO₂ emissions from the entire value chain (10,000 t-CO₂)



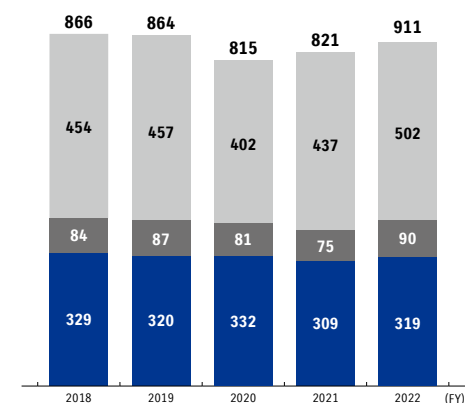
Entire value chain: Total of Scope 1, 2, and 3
 Scope 1: Direct emissions from corporate activities
 Scope 2: Indirect emissions from energy
 Scope 3: Other indirect emissions
 * Scope of aggregation: Suzuki Motor Corporation, 69 domestic manufacturing and non-manufacturing subsidiaries, and 31 overseas manufacturing and non-manufacturing subsidiaries
 * Data before FY2021 has been retroactively adjusted due to a revision in the calculation method

Total waste discharge amount at plants in Japan and major overseas plants (1,000 tons)



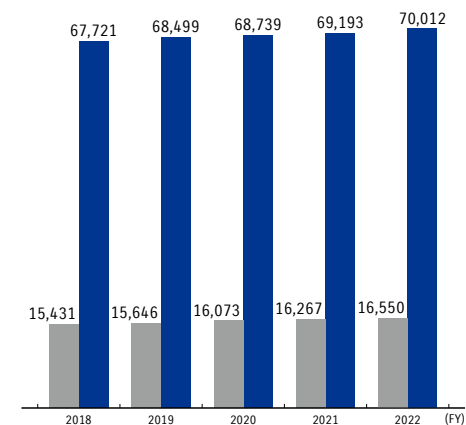
Thailand Indonesia India Domestic manufacturing subsidiaries Suzuki

Amount of water used at plants in Japan and major overseas plants (10,000 m³)



Overseas plants
 Domestic manufacturing subsidiaries
 Suzuki
 * Scope of aggregation: 8 plants of Suzuki Motor Corporation (Takatsuka and Toyokawa Plants included until July 2018), 4 domestic manufacturing subsidiaries, and 17 overseas manufacturing subsidiaries

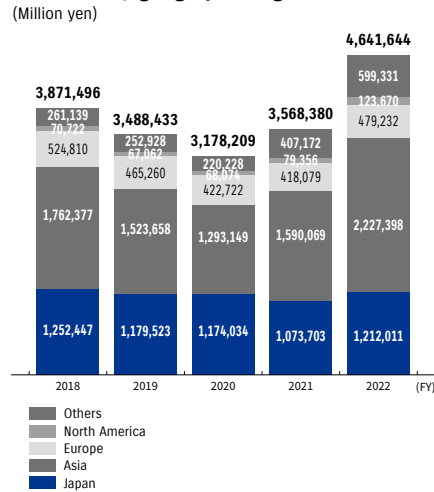
No. of employees (Persons)



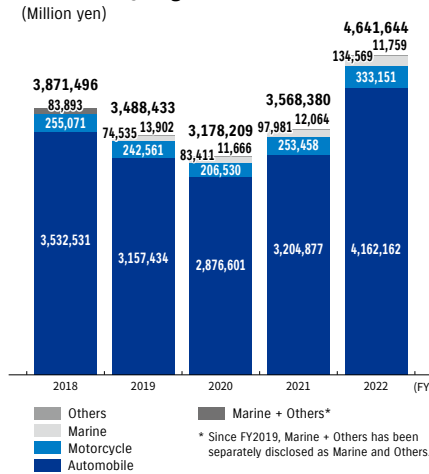
Non-consolidated
 Consolidated

Financial

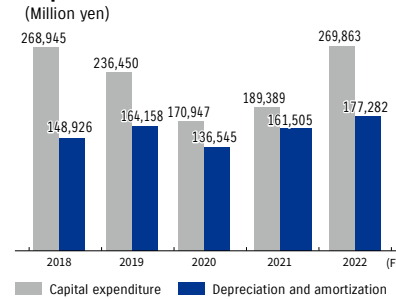
Net sales by geographic region



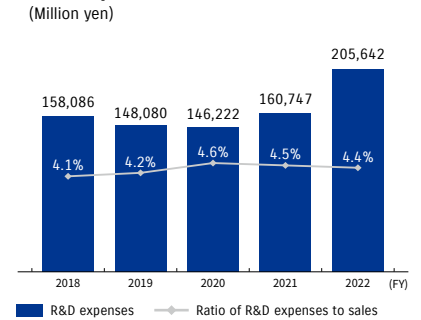
Net sales by segment



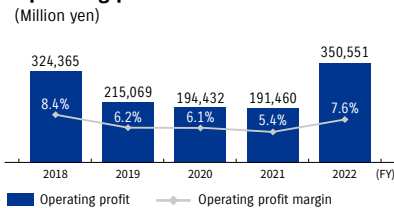
Capital expenditure / Depreciation and amortization



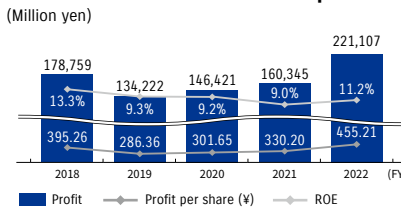
R&D expenses



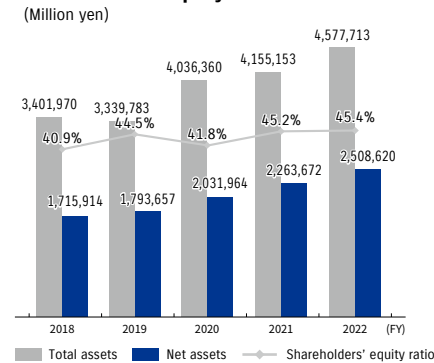
Operating profit



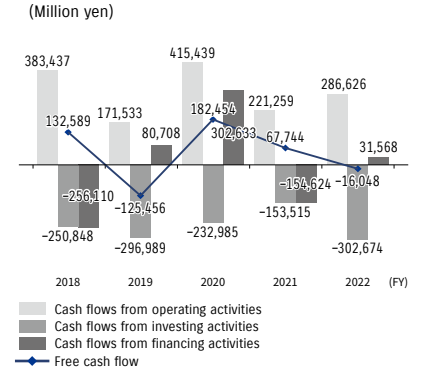
Profit attributable to owners of parent



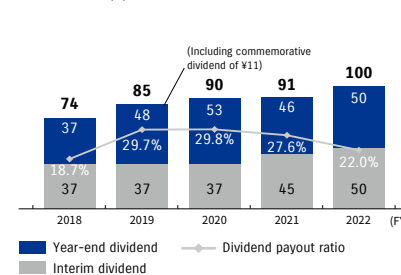
Total assets / Net assets / Shareholders' equity ratio



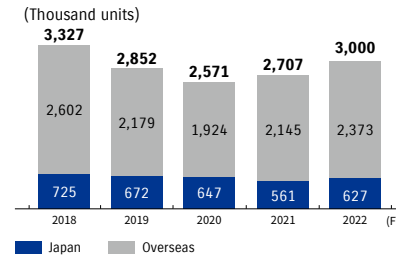
Cash flows



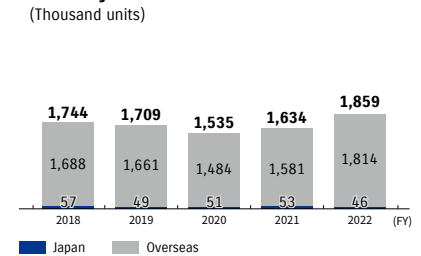
Dividends (¥)



Automobile sales



Motorcycle sales

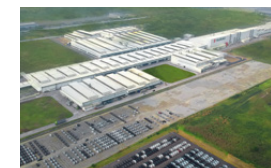


Global Network

Endearing, user-friendly, and high-quality Suzuki products have captured the hearts of customers in each country and area worldwide.



18 Magyar Suzuki Corporation Ltd.



31 PT Suzuki Indomobil Motor (Cikarang Plant)



35 Pak Suzuki Motor Co., Ltd.



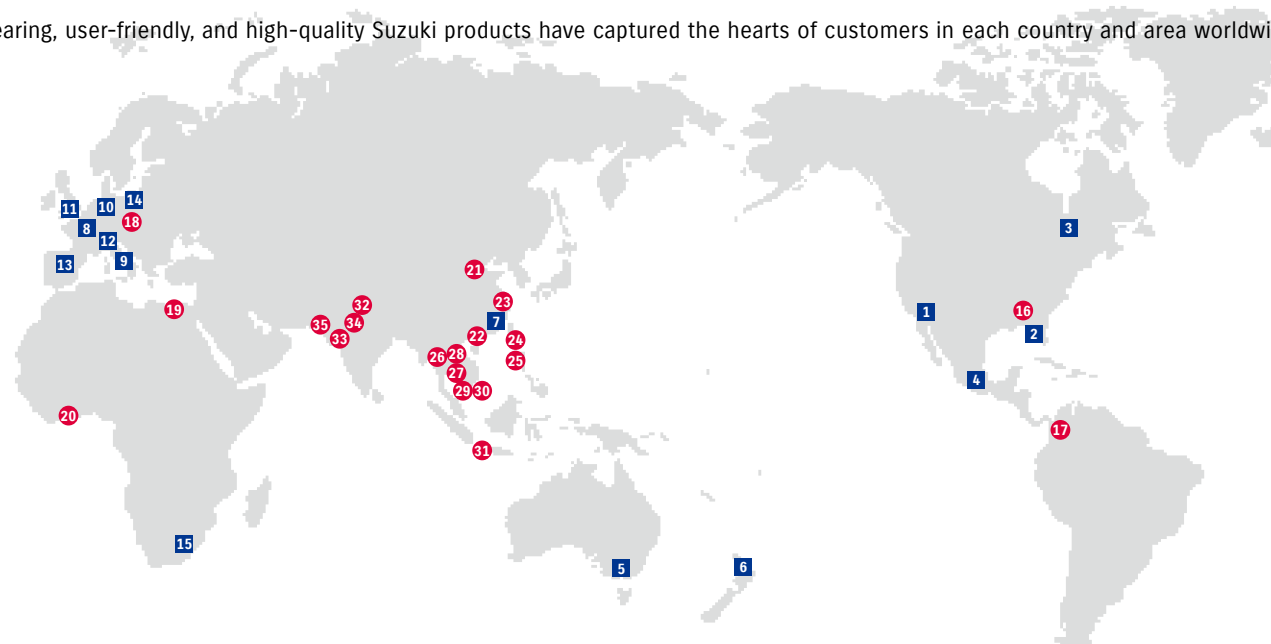
32 Maruti Suzuki India Limited (Gurgaon Plant)



32 Maruti Suzuki India Limited (Manesar Plant)



33 Suzuki Motor Gujarat Private Limited



Major overseas distributors

	Automobile	Motorcycle	Outboard motor
1 Suzuki Motor USA, LLC (USA)		★	
2 Suzuki Marine USA, LLC (USA)			★
3 Suzuki Canada Inc. (Canada)		★	★
4 Suzuki Motor de Mexico, S.A. de C.V. (Mexico)	★	★	★
5 Suzuki Australia Pty. Ltd. (Australia)	★	★	★
6 Suzuki New Zealand Ltd. (New Zealand)	★	★	★
7 Suzuki Motor (China) Investment Co., Ltd. (China)		★	★
8 Suzuki France S.A.S. (France)	★	★	★
9 Suzuki Italia S.p.A. (Italy)	★	★	★
10 Suzuki Deutschland GmbH (Germany)	★	★	★
11 Suzuki GB PLC (UK)	★	★	★
12 Suzuki Austria Automobil Handels GmbH (Austria)	★	★	
13 Suzuki Motor Iberica S.A.U. (Spain)	★	★	
14 Suzuki Motor Poland sp. z o.o. (Poland)	★	★	★
15 Suzuki Auto South Africa (Pty.) Ltd. (South Africa)	★	★	★

Major overseas manufacturing companies

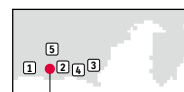
	Automobile	Motorcycle	Outboard motor
16 Suzuki Manufacturing of America Corporation (USA)		○ (ATV)	
17 Suzuki Motor de Colombia S.A. (Colombia)		○	★
18 Magyar Suzuki Corporation Ltd. (Hungary)	○	★	★
19 Suzuki Egypt S.A.E. (Egypt)	○		
20 TOYOTA TSUSHO MANUFACTURING GHANA CO. LIMITED (Ghana)	○		
21 Jinan Qingqi Suzuki Motorcycle Co., Ltd. (China)		○	★
22 Jiangmen Dachangjiang Group Co., Ltd. (China)		○	★
23 Changzhou Haojue Suzuki Motorcycle Co., Ltd. (China)		○	★
24 Tai Ling Motor Co., Ltd. (Taiwan)	★	○	★
25 Suzuki Philippines Inc. (Philippines)	★	○	★
26 Suzuki Thilawa Motor Co., Ltd. (Myanmar)	○	★	
27 Suzuki Motor (Thailand) Co., Ltd. (Thailand)	○	★	
28 Thai Suzuki Motor Co., Ltd. (Thailand)		○	★
29 Cambodia Suzuki Motor Co., Ltd. (Cambodia)	★	○	★
30 Vietnam Suzuki Corp. (Vietnam)	○	★	★
31 PT Suzuki Indomobil Motor (Indonesia)	○	★	★
32 Maruti Suzuki India Limited (India)	○	★	
33 Suzuki Motor Gujarat Private Limited (India)	○		
34 Suzuki Motorcycle India Private Limited (India)		○	★
35 Pak Suzuki Motor Co., Ltd. (Pakistan)	○	★	★

Locations

	Asia	Europe	North and Central America	South America	Africa	Middle East	Oceania	Total
Number of trading countries/regions	21	46	37	13	54	18	19	208
Number of manufacturing companies	18	1	1	2	1	1	0	26

Domestic plants

	Automobile	Motorcycle	Outboard motor
1 Kosai Plant	○		○
2 Iwata Plant	○		
3 Sagara Plant	○		
4 Osuka Plant		Foundry	
5 Hamamatsu Plant		○	



Number of domestic subsidiary distributors

56 companies | Sales of automobiles, motorcycles and outboard motors, etc.

The information, numerical values and other data on this page are as of March 31, 2022.

Major Product Lineup

Automobiles

121,000 units



Spacia

Sales market **J**
Production site **J**

48,000 units



Solio

Sales market **J O**
Production site **J**

389,000 units



Alto

Sales market **J I A O**
Production site **J I O**

* Global sales unit includes the overseas Alto and related models, besides the Japanese mini vehicle Alto (Photo: Japanese mini vehicle Alto)

307,000 units



WagonR

Sales market **J I A O**
Production site **J I O**

* Global sales unit includes overseas WagonR, besides the Japanese mini vehicle WagonR (Photo: Japanese mini vehicle WagonR)

175,000 units



Carry

Sales market **J I A O**
Production site **J I A O**

* Global sales unit includes overseas Carry and related models, besides the Japanese mini vehicle Carry (Photo: Japanese mini vehicle Carry)

230,000 units



Every

Sales market **J I A O**
Production site **J I A O**

* Global sales unit includes overseas Every and related models, besides the Japanese mini vehicle Every (Photo: Japanese mini vehicle Every)

338,000 units



Swift

Sales market **J I A E O**
Production site **J I A O**

105,000 units



Jimny / Jimny Sierra

Sales market **J A E O**
Production site **J I O**

* Photo: Jimny Sierra

78,000 units



Escudo

Sales market **J A E O**
Production site **E**

51,000 units



Grand Vitara

Sales market **I O**
Production site **I**

228,000 units



Baleno

Sales market **I A O**
Production site **I**

198,000 units



Dzire

Sales market **I A O**
Production site **I**

222,000 units



Ertiga

Sales market **I A O**
Production site **I A**

154,000 units



Brezza / Vitara Brezza

Sales market **I A O**
Production site **I**

Motorcycles

6,000 units



Hayabusa

Sales market **J I A E N O**
Production site **J I O**

23,000 units



GSX-S125/150/750/1000

Sales market **J I A E N O**
Production site **J A O**

* Global sales unit includes KATANA

14,000 units



GSX-R125/150/600/750/1000

Sales market **J A E N O**
Production site **J A O**

26,000 units



V-STROM 250/650/1000/1050

Sales market **J I A N O**
Production site **J O**

119,000 units



GIXXER / GIXXER 250

Sales market **J I A O**
Production site **I A O**

503,000 units



Access 125 / Address 125

Sales market **J I E O**
Production site **I O**

Outboard motors



DF350A

Sales market **J A E N O**
Production site **J**



DF140BG

Sales market **J I A E N O**
Production site **J**

Motorized wheelchairs



ET4D

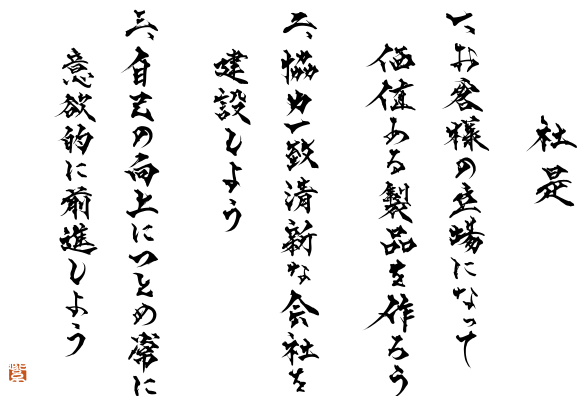
Sales market **J**
Production site **J**

J Japan **I** India **A** ASEAN **E** Europe
N North America **O** Others

* Units refer to global sales unit, while sales market and production site are based on FY2022 results. Photos are as of March 2023.

Corporate Philosophy

Mission Statement



In March 1962, Suzuki established the Mission Statement, which indicates the corporate policy of the Suzuki Group.

1. **Develop products of superior value by focusing on the customer**
2. **Establish a refreshing and innovative company through teamwork**
3. **Strive for individual excellence through continuous improvement**

The Mission Statement sets three goals for all employees of the Suzuki Group to understand and strive for: a goal toward carrying out a company's social missions (making products), a goal for the corporate organization that they belong to (building the Company), and a goal for themselves (developing human resources), respectively.

With the motto “products of superior value,” which is mentioned in the first paragraph of the Mission Statement, all employees of the Suzuki Group are making daily efforts as value creators.

(From “50 Years of Suzuki”)

Goal to strive for in making products

The highest goals of a company and its reason for existence are the continuous production of even better products and the development of products of superior value. We must always remember to “focus on the customer” during the process. This focus is the basis for research, and it must also be the basis for development, technology, manufacturing, and sales. This approach is founded on an awareness of factors such as quality, cost, and continuous improvement. Based on this foundation, we should consider how to incorporate these factors into our products (operations).

Goal to strive for in building the Company

The two major pillars of management are the emergence of scientific management and the democratization of management. This demonstrates the significance of human relationships in management. A company (worksite) is an organic body that has been organized into a whole from its parts. However magnificent an organization's formalisms and systems, it cannot deliver optimal overall performance unless it is managed vigorously as a functional, unified body at all times.

It follows that all employees must put their maximum effort into their jobs, thoroughly comprehend cross-organizational relationships, and engage in teamwork. They must pour their energy into developing a continually evolving, refreshing* and attractive company (worksite).

Employees should also always maintain a Company-wide perspective so that operations do not become complacent and stagnant and are not hampered by self-righteous sectionalism. Employees should constantly strive to improve worksite morale.

* Refreshing: A state of being energetic and lively, or having such an appearance.

Goal to strive for in developing human resources

People have boundless potential. However, the development of their potential is entirely based on individual effort and responsibility. Continuous effort and self-improvement through training are the only ways to maximize your individual ability as a person and employee.

The Company's development can only be improved when the abilities of all employees are improved, and progress is made enthusiastically.

However, it is also the duty of each supervisor to foster employees' self-awareness as members of the organization and stimulate their motivation. It is important to keep in mind that exceptional human resources are produced through hard work and guidance.

Philosophy of Conduct

“Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty)”

The phrase “Sho-Sho-Kei-Tan-Bi” is an abbreviated phrase that means “smaller, fewer, lighter, shorter, beauty” in Japanese. Suzuki’s basic policy of conducting efficient, high-quality manufacturing that eliminates waste was first expressed at its production sites using this phrase.

Thereafter, “Sho-Sho-Kei-Tan-Bi” became widely known as a motto for the entire Suzuki Group, reaching far beyond production to all manner of departments and situations, as well as its overseas operations.

The concepts highlighted by this motto are fully implemented in the manufacturing of Suzuki’s products. Over the years, the motto has become well established within Suzuki as words that simply express Suzuki’s Philosophy of Conduct.

- “Smaller” leads to enhanced efficiency by making things compact,
- “Fewer” optimally distributes resources to what is most necessary by omitting waste
- “Lighter” slims down for enhanced efficiency,
- “Shorter” speeds up decision-making, action and reporting, communication, and consultation processes.
- The meaning behind “beauty” is that all activities are for the best interest of our customers, and that our customers can only be satisfied for the first time once we meet all criteria of performance, quality, cost, reliability, safety and security, and compliance.

“Genba, Genbutsu, Genjitsu (Actual place, actual thing, actual situation)”

We will go directly to the actual place, see and touch the actual thing, and make realistic decisions grounded in facts.

We will thoroughly eliminate theoretical discussions, and instead observe the actual things at the actual places, recognize the actual situation and appropriately capture the essence of things. Having done so, we will work to solve problems in a realistic manner.

“YARAMAIKA (Entrepreneurial Spirit)”

The ability to always maintain quick decision-making, close inter-personal relationships, and the flexibility required to address change is often cited as an example of “Entrepreneurial Spirit.”

Even as the size of the Company grows, every employee will work hard to ensure that Suzuki does not succumb to big company syndrome. To fulfill our social missions, we will continue to boldly tackle challenges.

Mission
Continue to be an indispensable presence by staying closely attuned to people’s lives and providing a means of mobility for local communities



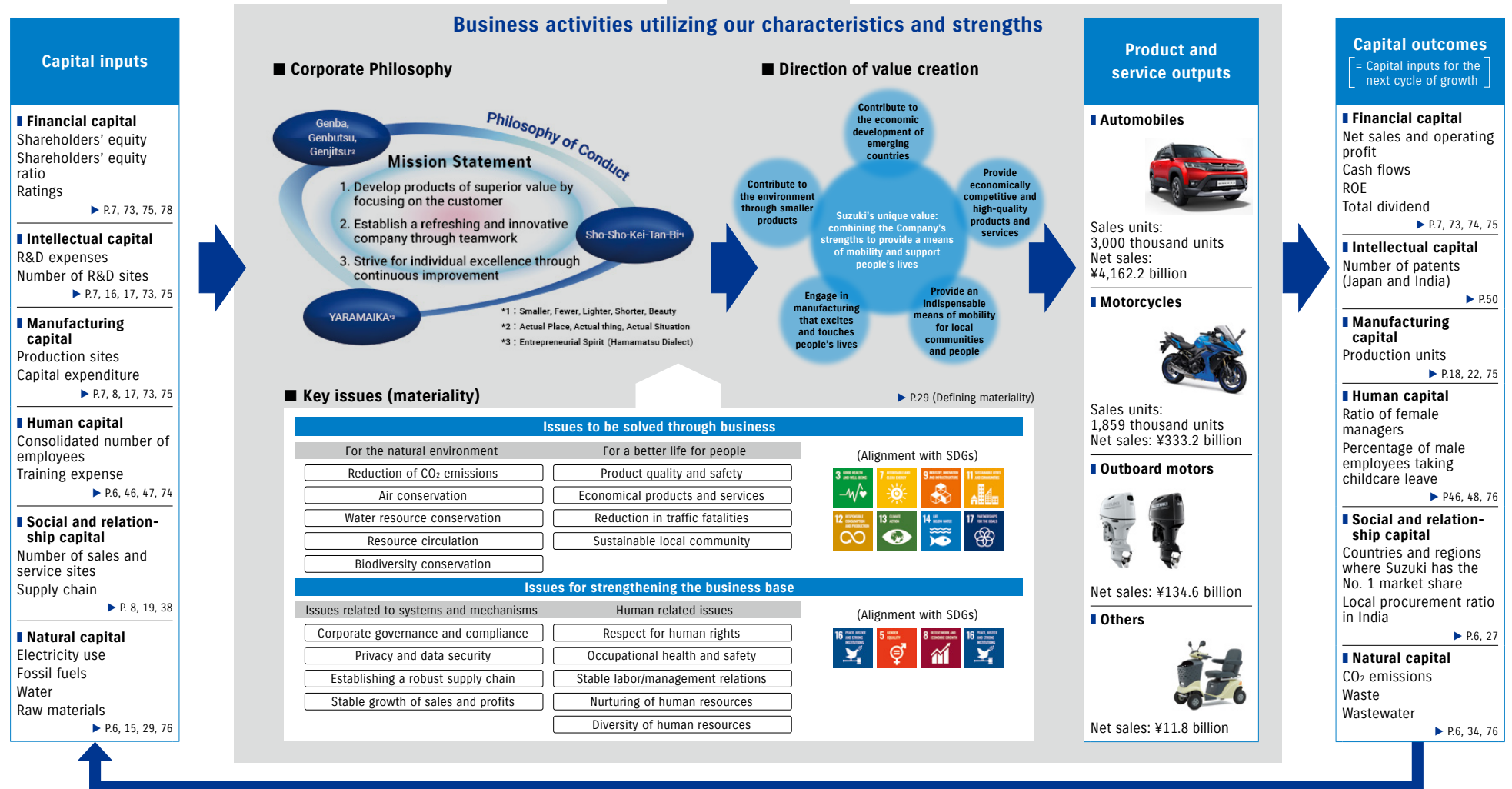
Suzuki's Value Creation Process

Suzuki invests its capital and conducts business activities utilizing its characteristics and strengths, with the entire Company pulling together to fulfill Suzuki's mission.

Mission
 Continue to be an indispensable presence by staying closely attuned to people's lives and providing a means of mobility for local communities

We will generate capital as outcomes from our activities and will reinvest that capital in our next stage of business activities, thereby paving the way for further growth.

Aim for sustainable growth by solving social issues through business activities ▶ P.13 (Growth Strategy)



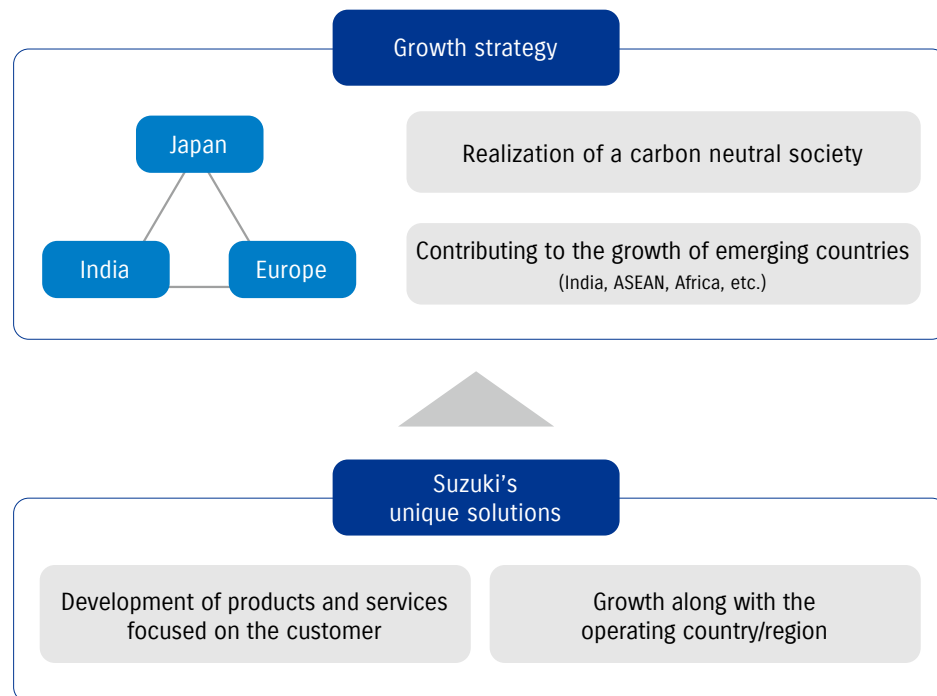
Suzuki's Growth Strategy for FY2030

On January 26, 2023, Suzuki held a briefing on its Growth Strategy for FY2030.

With the motto to deliver "value-packed products" by focusing on the customer, Suzuki will carry out its unique Growth Strategy for FY2030 by operating under the principle of manufacturing "Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty)," "Entrepreneurial Spirit" which emphasizes flexibility, agility, and the challenging spirit, and the "Three Actuals" principle, which omits impracticality and focuses on the actual place, thing, and situation.

■ Outline of the growth strategy

Aiming at FY2030, Suzuki strives to realize a carbon neutral society and will contribute to the economic growth of emerging countries such as India, ASEAN, and Africa, with our main business regions, Japan, India, and Europe, as the core. We will focus on creating solutions that are unique to Suzuki, which are to develop products and services focused on the customer, and grow along with the operating countries and regions.



A stepping stone to expansion in Africa, where growth can be expected

President's comment

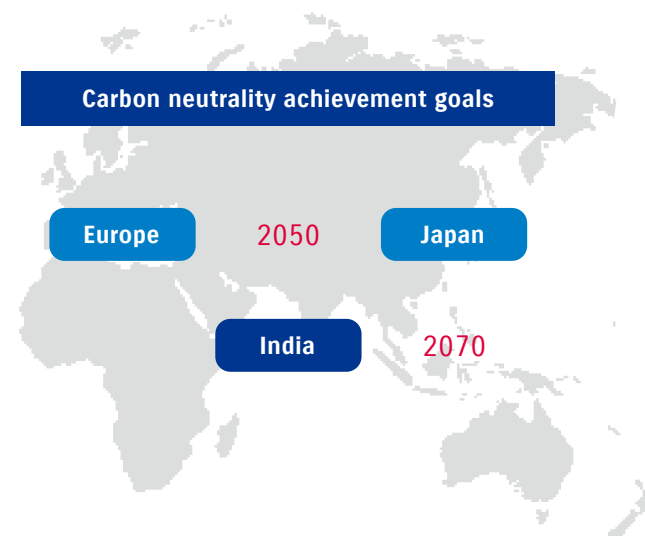
We aim to expand business in Africa, leveraging the knowledge of business models and product development cultivated in India. The population and nominal GDP of African countries are forecast to increase and we expect significant market growth in the future. In FY2022, we have already secured the No. 1 share in six countries. For the time being, we will use India as our production base and, working together with Toyota, supply India and Africa with products suited to them. In the future, we plan to focus on Africa to make it our next pillar after the Indian market, including consideration of building a plant there.

■ Major initiatives for FY2030

Carbon neutrality

Based on the target date set by each government, Suzuki aims to achieve carbon neutrality in Japan and Europe by 2050 and in India by 2070.

We will continue to strive to achieve our carbon neutral goals for each region, based on our mindset to expand our customer's choices and deliver products and services that meet the needs of each region.

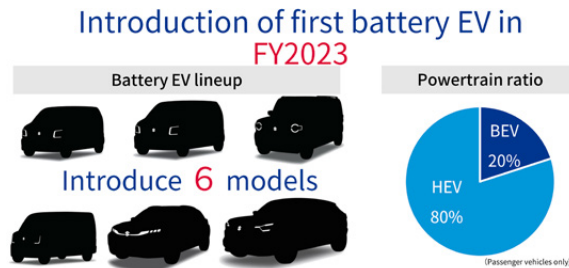


Products

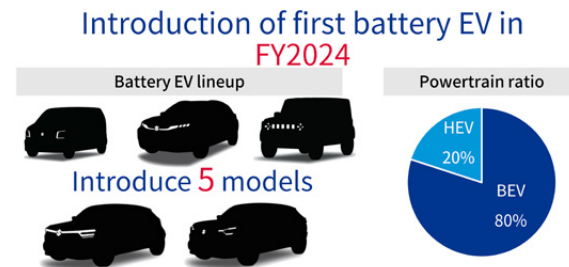
Automobiles

Suzuki will develop the right EVs for the right place at the right time that fit customer needs and usage patterns.

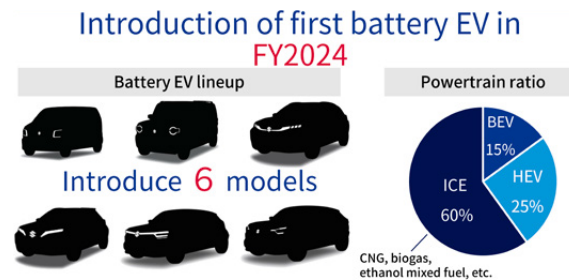
In Japan, starting with the introduction of commercial mini vehicle battery EV in FY2023, we plan to introduce compact SUVs and passenger mini vehicles, with six models to be launched by FY2030. In addition, we will develop new hybrids for mini and compact vehicles, and by combining them with battery EVs, we will offer various options for our customers.



In Europe, we will introduce battery EVs in FY2024, expand to SUVs and B-segments, with five models to be launched by FY2030. We will respond flexibly to environmental regulations and customer needs in each European country.



In India, we will introduce the SUV battery EV announced at the Auto Expo 2023 in FY2024, with six models to be launched by FY2030. To provide a full range of products and services, Suzuki will provide not only battery EVs but also carbon neutral internal combustion engine vehicles that use CNG, biogas, and ethanol mixed fuels.



Suzuki's unique EV expansion

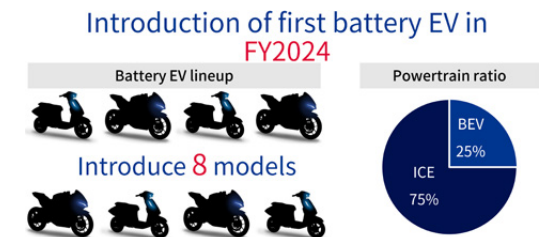
President's comment

Looking globally at the automobile market of the future, I have doubts over whether EV are the only answer. For example, it is said that global vehicle ownership is approx. 1.5 billion vehicles, and we need to make sure of whether it's possible to supply all the materials needed for batteries for all of those vehicles, or if it's even possible to supply enough batteries to meet customers' needs. And then, in addition to the challenge of whether enough charging stations can be established to meet customers' needs, we also need to question the impact that the increase in battery weight will place on road infrastructure and multi-story parking lots. When we say "right place, right time," it means that EV, hydrogen and carbon neutral fuels all have a place and method that suits them, so developing mobility that can be used according to particular places and situations will lead to the development of the future.

I, personally, believe that mini vehicles are optimal for EVs. As the average number of passengers per vehicle in Japan is 1.7 and the driving distances are short, I believe that a superior mini vehicle EV can be made real by further re-thinking how it will be used. We want to produce cars and mobility based on what customers tell us about the types of cars they want, and we are proud that Suzuki, whose strength is that it has continued to make small cars, is capable of doing this.

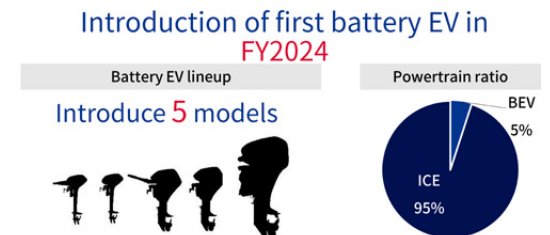
Motorcycles

For small and mid-sized motorcycles, which are used for daily transportation such as commuting to work, school or shopping, we will introduce a battery EV in FY2024. We plan to launch eight models by FY2030 with a battery EV ratio of 25%. For large motorcycles for leisure purposes, we are considering adopting carbon neutral fuels.



Outboard motors

For small outboard motors that are often used in lakes and rivers, we will introduce battery EVs in FY2024. We plan to launch five models by FY2030 with a battery EV ratio of 5%. For large outboard motors used in the ocean, we are considering adopting carbon neutral fuels.



Electric mobility

Suzuki has proposed a variety of electric mobility options, including the electric senior vehicle, which is a new mode of transportation for people who have voluntarily returned their driver's licenses, the KUPO, which is an evolution of the senior vehicles, and the Mobile Mover*, a multi-purpose robotic dolly being developed in collaboration with M2 Labo. We will take on the challenge of small mobility which supports our lives in new market segments created by the diversification of customer needs and changes in the environment.

* Mobile Mover is a registered trademark of M2 Labo.

Manufacturing

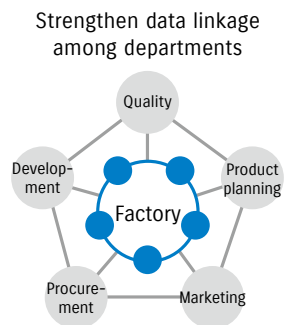
Suzuki will challenge to achieve carbon neutrality of domestic plants in FY2035.

Carbon neutrality of domestic plants

FY2035

Suzuki Smart Factory Creation

We are promoting the Suzuki Smart Factory Creation by drawing out how manufacturing should be in 2030, so that we continue to become a company that secures people's means of mobility worldwide. By combining Suzuki's principle of manufacturing "Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty)" with digitalization, we will optimize, minimize, and simplify the flow of data, things, and energy. Through these initiatives, we will thoroughly remove inefficiencies and promote carbon neutrality.



Basic philosophy of the Suzuki Smart Factory

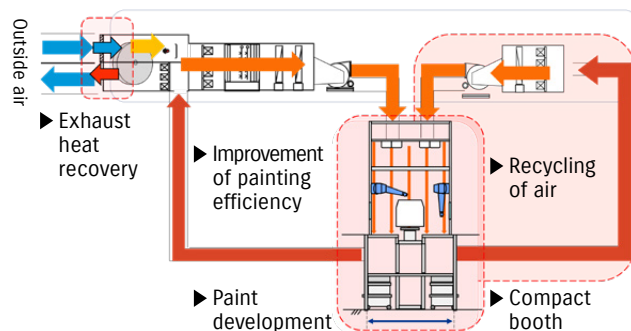
President's comment

From an investment aspect, we will focus on innovation in the production structure. I believe that for a manufacturing company, a plant that does not produce defective products will generate the most profits. We are working to create the Suzuki Smart Factory that will run continuously, gathering production data without relying on human labor, using advanced sensors and discover problems before defects are generated or equipment is shutdown. We are also using energy effectively and promoting highly energy efficient manufacturing.

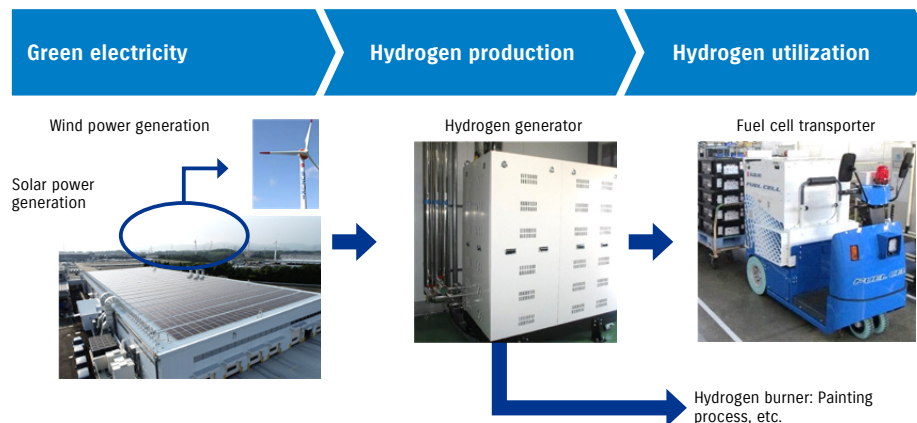
Initiatives by domestic plants

At the Kosai Plant, which is Suzuki's largest production hub in Japan, efforts are made to reduce CO₂ emissions from painting facilities by 30% through renewal of painting facilities and improvement of painting technologies for efficient and optimal use of energy.

Reduce CO₂ emissions from painting facilities by 30% from FY2016 to FY2025

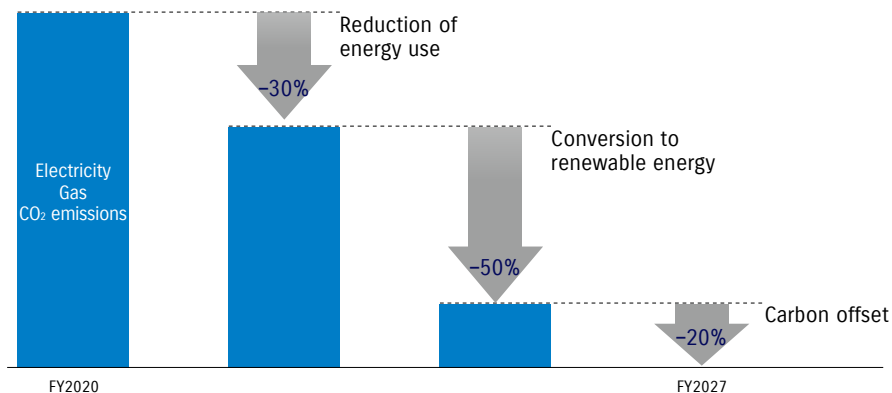


The plant also produces green hydrogen from renewable energies including solar power generation. The hydrogen is utilized for verification testing of the fuel cell transporter, which started from the end of 2022.



At the Hamamatsu Plant, which is the motorcycle production hub, through reduction of energy use and conversion into renewable energy including the expansion of solar power generation facilities, the plant will now aim to achieve carbon neutrality in FY2027, earlier than its initial target of 2030. By utilizing the know-how earned at the Hamamatsu Plant at other plants, we will make initiatives to achieve carbon neutrality at all domestic plants in FY2035.

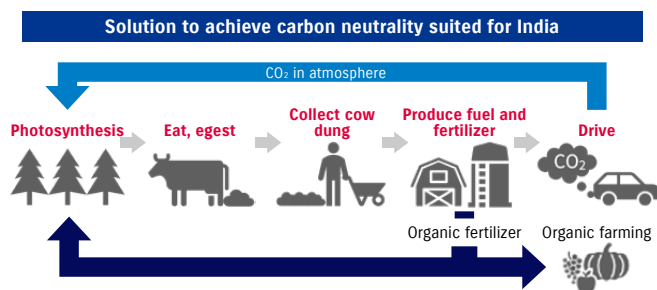
Carbon neutrality of Hamamatsu Plant in 2030 → FY2027



■ Biogas business in India

While we expect the Indian market to grow toward FY2030, we also expect that increase in total CO₂ emission amount is unavoidable, regardless of reduction in CO₂ emissions from products. We will challenge to strike a balance between increasing sales units and reducing total CO₂ emission amount.

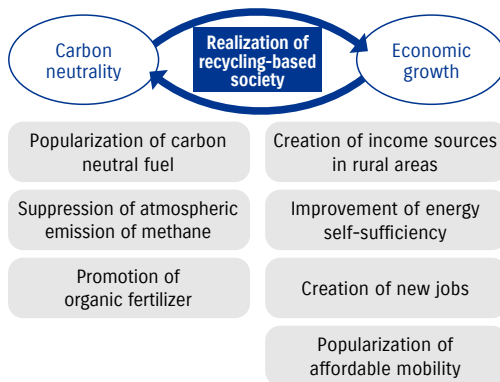
Suzuki's unique initiative to tackle this challenge is the biogas business that will produce and supply biogas derived from cow dung, which is dairy waste that can be seen mainly in India's rural area. This biogas can be used for Suzuki's CNG models that account for approximately 70% of CNG car market in India.



By refining and compressing methane from biogas produced by fermenting cow dung, it is possible to produce biofuels that replace CNG. CO₂ is generated when this biogas is used as a fuel, but it is produced by reusing CO₂ in the atmosphere, making it a carbon neutral fuel. It also contributes to the reduction of atmospheric emissions of methane, which has a greenhouse effect 28 times that of CO₂, and can produce organic fertilizer from the residue after purification.

We believe that the biogas business in India not only contributes to carbon neutrality, but also promotes economic growth and contributes to the society of India. We are also in view of expanding the business to other farming areas in regions including Africa, ASEAN, and Japan in the future.

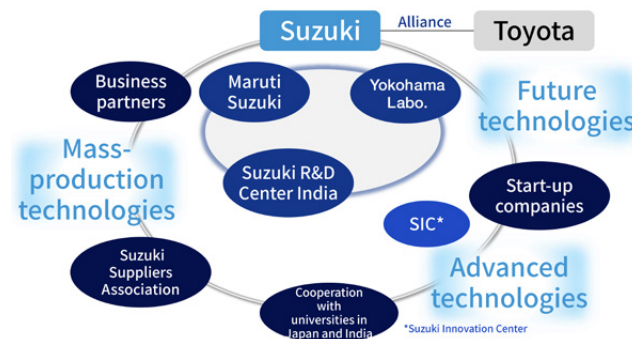
Suzuki, the market leader of India's automobile market, contributing to carbon neutrality and economic growth of emerging countries, is consistent with the intent of the Paris Agreement, which requires harmony between developed countries and emerging countries for reduction of CO₂ emission. We believe that we can contribute to our stakeholders throughout the world.



Contribute to Suzuki's stakeholders throughout the world

<R&D structure and cooperation with outside partners>

Suzuki headquarters, Yokohama Labo., Suzuki R&D Center India, and Maruti Suzuki will cooperate for efficient development by sharing the development in each field of future technologies, advanced technologies, and mass-production technologies. Also, the Suzuki Innovation Center is exploring new connections and innovations for Suzuki to thoroughly take root in India. We will enhance our manufacturing strength by also cooperating with outside partners including start-up companies, Suzuki Suppliers Association, and industry, academic, and government cooperation through joint research with universities in Japan and India.



We will deepen our cooperation relationship with Toyota Motor Corporation while continuing to be a competitor, and aim for sustainable growth and conquer various issues surrounding the automobile industry. Through the cooperation, we will cooperate in development of advanced technologies including autonomous driving and automotive batteries, business expansion in promising emerging countries, efforts for carbon neutrality in India, as well as formation of a recycling-based society that considers the environment.

The Suzuki Global Ventures, a corporate venture capital fund established in 2022, is accelerating the co-creation activities with start-up companies by exceeding the framework of each company and their conventional businesses. We will make investments in areas that serve to solve customer and social issues, and contribute to development of ecosystems that grow with start-up companies.



Collaborations with startups

President's comment

It goes without saying that we will strengthen collaboration with existing business partners, but we also want to move forward on working together with startup companies that are currently running hot. I want to build good partnerships by meeting directly with them, conversing and understanding the ideology of their business, then we need to display shared goals, enhance each other's capabilities and align vectors while making them into Suzuki fans.

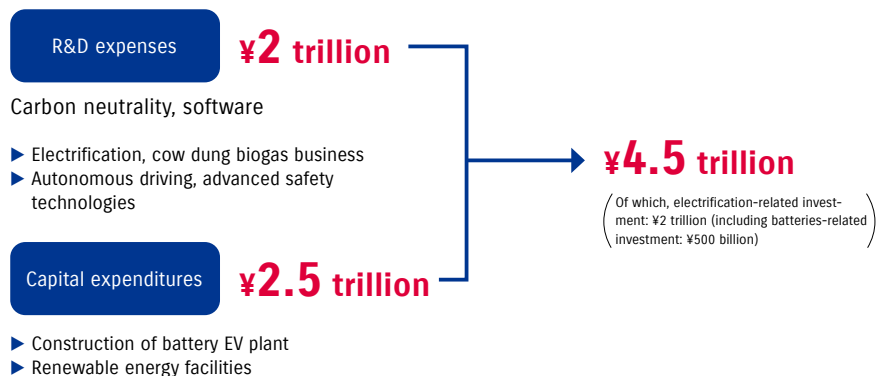
<R&D expenses, capital expenditures>

We will invest ¥2 trillion in R&D expenses and ¥2.5 trillion in capital expenditures, a total of ¥4.5 trillion by FY2030. Of the ¥4.5 trillion, ¥2 trillion will be electrification-related investments, of which ¥500 billion will be battery-related investments.

¥2 trillion is planned to be invested for R&D expenses in areas including carbon neutrality such as electrification and biogas, as well as autonomous driving.

¥2.5 trillion is planned to be invested for capital expenditures in facilities including construction of BEV battery plant and renewable energy facilities.

■ Investment of resources from FY2023 to FY2030



Expansion in India to support Suzuki's growth

President's comment

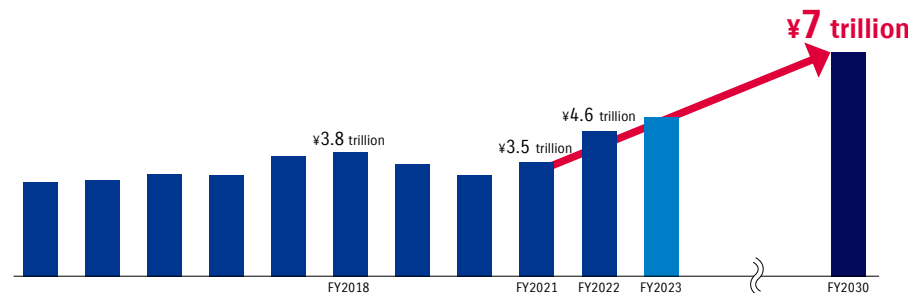
We started production in India in 1983 as a partner in India's national car development initiative. To entrench the automobile production industry in India we did not simply supply parts from Japan, but based on the belief of nurturing an industry while valuing the community, invested in plants, built a network of local suppliers and set up a sales network. As a result, the growth of the Indian automobile industry and growth of Maruti Suzuki India aligned firmly and we could achieve steady growth.

However, as the market grew, competition intensified, and now our share of the Indian passenger car market is hovering at 41%. Looking ahead, as a strategy to regain a 50% market share, we will invest in new technology development for mobility production and to expand and augment the production structure. The Indian automobile market is forecast to grow even larger from now on, so Suzuki will need to set up a production scale of 4 million vehicles by 2030. Investment will need to go not only into objects such as plant construction and equipment installation, but it is also important to invest in human resource development such as for the people who will carry out operations, and Suzuki and Maruti Suzuki India are working as one on this.

A change in the production structure announced in July 2023 aims to further enhance competitiveness through more efficient production operations by having Maruti Suzuki India oversee all automobile production in India.

<Consolidated net sales target>

Consolidated net sales forecast for FY2022 is growing at a pace to exceed the ¥4.8 trillion target for FY2025 set in the mid-term management plan. We would like to grow in line with the emerging countries by contributing to their growth. We will continue to take on the challenge of doubling FY2021 net sales results of ¥3.5 trillion to reach ¥7 trillion in FY2030.



In the midst of a once-in-a-century great transformation, Suzuki believes that it is important to have a sense of "excitement," "energetic," and "unique" in our products, even when we are challenging to strike a balance between carbon neutrality and contribution to growth of emerging countries. Our automobiles, motorcycles, outboard motors, and electro senior vehicles have always received enthusiastic support from our customers, by being practical yet having emotional characters.

Suzuki employees throughout the world will unite as one to continue our challenges so that we can deliver products and services that support the daily lives of customers worldwide while being eco-friendly, the one that's always beside you to depend on, like a lifestyle partner.



Business Overview [Automobile Business]

Growth strategy for FY2030

Carbon neutrality in products

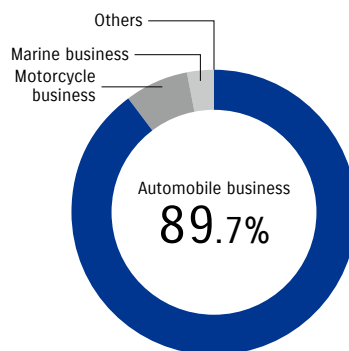
In Japan, starting with the introduction of a commercial mini vehicle battery EV in FY2023, we plan to introduce compact SUVs and passenger mini vehicles, with six models to be launched by FY2030. In addition, we will develop new hybrids for mini and compact vehicles, and by combining them with battery EVs, we will offer various options for our customers.

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also hybrid vehicles and carbon neutral internal combustion engine vehicles that use CNG, biogas, and ethanol mixed fuels.

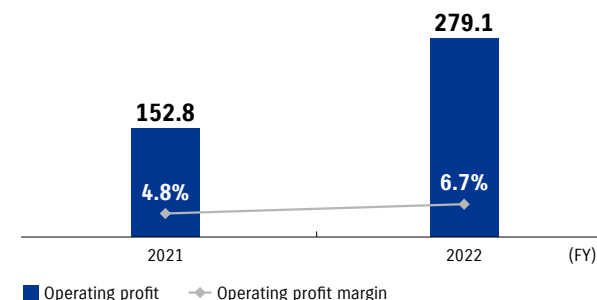
■ Sales composition ratio



Overview of FY2022

Net sales increased by ¥957.3 billion (29.9%) year on year to ¥4,162.2 billion. Operating profit increased by ¥126.3 billion (82.6%) year on year to ¥279.1 billion. This increase reflected improvements in the sales composition due to overseas price increases and other factors, increased sales in Japan and overseas due to strengthened ability to respond to semiconductor shortages, and the effect of yen depreciation on foreign exchange rates.

■ Operating results of the automobile business (Billion yen)



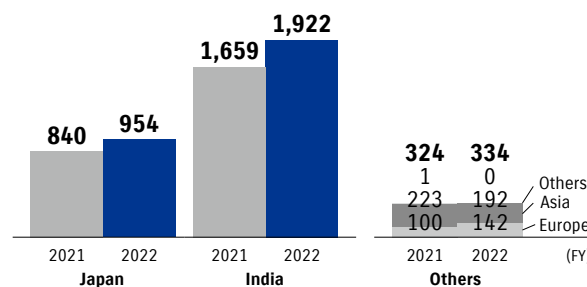
Production units / Sales units

Total overseas automobile production for FY2022 surpassed the prior fiscal year's level, increasing by 13.8% year on year to 2,256,000 units. Worldwide production, including Japan, rose by 13.8% year on year to 3,210,000 units.

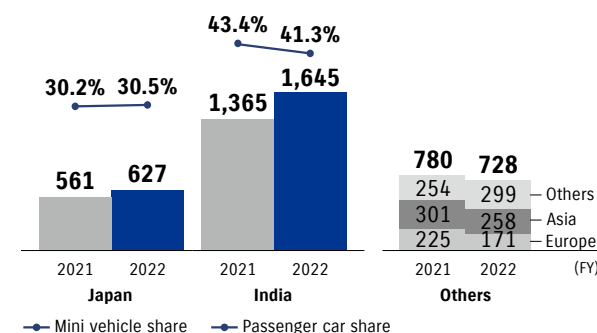
Sales of automobiles in overseas markets increased by 10.6% to 2,373,000 units from the previous fiscal year. Total global sales, including Japan, increased by 10.8% to 3,000,000 units.

* Sales units are based on Suzuki's own research based on external data.

■ Automobile production (Thousand units)



■ Automobile sales (Thousand units)



Market summary and Suzuki's business overview

[Japan]

1. Market trends and business environment

Total domestic automobile sales units in FY2022 increased by 4% to 4,386,000 units from the previous fiscal year, marking the first increase in four years. However, the effects of the global components shortage continue to linger, resulting in a significant drop compared to the level before the COVID-19 pandemic (5,037,000 units in FY2019).

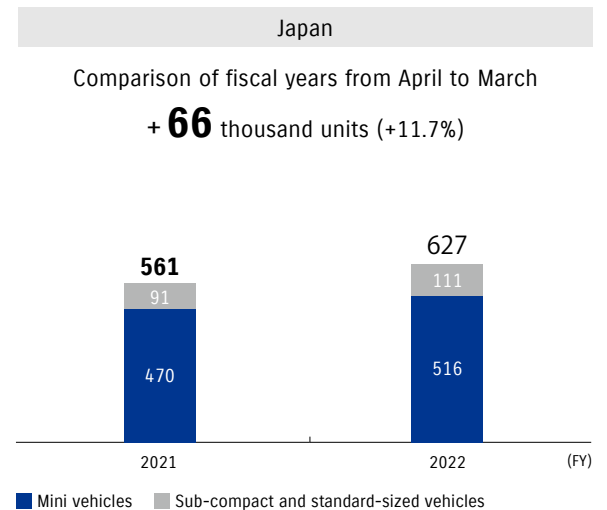
Suzuki's total domestic automobile sales units also increased for the first time in four years, as with overall market sales units, up by 12% to 627,000 units. For mini vehicles, we achieved our target of securing a market share of at least 30% of sales, thanks to the success of its product strategy, which included the launch of Spacia BASE, a model combining the functionality of a commercial car with the design and comfort of a passenger car. In addition, in the compact car segment, sales units of the key model Solio and the popular Jimny Sierra SUV greatly increased, bringing Suzuki's market share in the automobile market to a record high of 14.3%.

2. Suzuki's market advantage and strategies

Suzuki's key advantage lies in providing compact and affordable automobiles to customers in all regions of Japan to meet their day-to-day mobility needs. In addition to our lineup of low-cost, fuel-efficient products, we have built a business sales* network to maintain sales and provide after-sales services to customers nationwide. Leveraging our unique advantage, we maintain more than 10 million vehicles owned by customers across Japan and are increasing this number every year.

Looking ahead, we expect increasingly high product pricing due to the introduction of EVs and other advances in electrification as part of efforts aimed at achieving carbon neutrality. However, we will continue to provide products unique to Suzuki that are suited to the daily lifestyles of consumers, and we will work to strengthen our sales and service network, which allows customers to drive our cars with peace of mind.

* Business sales: One of the sales systems by which Suzuki sells automobiles via Suzuki Motors, car maintenance shops, and other dealers that supply Suzuki products.



[India]

1. Market trends and business environment

New car sales (total market of passenger cars and commercial cars) in India increased in FY2022 by 1,067,000 units, or 28%, from 3,786,000 units in the previous fiscal year to 4,852,000 units. This increase was due to recovery in demand after the end of the COVID-19 pandemic and increased supply from various manufacturers caused by an easing of semiconductor component supply shortages. Suzuki's sales surpassed the prior year's level, totaling 1,645,000 units, an increase of 21% year on year. Although the situation is improving, concerns such as semiconductor shortages and soaring prices of raw materials and fuel must continue to be closely monitored in FY2023. It will also be necessary to implement timely measures to address changes in customer preferences and purchasing behavior as well as stricter regulations over fuel efficiency, exhaust emissions, and safety.

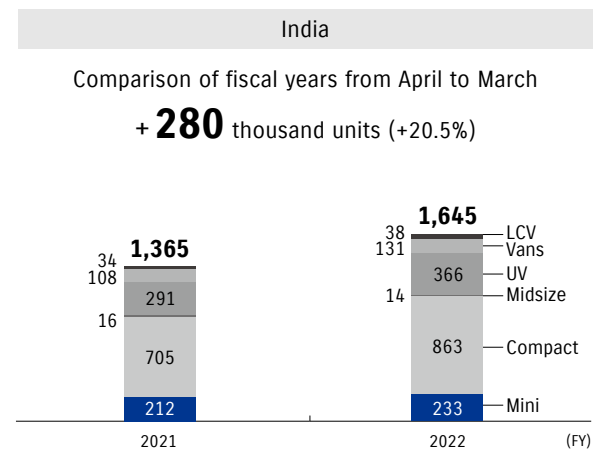
2. Suzuki's market advantage and strategies

In August 2022, we celebrated the 40th anniversary of our India operations. We will expand our dealer network (3,640 locations as of March 31, 2023) and service network (4,564 locations), which are our strengths built up to date, and at the same time promote DX to further improve customer satisfaction.

In terms of products, Suzuki will launch several new models in FY2023 with a focus on SUVs, following the trend set in FY2022, in order to meet customers' diversifying needs. Meanwhile, in order to achieve carbon neutrality, we will introduce several technologies such as compressed natural gas (CNG), biogas, and ethanol mixed fuels, in addition to electrification of vehicles such as battery EVs.

In addition, anticipating future market expansion in India, we will increase our production capacity to 4 million units by 2030, approximately double the current capacity

by initiatives such as building the new plant in the city of Kharkhoda in Haryana, India.



[ASEAN]

1. Market trends and business environment

New car sales in the ASEAN market in FY2022 increased by 17% year on year to 3,471,000 units. This increase reflected a rebound in demand following the COVID-19 pandemic, including a 43% increase year on year in Malaysia due to the government's measures to stimulate demand.

Suzuki's sales units in ASEAN countries decreased by 5% from the previous fiscal year to 147,000 units owing to decreased sales resulting from intensified competition in the key markets of Indonesia and Thailand, as well as political unrest in Myanmar. Suzuki's market share was 4.2%, compared with 5.2% in the previous fiscal year.

2. Suzuki's market advantage and strategies

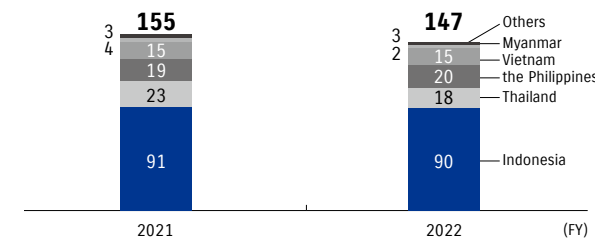
In order to increase our sales units within the ASEAN region, we are focusing on Indonesian-produced models such as the Ertiga (3-row MPV), XL7 (3-row SUV), and Carry (small truck), which are tailored to the usage environment in the ASEAN market, and aim to augment our model lineup with vehicles produced in India and Japan.

Additionally, in consideration of the electrification policies being advanced by the governments of each country, our first step will be to expand sales of Mild Hybrid vehicles Ertiga and XL7.

ASEAN

Comparison of fiscal years from April to March

-8 thousand units (-5.2%)



* ASEAN: Total of 10 countries, including Indonesia, Thailand, the Philippines, Vietnam, and Myanmar.

[Europe]

1. Market trends and business environment

New car sales in Europe (EU, EFTA, and the UK) in FY2022 increased by 3% year on year to 11,770,000 units and have shifted significantly toward EVs, with BEVs accounting for 14% (1,642,000 units) of total sales in FY2022, up 2 percentage points from 12% (1,314,000 units) in the previous fiscal year. While economic activity has picked up as Europe recovers from COVID-19, there are still uncertainties such as rising energy and food prices and labor shortages due to Russia's invasion of Ukraine. Suzuki's sales units significantly decreased by 23% year on year to 141,000 units due to supply shortages of semiconductors as well as insufficient shipping capacity from Japan to Europe.

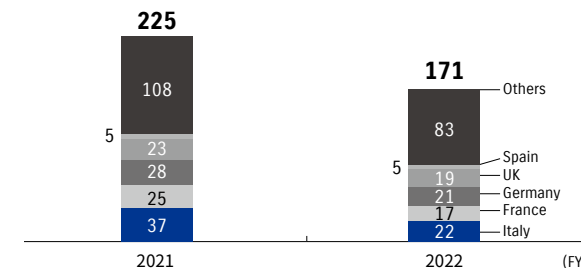
2. Suzuki's market advantage and strategies

In order to meet stricter CO₂ and exhaust emission regulations in Europe, Suzuki plans to convert all passenger cars to hybrids and introduce five battery EV models by FY2030. In addition, we have been working to address CASE.

Europe

Comparison of fiscal years from April to March

-54 thousand units (-24.0%)



[Pakistan]**1. Market trends and business environment**

Overall market sales in Pakistan in FY2022 stood at 215,000 units (the sum of sales units announced by the Pakistan Automobile Manufacturers Association (PAMA) and estimated sales units of major non-PAMA member manufacturers*), a decrease of 27% year on year. The dwindling of foreign exchange reserves of Pakistan's central bank since the spring of 2022 has led to restrictions on imports other than daily necessities, which has delayed the procurement of automobile production components and reduced production and sales in the automobile industry as a whole. Suzuki's automobile sales in Pakistan were 98,000 units, down 25% year on year, with production and sales efforts centered on Alto, a passenger car in the mini vehicle standard, and the new Swift, despite the difficult environment.

* Beginning in FY2022, this figure includes major non-PAMA member manufacturers with large sales units.

2. Suzuki's market advantage and strategies

In FY2022, we remained the market share leader, with a share of 45.9% versus 44.8% in the previous year. With the launch of the new Swift in April 2022, we are striving to capture demand from our increasingly diverse customer base in Pakistan.

In addition, as Pakistan has the fifth-largest population in the world, its demand for automobiles is expected to continue to increase in the future. We will continue to maintain and expand our market share and meet the expectations of our Pakistani customers by expanding our network of 175 sales locations and 164 service locations throughout Pakistan and by continuing to introduce new models.

[Other regions]**Oceania**

Overall market sales in Oceania increased by 2% year on year to 1,271,000 units in FY2022, exceeding FY2019 levels just before the COVID-19 pandemic, due to ongoing gradual increase in demand. Suzuki's sales increased 21% year on year, reaching a record 32,000 units, mainly due to improved supply of the Swift and Jimny, and we expanded our market share from 2.1% in the previous fiscal year to 2.5%. In New Zealand, in particular, we achieved record high sales of 9,026 units, an increase of 20% year on year, and a market share of 5.8% compared to 4.4% in the previous fiscal year.

Latin America

Overall market sales in Latin America in FY2022 continued the previous year's recovery, increasing by 8% year on year to 4,851,000 units. Suzuki's sales remained nearly unchanged, with a decrease of 1% year on year to 122,000 units. In our primary market of Mexico, we set a new record for sales units and increased our market share from 3.3% to 3.6%, and in Bolivia and Barbados, we maintained our No. 1 market share from the previous fiscal year.

Middle East

Overall market sales in the Middle East (excluding Iran) recovered in FY2022, increasing 17% year on year to 1,324,000 units. Suzuki's sales units increased 60% year on year to 30,500 units, aided by a significant year on year sales increase in Saudi Arabia. Suzuki's market share in the Middle East increased from 1.7% in the previous fiscal year to 2.3%.

Africa

Overall market sales in Africa in FY2022 decreased 8% year on year to 1,156,000 units. Suzuki's sales units increased by 34% from the previous fiscal year to 114,600 units. This increase reflected all-time high sales units in South Africa for the sixth consecutive year. Suzuki's market share in Africa increased from 6.9% in the previous fiscal year to 9.9%.

FY2022 topics

[April] Hybrid system-equipped vehicles added to lineup

Suzuki has launched a compact SUV Escudo with a hybrid system. To enable longer driving in EV mode, we had increased the motor output, and could achieve longer driving distances and speeds in EV mode. We have also adopted regenerative cooperative braking, which efficiently recharges the battery when the brakes are applied, as well as EV mode when reversing, for the first time in Suzuki.

In December, we also launched hybrid compact passenger cars, the Solio HYBRID SZ and Solio Bandit HYBRID SV. Going forward, we will continue to promote initiatives for electrification.



Solio HYBRID SR

[June] Expanded SUV lineup in India

Suzuki has launched the new compact SUV Brezza. The bold, sporty, and powerful exterior has evolved, while the interior has been given an urban feel.

In July, we unveiled the Grand Vitara, a new mid-sized SUV developed by Suzuki and produced by Toyota Kirloskar Motor Private Ltd., which began selling in September. For powertrains, in addition to mild hybrids, a full-hybrid powertrain was introduced for the first time in India. We aim to expand our SUV lineup in India and increase our market share.



Brezza

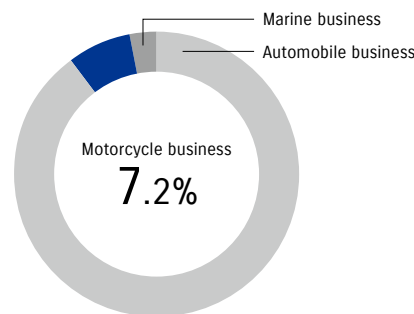
Business Overview [Motorcycle Business]

Growth Strategy for FY2030

Carbon neutrality for products

For small and mid-sized motorcycles, which are used for daily transportation such as commuting to work, school or shopping, we will introduce a battery EV in FY2024. We plan to launch eight models by FY2030 with a battery EV ratio of 25%. For large motorcycles for leisure purposes, we are considering adopting carbon neutral fuels.

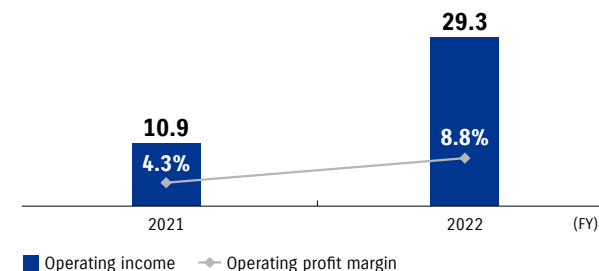
■ Sales composition ratio



Business overview for FY2022

Net sales increased ¥79.7 billion, or 31.4%, year on year to ¥333.2 billion. Operating profit amounted to ¥29.3 billion, up ¥18.5 billion, or 170.2% year on year, and the operating profit margin reached a record high of 8.8%.

■ Operating results of the motorcycle business (Billion yen)



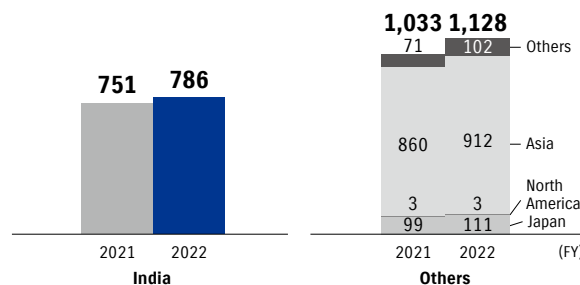
Production units / Sales units

Worldwide production (including ATVs) for FY2022 increased by 7.3% year on year to 1,914,000 units.

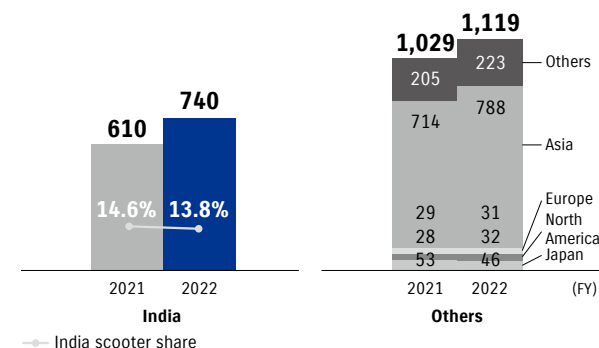
In addition, worldwide sales (including ATVs) increased by 13.4% year on year to 1,859,000 units. Sales increased particularly in India and the Philippines in Asia, and in Latin America in other regions.

* Sales units are based on Suzuki's own research based on external data.

■ Motorcycle production (ATV included) (Thousand units)



■ Motorcycle sales (ATV included) (Thousand units)



Market summary and Suzuki's business overview

[Japan]

1. Market trends and business environment

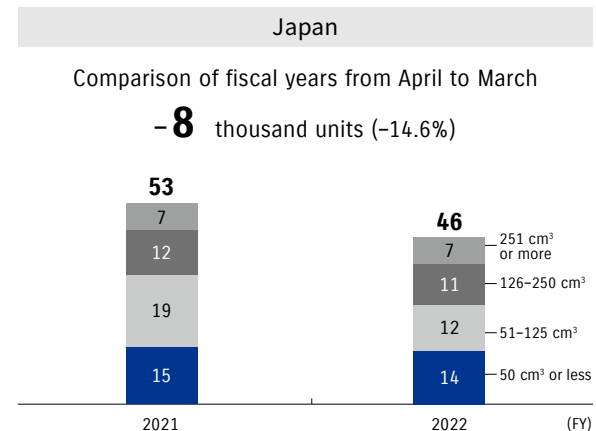
The total domestic market in FY2022 decreased by 4% year on year to 408,000 units.

Suzuki's sales of motorcycles with engine displacements of 251 cm³ and above increased 10% year on year to 7,700 units due to the appeal and increased interest in motorcycles for leisure purposes during the COVID-19 pandemic, but sales of models with engine displacements between 51 cm³ and 125 cm³ fell sharply by 34% year on year to 12,400 units due to a decrease in the model lineup and production delays for some models. As a result, total sales units decreased by 15% year on year to 45,600 units.

For FY2023, we will focus on expanding sales centered on the new BURGMAN STREET 125EX, V-STROM 800DE, and GSX-8S, which have been on the market since March.

2. Suzuki's market advantage and strategies

In the category of models with engine displacements between 51 cm³ and 125 cm³, we will expand sales centered on the three scooter models introduced in the previous fiscal year, and in the category of large displacement models, we will expand sales centered on the GSX-8S and V-STROM 800DE introduced in March and the V-STROM 250Sx introduced in August. We will also hold events for users such as the KATANA Meeting and the V-STROM Meeting to enhance the sense of ownership and customer satisfaction.



[India]

1. Market trends and business environment

The total Indian market in FY2022 increased by 18% year on year to 15,848,000 units. In the previous fiscal year, the market had stagnated due to the rapid worsening of COVID-19 at the end of the year and a decrease in supply caused by a semiconductor shortage, which resulted in all companies reporting year on year growth this year (in FY2022). In addition, the government's EV promotion policy contributed to a significant increase of 24.2% in EV sales to 790,000 units in FY2022.

In the fourth quarter, although there was a trend of adjusting shipments as companies disposed of inventories of vehicles that did not comply with the OBD2-A regulations that would go into effect in April, strong first half savings contributed to 18% year on year growth for the full year. The semiconductor shortage situation is now improving, and companies are maintaining stable supply.

Suzuki's motorcycle sales for FY2022 increased 20% year on year to 731,000 units. We launched the new backbone

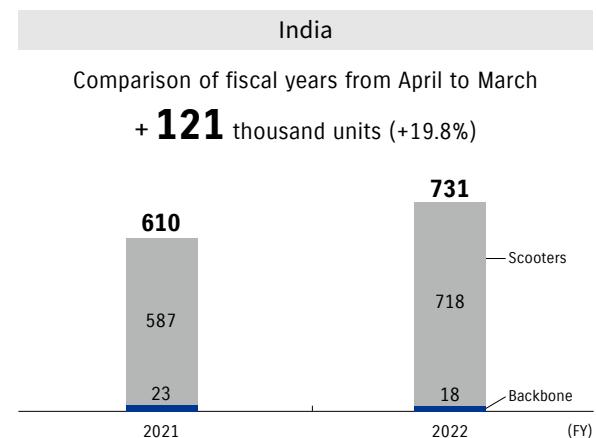
model V-STROM 250Sx in May, the large model KATANA in July, the new scooter model BURGMAN STREET in December, and the smartphone-connected model GIXXER 150/250 in January, resulting in record high sales of 730,756 units.

While the semiconductor shortage has been recovering, there was an ongoing shortage of speedometers for our mainstay scooters. However, by actively adopting alternative ICs and other measures, we were able to minimize the impact.

We will continue to cooperate with manufacturing and purchasing departments to achieve domestic sales of 820,000 units, or a 12% increase year on year, in FY2023.

2. Suzuki's market advantage and strategies

We will maintain the highest market share in the 125 cm³ scooter class, which is Suzuki's focus, to further expand sales, and at the same time, enter the expanding EV market from FY2024. We will follow market trends and develop new markets while ensuring quality.



[ASEAN]

1. Market trends and business environment

The total market of five ASEAN countries in FY2022 increased by 14% year on year to 12,333,000 units. The delivery of vehicles from all companies is on a recovery trend and all five countries recorded year on year growth.

Suzuki's sales in the five countries in FY2022 increased by 18% year on year to 252,000 units. Sales in Indonesia, the Philippines, and Cambodia exceeded those of the previous fiscal year.

2. Suzuki's market advantage and strategies

In FY2023, although component supply issues are improving, some countries are showing signs of declining demand due to economic recession. We will boost sales by working to improve our sales networks in each country. In addition to growth in scooters, we will work to expand sales volume in the market for underbone frame type models, for which there is firm demand, by strengthening sales promotions.

[North America]

1. Market trends and business environment

Sales in the North American market in FY2022 decreased by 4% year on year to 592,000 units. The overall market fell below the previous fiscal year's level as major manufacturers suffered from supply difficulties due to stagnant logistics and component shortages.

During the same period, Suzuki's sales increased 23% year on year to 21,000 units as supply improved due to the resolution of logistics delays.

The Hayabusa introduced in FY2021 and the GSX-S1000/GT introduced in FY2022 were both well received, selling more units in FY2022 than initially planned. In addition, sales were strong for the DR-Z400 and GSX-R series, our best-selling models for which we were able to supply large quantities, and our market share for FY2022 improved by 0.7 percentage points year on year to 3.5%.

2. Suzuki's market advantage and strategies

In North America, in addition to the widely-recognized mainstay Hayabusa and GSX-R series, we will focus on the GSX-S1000/GT and the new V-STROM 800DE and GSX-8S models to expand sales and enhance our brand image.

[Europe]

1. Market trends and business environment

The total European market in FY2022 decreased by 1% year on year to 1,221,000 units due to inventory shortages at major companies.

During the same period, Suzuki's sales increased 8% year on year to 27,000 units, accounting for 2.2% of the total market, due to strong sales of large displacement models such as the GSX-S1000GT and the introduction of 125 cm³ scooters which meet Euro 5 emissions regulations.

Sales of the new V-STROM 1050/DE and 125 cm³ scooters began in earnest in March 2023. Although there are concerns about the economic downturn due to soaring prices, we will launch and expand sales of new models such as the V-STROM 800DE and GSX-8S to increase sales units and market share.

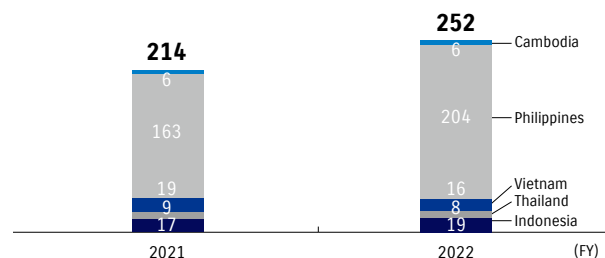
2. Suzuki's market advantage and strategies

In Europe, while sales of the V-STROM and GSX-S series, which are well-established product brands, continue to be strong, we plan to expand sales mainly of the V-STROM 800DE and the new naked GSX-8S, which represents our entry into a new displacement range. In addition, we will strive to capture a wider range of demand by enhancing our product lineup with the introduction of a new 125 cm³ scooter.

ASEAN

Comparison of fiscal years from April to March

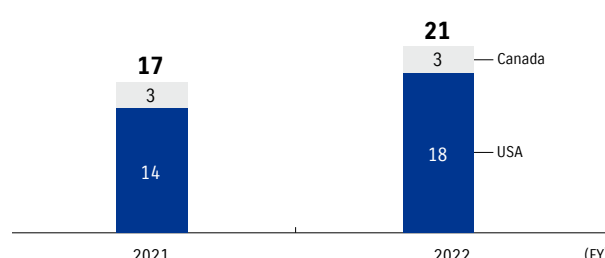
+ 38 thousand units (+18.0%)



North America

Comparison of fiscal years from April to March

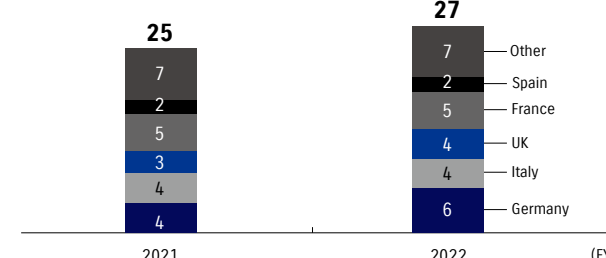
+ 4 thousand units (+23.1%)



Europe

Comparison of fiscal years from April to March

+ 2 thousand units (+8.1%)



[China]**1. Market trends and business environment**

The total Chinese market in FY2022 decreased by 13% year on year to 5,161,000 units. Suzuki's sales increased by 4% year on year to 450,000 units.

While the total market shrank, Suzuki's scooter sales increased by 8% year on year to 331,000 units, resulting in higher sales units than the previous fiscal year. Backbone sales decreased by 4% year on year to 103,000 units, due to a shortage of component deliveries caused by the semiconductor shortage.

2. Suzuki's market advantage and strategies

In the overall market, sales of scooters and 150 cm³ and larger backbone frame type models have been growing. Accordingly, Suzuki will strive to expand sales with a focus on 125 cm³ scooters (UY125, UE125, UU125) and 150/250 cm³ backbone frame type models (GIXXER 150, GL 150, GSX250R, V-STROM 250).

FY2022 topics

[September] Announced a new large motorcycle model

Suzuki announced the V-STROM 1050DE, a new version of the V-STROM 1050 large motorcycle with enhanced maneuverability and stability on unpaved roads. The model was launched in Japan from February 2023.

Furthermore, in November, Suzuki announced the new V-STROM 800DE and GSX-8S equipped with a newly-designed 776 cm³ parallel-twin engine, which were launched in Japan in February 2023.

[October] Announced three new scooter models

Suzuki announced the comfortable and well-equipped Address 125, the sporty and agile Avenis 125, and the BURGMAN STREET 125EX with a luxurious design, idling stop system, and silent starter system. The Address 125 and Avenis 125 were launched in Japan in October and the BURGMAN STREET 125EX in March 2023.



V-STROM 800DE



Address 125

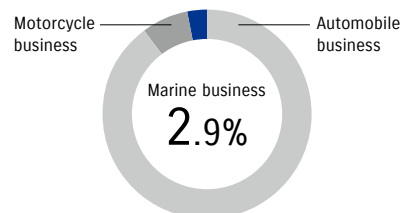
Business Overview [Marine Business]

Growth Strategy for FY2030

Carbon neutrality for products

For small outboard motors that are often used in lakes and rivers, we will introduce battery EVs in FY2024. We plan to launch five models by FY2030 with a battery EV ratio of 5%. For large outboard motors used in the ocean, we are considering adopting carbon neutral fuels.

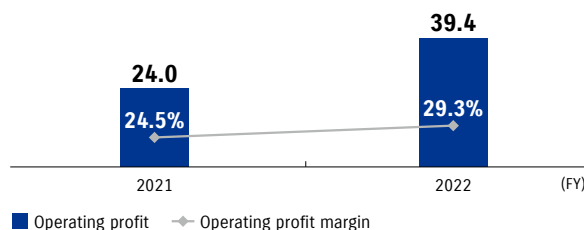
■ Sales composition ratio



Overview of FY2022

Both sales and income reached record highs, with net sales increasing by ¥36.6 billion (37.3%) year on year to ¥134.6 billion, and operating income increasing ¥15.4 billion (64.2%) year on year to ¥39.4 billion. Strong sales of large outboard motors in North America and the effect of yen depreciation on foreign exchange rates contributed to the increases.

■ Operating results of the marine business (Billion yen)



Market summary and Suzuki's business overview

1. Market trends and business environment

FY2022 began with strong sales continuing from the previous year due to special demand resulting from COVID-19, mainly in North America and Europe. However, in the second half of the year, sales in the leisure market showed signs of slowing down as COVID-19 settled down.

On the other hand, as COVID-19 restrictions began to be lifted, demand for outboard motors for sightseeing boats in tourist areas gained momentum, and sales grew, especially in Southeast Asia.

2. Suzuki's market advantage and strategies

We began the Suzuki Clean Ocean Project activity globally in 2020. This project is based on the Clean-Up the World Campaign, the waterside cleanup activities which has been conducted since 2010. Now, these activities are included in the Suzuki Clean Ocean Project activity, and the total number of participants surpassed 13,000 people in 2022. In addition, reduction of plastic packaging for outboard motors and spare parts was started in 2020 as the second activity of the Suzuki Clean Ocean Project activity. Subsequently, an activity to develop a Micro-Plastic Collecting Device for outboard motors was added, which has been installed as standard equipment on select outboard motor models produced since July 2022.

By providing a better marine lifestyle while stimulating customer empathy for a cleaner environment, Suzuki will seek to differentiate the Suzuki outboard motor brand from the competition and further strengthen its business.

FY2022 topics

[July] Began production of outboard motors with the Micro-Plastic Collecting Device

Suzuki began production of five new mid-size outboard motors with the world's first Micro-Plastic Collecting Device as a standard feature. They are being shipped in phases worldwide, including major markets such as North America and Europe (DF140BG, DF115BG, DF140B, DF115B, and DF100C).

On October 27, Suzuki reached 4 million units in the cumulative global production of outboard motors. Through our marine business activities, we will continue to provide marine products and services needed by people and society.



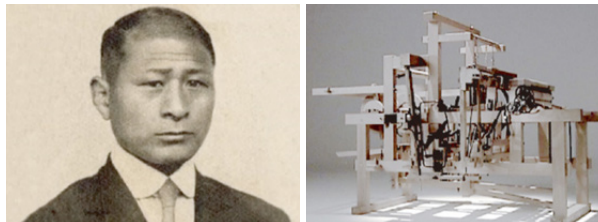
Sustainability Policy

Basic policy regarding sustainability

Suzuki has up to now contributed to the social and economic development of many countries through the development and popularization of various types of products, including the environmentally friendly, compact automobiles that are our specialty.

● Origin

In 1908, founder Michio Suzuki made a loom by hand in order to make his mother's work easier, which led to the founding of Suzuki Loom Works. A desire to solve the problems of its customers is where Suzuki started. It began as a loom business and expanded into multiple businesses.



Michio Suzuki, founder, and the first loom, gifted to his mother

● Mobility business

In 1952, the history of Suzuki motorcycles began with the launch of the Power Free motorized bicycle, which delighted customers by enabling them to travel longer distances with ease.

Three years later, Suzuki entered the automobile sector with the launch of Suzulight, the first mass-produced mini vehicle in Japan, and ultimately expanded into its current business with the later addition of outboard motors and motorized wheelchairs.



Power Free

● Global development

Suzuki, which has characteristically handled both motorcycles and automobiles for a long time, leveraged the convenience and economical performance offered by motorcycles to quickly seize opportunities for motorization around the world. We have increased our contact points with customers this way, traveling a path of popularization and expansion from motorcycles to automobiles while growing together with the economies of countries and regions.

A particularly significant turning point in our global development came in 1979 with the birth of the Alto. The Alto, which went on sale at a price so low that it defied common sense, became a massive hit, and we could build the Japanese mini vehicle market.

This led to a great leap forward in Suzuki's overseas expansion with the formation of a business alliance with General Motors. Moreover, we were able to establish a joint venture company because we were chosen as a partner for India's national car development initiative. Subsequently, Suzuki's reputation in India spread to Hungary, resulting in the expansion of plants into Europe.



Alto

● For people's prosperous life

In order to grow together with the countries and regions in which we operate, we have been contributing to economic development by expanding markets through local production overseas and by providing products and services that meet local needs.

In India, we started operating our first local automobile production plant in 1983 and currently have expanded annual production capacity to 2.25 million vehicles. Our history of factory expansion is also the history of our relationship with business partners, and we move forward on the same path while growing together, building a strong procurement network with a high local procurement ratio exceeding 90%. Furthermore, we have worked to expand our sales and service networks, and the network, which

extends to rural areas, is our greatest strength. In recent years, we have been accelerating local R&D and actively recruiting talented engineers.

In this way, we are contributing to India's economic growth while creating many local jobs through production, procurement, sales and development in the automobile industry that affects many areas. In January 2023, we passed 25 million cumulative domestic sales in India.



Suzuki Motor Gujarat Private Limited

● Supporting communities by staying close to people's lives

Products we make based on "Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty)," the root of Suzuki's manufacturing, are compact while being user-friendly, high performance and offered at affordable prices. By providing many people with freedom of movement, we support lifestyles in communities throughout the world.

In Japan, mini vehicles that are easy to use and economical have become an indispensable part of life as a means to get around, particularly in rural areas where public transport is not easily accessible. Moreover, mini-truck markets are held annually in regional cities, gathering mini-trucks in shopping areas and using the flatbeds of their vehicles to sell products such as foods, local specialties or sundries. These markets attract many customers at little expense, contributing to revitalizing local economies.

Meanwhile, in emerging countries, the affordable, highly functional compact cars in which Suzuki excels match the needs of customers making their first car purchase, enabling many customers to enjoy a comfortable and prosperous lifestyle through an automobile.



A scene from the 7th National Mini-Truck Market in Nagano Prefecture

● **Solutions unique to Suzuki**

A feature of the world’s first Micro-Plastic Collecting Device for outboard motors, in which mass-production started in July 2022, is that it has an extremely simple structure that also keeps down component costs, rather than being a complicated and expensive device. The device could probably have been thought up by anyone and came about from a chat about cleaning up waterside areas. But it was an idea for a device that nobody else had made, and we approached it proactively by taking on the challenge of just giving it a try, then through repeated trial and error, managed to commercialize it in a very short time. We wanted as many people as possible to use it, so kept the outboard motor performance untouched and thought about how simple and how affordable we could make it. We want to solve social issues together with our customers while having them enjoy products made with Suzuki’s unique ingenuity and thoughtfulness backed by “Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty).”



A DF115B outboard motor equipped with a Micro-Plastic Collecting Device

● **Continuing to be an irreplaceable presence**

Among the issues confronting the automobile industry, we place particular importance on electrification toward achieving carbon neutrality. In compact cars, an area in which Suzuki excels, we have gained great support from many people because of their affordability, but making them into EV would raise the price, thus reducing the benefits of these compact cars. To continue to be an irreplaceable presence in people’s lives, we need to leverage the philosophy behind “Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty),” achieve a balance between cost and driving range and equipment, respond to customer needs and usage styles, and have a policy of developing the right EVs for the right place to launch onto the market.

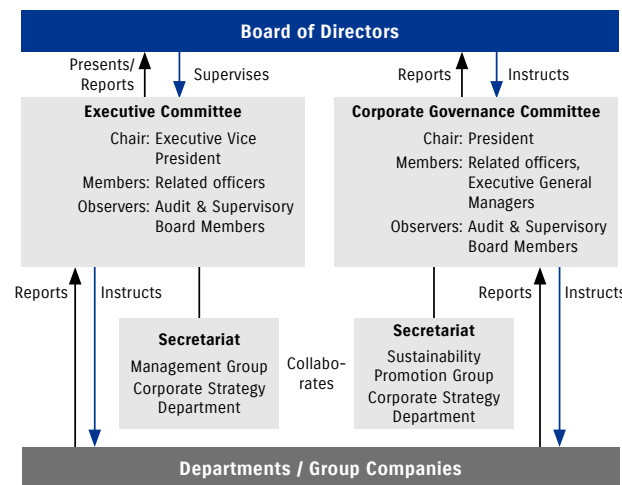
Moreover, as an initiative unique to Suzuki, we will tackle the challenge of producing and supplying carbon neutral biogas derived from cow dung, a waste product from dairy farming common in rural India. This biogas fuel can be used in Suzuki’s CNG vehicles, which account for a share of approx. 70% of India’s CNG vehicle market, and if we are able to make this materialize, it will enable us to continue providing automobiles at affordable prices. This technology can be developed not just for India, but for emerging countries in Africa and ASEAN, as well as for farming areas in Japan.

We will continue to develop our mobility business, centered on automobiles and including motorcycles, outboard motors and motorized wheelchairs, and through providing products and services that support customers’ lives aim to be a company that continues to be needed by people and society by both solving social issues and achieving corporate growth.



Structure for promoting sustainability

■ Structure for promoting sustainability



At the Executive Committee and Corporate Governance Committee meetings attended by Representative Directors and related officers, issues, policies and measures concerning sustainability (environmental, social, governance) are discussed. Issues of particular importance are brought up and reported to the Board of Directors. Along with the management, the Company as a whole aims to promote viable sustainable activities.

The dedicated department established within the Corporate Planning Office to promote sustainability takes the lead in cooperation among each internal department and Group companies in promoting cross-organizational initiatives to solve social issues.

Main agenda items for the Board of Directors (FY2022)

- Establishment of Suzuki Group Human Rights Policy
- Addressing human rights in the supply chain
- Efforts related to personnel strategy and human capital
- Intellectual property governance, other matters

Defining materiality (key issues)

Following the formulation of the mid-term management plan announced in February 2021, we performed a review of the materiality (key issues) specified in 2015 by giving consideration to changes in the environment surrounding our business.

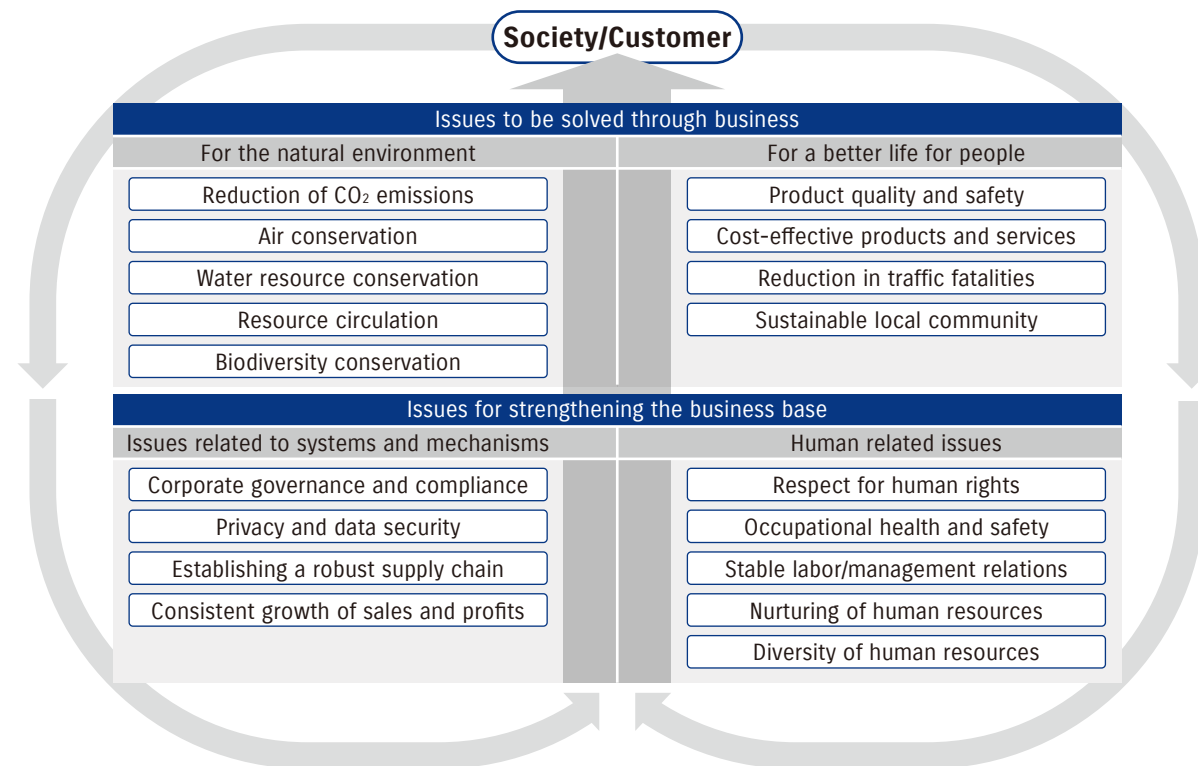
■ Steps in defining materiality

Step 1	Identify issues by using as reference various indices specified in the ESG guidelines, such as the GRI Standards and SASB Materiality Map.
Step 2	Check their alignment with the issues specified in the mid-term management plan at the Corporate Planning Office and other sustainability-related departments.
Step 3	Check their adequacy and completeness by examining their significance from the perspective of stakeholders through engagement with ESG investors, environmental NGOs, and ESG rating agencies.
Step 4	Specify materiality by discussing the adequacy and completeness of the identified issues at the Executive Committee, verify the significance of these issues depending on the nature of each, and confirm the appropriate method of disclosure.
Step 5	Discuss and approve the materiality at the Board of Directors.

Materiality matrix

While “focusing on the customer” as stated in our Mission Statement and remaining mindful of how to contribute to society and customers by solving issues, we have divided the identified materiality (key issues) broadly into two groups: Issues to be solved through business and Issues for strengthening the business base.

We will promote our future initiatives by using the newly identified and verified materiality as the basis of Suzuki’s sustainability policy. We will also review each topic periodically in accordance with changes in the surrounding business environment.



Climate Change

Disclosure based on the TCFD’s recommendations

Governance

Organizational structure related to climate change risks and opportunities

Suzuki has established the Committee for Carbon Neutrality and Environmental Committee under the Board of Directors for the purpose of the Group’s overall environmental management.

The Board of Directors instructs and supervises the Committee for Carbon Neutrality and Environmental

Committee, receives reports from both committees and is the ultimate decision-making body.

The Committee for Carbon Neutrality focuses on the theme of climate change (carbon neutrality) and holds intensive monthly deliberations on decarbonization so the committee can operate more flexibly.

The Environmental Committee meets twice yearly and discusses environment-related themes other than carbon neutrality, such as air conservation, water resources and resource circulation.

Clearly defining the themes of the two committees enhance their effectiveness and further accelerates decision-making toward decarbonization.

* A subcommittee of the Environmental Committee had previously deliberated on climate change, but in April 2023 this was reorganized as the Committee for Carbon Neutrality and developed as one of the executive and business operations committees.

Strategy

Alignment with the TCFD’s recommendations

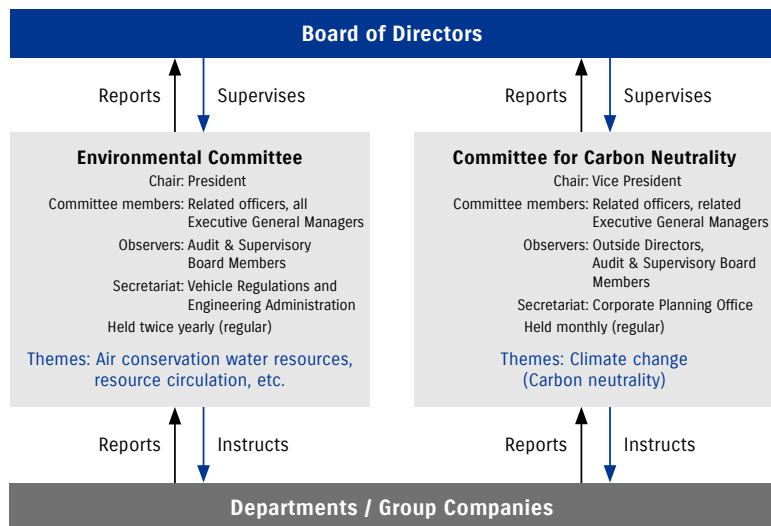
In April 2020, Suzuki became a signatory to the Task Force on Climate-related Financial Disclosures (TCFD)* in support of its intent. Along with promoting information disclosure in a manner easily comprehensible to stakeholders, we will work to improve the level of sophistication of our scenario analysis and enhance the content of information to be disclosed in order to further increase our resilience against climate change.



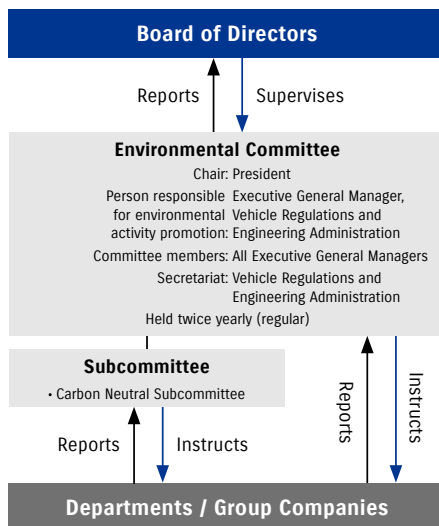
* Established in 2015 by the Financial Stability Board (FSB), an international organization to ensure the stability of the financial market.

Organizational structure related to climate change risks and opportunities

Structure from April 2023 onward



Structure from September 2022 to March 2023



Climate-related risks and opportunities, scenario analysis

Suzuki has been identifying business risks and opportunities to promote business activities in a sustainable manner. Since the impact of climate change, in particular, is intrinsically uncertain, we believe that it is crucial to assess the degree of its impact on risks and opportunities from a broader future perspective and respond appropriately.

Based on this recognition, we have evaluated differences in the impact of climate change on risks and opportunities by using two scenarios. One is the “4°C scenario” in which climate change causes marked physical effects, and the other is the “1.5°C/2°C scenario” in which mitigation measures are being implemented at an accelerated pace toward the realization of the Paris Agreement. In assuming these scenarios, we have referred to externally developed scenarios that are based on the scientific knowledge of the IEA*¹, IPCC*², and other organizations.

*1 IEA: International Energy Agency
*2 IPCC: Intergovernmental Panel on Climate Change

Climate-related risks and opportunities for Suzuki

As more stringent laws and regulations, including emission gas, CO₂, and fuel efficiency regulations, are being adopted as mitigation measures against climate change, the resulting increase in development expenses needed to comply with these regulations may greatly impact Suzuki's business performance. On the other hand, small cars, which are a strength of Suzuki, require less materials and energy to produce and emit less CO₂ while in use. We believe that we can create opportunities by leveraging such a unique strength of Suzuki and by handling risks appropriately.

Moreover, from the current fiscal year we have started financial impact analysis based on the scenario analysis related to climate change that we have disclosed. The purpose of this is to reduce and avoid natural disaster risks and enable us to continue our business through assessments of the impact of natural disaster risks such as typhoons, floods, and high tides caused by global warming. We carried out our initial impact assessment on Company sites in Japan and India in addition to domestic primary suppliers.

We will continue to hold careful discussions to reduce or avoid risks caused by climate change, capture opportunities for the future, and increase our competitive edge, and we will incorporate the outcomes of these discussions into our business strategies.

■ Suzuki's climate-related risks and differences in impact by scenario

Key risks (examples of anticipated impact) *Underlined items represent particularly significant risks			Differences in impact	
			4°C scenario	1.5°C/2°C scenario
Transition risks	Policies, regulations, and technologies	<u>(1) More stringent CO₂ and fuel efficiency standards for automobiles</u> (Payment of fines, loss of sales opportunities, etc.)	No change →	Increase ↗
		<u>(2) Implementation or reinforcement of carbon tax and other systems</u> (Increase in operating costs, etc.)	No change →	Increase ↗
	Reputation	(3) Changes in consumer preference and investor behavior (Decline in corporate value, etc.)	No change →	Increase ↗
Physical risks	Chronic	(4) Rise in the average temperature (Increase in energy costs, etc.)	Increase ↗	No change →
		(5) Changes in water resource risk (Disruptions in the supply chain, increase in production costs, etc.)	Increase ↗	No change →
	Acute	<u>(6) More frequent and intensifying natural disasters</u> (Business sites sustaining disaster damage, suspension of business activities, etc.)	Increase ↗	No change →

■ Details of particularly significant risks, creation of opportunities, and status of Suzuki's response

	Risks	Opportunities	Status of Suzuki's response
(1) More stringent CO ₂ and fuel efficiency standards for automobiles	<ul style="list-style-type: none"> ● Loss of market share due to being slow in adopting carbon neutral technologies (electrification and other) and increasing costs ● Increase in investment in development of carbon neutral technologies ● Increase in investment in production facilities for carbon neutral technologies (batteries, etc.) ● Payment of fines and loss of sales opportunities due to regulatory non-conformance 	<ul style="list-style-type: none"> ● Maintaining and reinforcing competitiveness and enhancing corporate value through small cars that emit less CO₂ throughout their life cycle ● Capturing sales opportunities by developing electrified vehicles and carbon-neutral fuel compatible vehicles at affordable prices ● Contributing to sustainable economic development by leading electrification and carbon-neutral fuel compatibility in India and emerging countries 	<ul style="list-style-type: none"> ● Intensively developing electrification technologies, increasing the number of models equipped with a hybrid system, and promoting development of mini and compact EVs ● Promoting electrification in India (releasing electrified vehicles, investing in a battery plant, etc.) ● Deepening alliance with Toyota Motor Corporation ● Launching a biogas demonstration project in India
(2) Implementation or reinforcement of carbon tax and other systems	<ul style="list-style-type: none"> ● Increase in investment in production facilities that implement carbon neutral technologies ● Increase in operating costs due to carbon tax, emissions trading, Carbon Border Adjustment Mechanism, etc. 	<ul style="list-style-type: none"> ● Offering energy-saving technologies that leverage the benefits of "Sho-Sho-Kei-Tan-Bi" to Group companies and business partners ● Contributing to sustainable economic development by leading the use of renewable energy in India and emerging countries 	<ul style="list-style-type: none"> ● Promoting ongoing CO₂ reduction measures ● Producing carbon neutral energy ● Procuring renewable energy-derived electricity in India ● Head office and all plants, etc. in Shizuoka Prefecture use Shizuoka Green Denki, CO₂-free electricity derived from renewable energies. (All Suzuki sites in Shizuoka Prefecture use electricity free of CO₂ and have zero CO₂ emissions from electricity use)
(6) More frequent and severe natural disasters	<ul style="list-style-type: none"> ● Business activities halted at business sites due to disaster ● Parts procurement disrupted due to business partner's disaster 	<ul style="list-style-type: none"> ● Increased demand for electrified vehicles due to their use as a lifeline at a time of disaster 	<ul style="list-style-type: none"> ● Start financial impact analysis based on the scenario analysis related to climate change First, conduct an impact assessment on Company sites in Japan and India, and for domestic primary suppliers (Assessed the impact on a global basis of natural disaster risks due to rising temperatures such as typhoons, floods and high tides to mitigate or avoid risks and continue business)

Risk management

Risk management system

The Corporate Governance Committee deliberates on issues that arise or are recognized in each department and identifies and ascertains potential risks, not limiting itself to just climate-related issues. For environment-related risks, either the Committee for Carbon Neutrality or Environmental Committee conducts intensive examination depending on the theme, and instructs or manages departments.

Themes handled by respective meeting bodies

- Corporate Governance Committee
Ascertains risks arising or recognized in each department, deliberates and issues instructions to the department to resolve the issue.
- Committee for Carbon Neutrality
Of environment-related risks, deliberates the risks and opportunities related to climate change (carbon neutrality) and resolves and promotes them.

- Environmental Committee
Deliberates on environment-related risks and opportunities apart from climate change, such as water resources and biodiversity, and resolves and promotes them.

Envisaged risks related to climate change

For climate change-related risks, we assess risks and their impact under the two scenarios of the “1.5°C/2°C scenario” and the “4°C scenario.” Regarding the types of risks, we observe risks and their impact from the viewpoints of two types, “transitional risks” from policies, regulations, etc., and “physical risks,” from natural disasters, etc.

Indicators and targets

Basic policy

Recently, irregular weather phenomena caused by global warming have been occurring more frequently. The Paris Agreement, which aims to limit the increase in global average temperature to less than 2°C above pre-industrial levels and to achieve virtually zero greenhouse gas emissions in the second half of this century, as adopted to suppress the impact of this climate change.

Suzuki has for a long time continued to make products with lower CO₂ emissions during manufacture and during use in line with the philosophy of “Sho-Sho-Kei-Tan-Bi,” and to achieve the so-called 1.5°C target has set reduction targets aligned with climate science and promotes efforts with the awareness of the issue requiring a need to further reduce CO₂ emissions.

Moreover, emerging countries also need to think about economic growth and not just climate change measures. Suzuki will aim for growth together with emerging countries and promote climate change measures while working to enrich the lives of people in emerging countries.

Suzuki has set multiple climate-related targets and indicators, and promotes these and manages their progress.

Indicators have been set for such matters as CO₂ emissions, climate change and related energy, air conservation and water resource conservation. Indicators have been set in three broad areas related to targets and we aim to achieve each of these goals.

Type of risk		Examples of impacts envisaged
Transitional risks	Policies, regulations, and technologies	Payment of fines and loss of sales opportunities, etc., due to regulatory non-conformance due to more stringent CO ₂ and fuel efficiency standards for automobiles
		Increase in operating costs, etc., due to implementation or reinforcement of carbon tax and other systems
	Reputation	Decline in corporate value, etc. due to changes in consumer preference and investor behavior
Physical risks	Chronic	Increase in energy costs, etc. due to rise in the average temperature Disruptions in the supply chain, increase in production costs, etc. due to changes in water resource risk
	Acute	Business sites sustaining disaster damage, suspension of business activities, etc. due to more frequent and intensifying natural disasters

■ Suzuki's environmental targets

Theme		Short-term target	Medium-term target	Long-term target	
Climate change	Carbon Neutral (Suzuki's Growth Strategy for FY2030)	Products	First launch of battery EVs (Automobiles) First launch in Japan in FY2023, then first launches in Europe and India in FY2024. (Motorcycles) First launch for small and mid-sized motorcycles in FY2024. (Outboard motors) First launch in FY2024.	Introduce multiple battery EVs (Automobiles) Expand to six models in Japan, five models in Europe and six models in India by FY2030 (Motorcycles) Expand to eight models by FY2030 (Outboard motors) Expand to five models by FY2030	Achieve carbon neutrality • Achieve by 2050 in Japan, Europe • Achieve by 2070 in India
		Manufacturing	Reduce CO ₂ emitted from painting plants by 30% compared to FY2016 by FY2025	Carbon neutrality of plants • Achieve at Hamamatsu Plant by FY2027 • Achieve in domestic plants by FY2035	
			Suzuki Environmental Plan 2025	Milestone 2030	Suzuki Environmental Vision 2050
	Product CO ₂	CO ₂ emitted from products (Automobiles) Reduce by 30% compared to FY2010 (Motorcycles) Reduce by 15% compared to FY2010 (Outboard motors) Reduce by 15% compared to FY2010	• Reduce CO ₂ emitted from new automobiles by 40% on a Well-to-Wheel basis compared to FY2010 by 2030.	• Reduce CO ₂ emitted from new automobiles by 90% on a Well-to-Wheel basis compared to FY2010 by 2050.	
	CO ₂ emitted from business activities	Reduce CO ₂ from business activities (Production activities) Reduce by 25% compared to FY2016 (Logistics activities, etc.) Reduce CO ₂ emission per sales unit by 9% compared to FY2016, etc.	• Reduce CO ₂ from business activities per sales unit by 45% compared to FY2016 by 2030	• Reduce CO ₂ from business activities per sales unit by 80% compared to FY2016 by 2050	
Air conservation	<ul style="list-style-type: none"> Controlling air pollution (Automobiles, Motorcycles, Outboard motors) Contribute to the improvement of air quality through the introduction and diffusion of clean products suited to each country and region's situation Reducing VOCs (Production activities) Reduce VOC emissions per painted area by 50% or more compared to FY2000, etc. 	<ul style="list-style-type: none"> By 2030: <ul style="list-style-type: none"> Reduce use of fossil fuels in business activities and expand use of renewable energies Contribute to improving air pollution in each country/region by promoting development of clean products Reduce volatile organic compounds (VOCs) from production and products 	• Minimize air-polluting substances emitted from business activities and products by 2050		
Water resource conservation	<ul style="list-style-type: none"> Water resource conservation (Production activities) (Water consumption) Reduce water consumption per unit of global automobile production by 10% compared to FY2016 (Water quality) Continue to manage wastewater using voluntary standards that are more stringent than regulatory requirements 	• Implement reduction of water withdrawal and purification of discharged water at all production sites through specifying water risks surrounding Suzuki by 2030	• Realize sustainable use of water resources through minimizing load on water environment by 2050		
Resource circulation	<ul style="list-style-type: none"> Promotion of environmentally conscious design Promotion of automobile recycling Promotion of 3Rs (reduce, reuse, and recycle) for batteries Waste reduction Reduction of plastic packaging materials Reduce plastic used in outboard motor-related materials by 12 tons compared to FY2020, etc.	<ul style="list-style-type: none"> By 2030: <ul style="list-style-type: none"> Globally expand automobile recycling system Promote recycling, rebuilding, and reusing of secondary (rechargeable) batteries used for propulsion of electrified vehicles Mitigate waste generation volume at global production sites Reduce plastic packaging materials 	• Promote reducing, recycling, and proper treatment of wastes from production activities and products through globally expanding recycling technologies and systems developed in Japan by 2050		

Efforts regarding product use

Disclosure of GHG emissions in the entire value chain

Suzuki believes that for reducing greenhouse gas (GHG) emissions released through overall business activities, including procurement of materials/parts, manufacturing of vehicles and sale of final products, it is important to know and disclose the emissions from those activities. Therefore, we have been making efforts to quantify the emissions of GHG resulting not only from major business activities, but also from the entire value chain*¹ since FY2013.

CO₂ emissions generated through the entire value chain during FY2022 stood at 103.70 million t-CO₂, of which the emissions falling under Scope 3 (indirect emissions from other activities)*¹ were 102.56 million t-CO₂ that include 82.70 million t-CO₂ classified into Category 11 (Use of products sold by Suzuki)*² accounting for 79.7% of the total emissions through the overall value chain.

Recognizing that it is very important to reduce the CO₂ emissions released through the use of our products for reducing the total GHG emissions in the entire value chain, we will make continuous efforts to emphasize improvement of fuel efficiency during product development and improvement.

*¹ Value chain: A method of systematizing how a series of business activities go into the creation of its ultimate value. Calculations are composed of Scope 1, Scope 2, and Scope 3 in accordance with the calculation standard, GHG Protocol*³. The business activities in a value chain include parts and materials procurement, manufacturing, delivery, sales and customer services, as well as administrative work and engineering development work that support these activities. We have been participating in Green Value Chain Platform*⁴ operated by the Ministry of the Environment and the Ministry of Economy, Trade and Industry since FY2014 and introducing our efforts in quantifying GHG emissions.

*² Category 11: This indicates the life cycle GHG emissions from Suzuki's products sold in the fiscal year.

*³ GHG Protocol: This is a method to develop calculation and reporting standards for greenhouse gases (GHG) led by the World Resources Institute (WRI), a global environmental think tank based in the U.S., and the World Business Council on Sustainable Development (WBCSD), a conglomeration of companies aiming for sustainable development.

*⁴ Green Value Chain Platform: This is an information platform related to value chain emissions operated by the Ministry of the Environment and the Ministry of Economy, Trade and Industry to provide various kinds of information such as domestic and overseas trends and calculation methods, etc. regarding global warming.

Website: http://www.env.go.jp/earth/ondanka/supply_chain/gvc/en

GHG emissions in the entire value chain Scope 1, 2, and 3

(10,000 t-CO₂)

	FY2020	FY2021	FY2022
Entire value chain (total of Scope 1, 2, and 3)	9,018	9,207	10,370
Direct emissions from corporate activities (Scope 1* ¹)	38	40	42
Domestic	15	15	15
Overseas	23	25	27
Indirect emissions from corporate activities (Scope 2* ¹)	68	71	72
Domestic	29	26	28
Overseas	38	45	45
Emissions from corporate activities (total of Scope 1 and 2)	105	111	114
Emissions from use of products by users (Scope 3: Category 11)* ²	7,573	7,532	8,270
Other emissions (other than Scope 3: Category 11)	1,339	1,564	1,986
Other indirect emissions (total of Scope 3)	8,913	9,096	10,256

*¹ (Scope 1 and 2)

● Scope of aggregation

– Domestic: Suzuki Motor Corporation, 66 domestic manufacturing and non-manufacturing subsidiaries

– Overseas: 32 overseas manufacturing and non-manufacturing subsidiaries

● Target gases: Greenhouse gases (the seven gases of carbon dioxide, methane, dinitrogen, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and nitrogen trifluoride)

● Emissions factors

– Electricity: Domestically, the most recent adjusted emissions factors by electricity provider, and overseas is IEA Emissions Factors 2022

– Fuel: Domestically, emissions factors in the calculation, reporting and publication system. Overseas, 2006 IPCC Guidelines for National Greenhouse Gas Inventories. City gas unit calorific power amounts are figures publicized by suppliers.

*² (Scope 3, Category 11)

● Scope of aggregation: Suzuki Motor Corporation Group

● Products applicable for calculation: Applies to automobiles, motorcycles, outboard motors, motorized wheelchairs and other Suzuki products

● Overview of calculation method

– Calculated by multiplying the expected lifetime mileage of products sold in applicable fiscal year by the emissions factor for each model.

– For annual mileage and years of use, set based on publicly available information such as the IEA/SMP model.

– Emissions factors for each model are in principle calculated while adopting the recognized values in each country's regulations and set after conversion to Well to Wheel (WTW).

* Data prior to FY2021 is retroactively adjusted using the revised calculation method.

Power consumption amount of Suzuki Group

(GWh)

	FY2020	FY2021	FY2022
Global total	3,058	3,265	3,455
Domestic	1,381	1,327	1,360
Overseas	1,677	1,938	2,095

[Scope of aggregation] Suzuki Motor Corporation and 66 domestic and 32 overseas manufacturing and non-manufacturing subsidiaries (includes consumption of renewable energies generated within sites)

Efforts for design and development

Efforts for next-generation vehicles Development of electric vehicles

Suzuki is developing electric vehicles tailored to the conditions of each country around the world and the way that customers use them toward the realization of carbon neutrality. At the Auto Expo 2023 show held in India in January 2023, we unveiled the eVX, our first global strategic electric vehicle and all-electric concept model, planned for commercialization by 2025. Moreover, in an exhibition event for the G7 Hiroshima Summit held in May 2023, we unveiled the prototype of a commercial minivan electric vehicle equipped with a BEV system that was jointly developed with collaborating companies.



Auto Expo 2023 in India



A commercial minivan electric vehicle unveiled at the G7 Hiroshima Summit held from May 18 to 21, 2023

Efforts for motorcycles

Suzuki developed e-BURGMAN, a demonstration vehicle that can be equipped with a replaceable battery (Honda Mobile Power Pack) and is operated by Gachaco. We conducted a demonstration experiment using this electric scooter from April to June 2023 in Tokyo.

We plan to conduct a demonstration experiment in Osaka going forward, and using data collected in these experiments, such as how they are used and user needs, will develop electric motorcycles in the future.



e-BURGMAN, a demonstration vehicle electric scooter

Efforts for outboard motors

For small outboard motors that are often used in lakes and rivers, we will introduce battery EVs in FY2024. We plan to launch five models by FY2030, and plan battery EV ratio of 5%. For large outboard motors used in the ocean, we are considering adopting carbon neutral fuels.

Efforts to produce automobile batteries domestically in India

In India, addressing the environment is a crucial issue and there needs to be a spread of electrified vehicles affordable for customers. Suzuki along with Toshiba Corporation, and DENSO CORPORATION established the lithium-ion battery manufacturing company, TDS Lithium-Ion Battery Gujarat Private Limited (TDSG), to build India's first dedicated automobile lithium-ion battery cell and pack production plant at a supplier park adjacent to Suzuki Motor Gujarat's automobile plant in Gujarat. Production started in 2021 and they are being supplied to Suzuki vehicle plants within and outside of India, including Maruti Suzuki India Limited.

In addition, the plant covers part of its necessary electricity from solar power generated through solar panels installed on its roof as one effort to address the pursuit of carbon neutrality.

Going forward, Suzuki will contribute to improving the environment and to sustainable development in India by expanding battery production in the state of Gujarat, ensuring a stable supply of lithium-ion batteries in India, and promoting the spread of electrified vehicles (HEVs* and EVs).

* HEV is an acronym of hybrid electric vehicle.



Sales of models equipped with hybrid systems

We offer automobiles equipped with two types of hybrid systems: the Mild Hybrid and Hybrid systems.

■ Mild Hybrid system



■ Hybrid system



■ Hybrid system product range

Installed model	Alto	WagonR	Spacia	Hustler	XBEE	Swift	Solio	Ignis	Escudo
Mild Hybrid	○	○	○	○	○	○	○	○	
Hybrid							○		○

■ Sales of models equipped with hybrid systems*

(1,000 units)

	FY2020			FY2021			FY2022		
		Of which HEV*	HEV ratio		Of which HEV*	HEV ratio		Of which HEV*	HEV ratio
Japan	647	338	52.3%	561	290	51.7%	627	324	51.7%
India	1,323	118	8.9%	1,365	135	9.9%	1,645	296	18.0%
Europe	206	154	74.9%	225	194	86.2%	171	156	91.2%
Others	395	5	1.3%	556	7	1.3%	557	24	4.3%
Total	2,571	615	23.9%	2,707	626	23.1%	3,000	800	26.7%

* HEV (Hybrids) include Mild Hybrid, S-ENE CHARGE, and SHVS.
Part of hybrid units in Others includes hybrid units exported from Japan and India.

Other efforts

● Efforts for CNG*¹ vehicles

In recent years, global warming and air pollution in urban areas are seen as problems in India. Natural gas, which fuels CNG vehicles, is mainly composed of methane (CH₄) that emits less CO₂ and NO_x during combustion compared to petroleum and coal*², so it is expected to suppress expansion of global warming and air pollution. Therefore, Maruti Suzuki India Limited promotes the manufacture and sale of CNG vehicles.

*1 CNG (Compressed Natural Gas)
*2 Reference: FY2014 Petroleum Industry Structure Study on the Expansion of Natural Gas Utilization in Light of Recent International Situation, etc. (March 2015), Institute of Energy Economics, Japan. (Translation)

● Converting to refrigerant with low global warming potential Under the Act on Rational Use and Appropriate Management of Fluorocarbons (Fluorocarbon Emissions Control Act) refrigerants in passenger vehicle air conditioners shipped to Japan are required to convert to a refrigerant with a lower global warming potential from FY2023 onward.

Suzuki has until now used HFC-134a as a passenger car air conditioning refrigerant, but as this has larger global warming potential, we developed air conditioners using HFO-1234yf, a refrigerant that has an extremely low global warming potential, and completed conversion of all cars to be shipped to Japan to HFO-1234yf by the end of FY2022.

Respect for Human Rights

Suzuki's efforts

As stated in the Suzuki Group Code of Conduct, we strive to rigorously implement respect for human rights as we believe that it is the base for all corporate activities. In December 2022, we established the Suzuki Group's new

basic policy regarding human rights. Guided by this policy, we will advance human rights initiatives together with all stakeholders.

Suzuki Group's basic policy regarding human rights

(Basic policy)

Suzuki Motor Corporation (hereinafter, Suzuki) has been placing the motto "Develop products of superior value by focusing on the customer," as the first paragraph of its Mission Statement, and strives to make truly valuable products to satisfy customers (established in 1962).

In keeping with the spirit of the Mission Statement, Suzuki has formulated the Suzuki Group Code of Conduct (hereinafter, the Code of Conduct) as a set of rules for enabling all officers and employees working in the Suzuki Group (Suzuki and its consolidated subsidiaries) to dedicate themselves to their duties healthily, efficiently and energetically (formulated in 2016). The Code of Conduct clearly establishes respect for human rights as an important guiding principle and states that the Suzuki Group will remain aware of international norms concerning human rights and respect fundamental human rights in accordance with the laws and regulations of each country or region.

The Suzuki Group has no intention of taking part in any action that would lead to infringement of human rights. We believe that respect for human rights is the foundation of all of our global corporate activities, and therefore we will thoroughly implement respect for human rights.

1. Governance

(1) Compliance with laws, regulations, and international norms concerning human rights

The Suzuki Group will respect the human rights stipulated in international rules (freedom of association, approval of collective bargaining rights, prohibition of forced labor, prohibition of child labor, elimination of discrimination, etc.), such as The Universal Declaration of Human Rights (UDHR); International Covenant on Economic, Social and Cultural Rights (ICESCR); International Covenant on Civil and Political Rights (ICCPR); and The ILO Declaration on Fundamental Principles and Rights at Work (ILO Core Labor Standards). The Suzuki Group will work to implement respect for human rights, referring to guidelines such as the Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and Japan's Guidelines on Respect for Human Rights in Responsible Supply Chains.

Furthermore, the Suzuki Group will comply with local laws and regulations regarding human rights in every country where it conducts business. If there are discrepancies between international norms on human rights and the laws and regulations of each country or region, the Suzuki Group will strive to respect the higher standard of human rights.

(2) Scope of application

This policy applies to all officers and employees (including dispatched employees). Companies in the Suzuki Group will strive to thoroughly inform their officers and employees about this policy to ensure their compliance.

The Suzuki Group also expects all of its business partners involved in its operations, including suppliers and dealers, to understand this policy and make efforts to respect human rights. We will actively encourage such efforts and cooperate with our business partners to advance activities.

(3) Suzuki's management structure

At the Executive Committee, which is attended by Executive Directors and divisional responsible persons (Managing Officers and Executive General Managers), issues, policies and measures concerning sustainability, including human rights, are discussed. Issues of particular importance are discussed by the Board of Directors. Along with the management, the Company as a whole aims to promote viable activities.

Respect for human rights was discussed as part of the process of defining the Company's materiality (key issues). It was defined as one of the "Issues for strengthening the business base," and confirmed by the Board of Directors in October 2021.

2. Response to human rights risks (human rights due diligence)

(1) Defining human rights risks

The Suzuki Group will define potential or actual human rights risks linked to its business and establish mechanisms to prevent or mitigate such risks. Notably, the Suzuki Group will conduct these activities based on the awareness that emerging countries where it actively conducts business have relatively high human rights risks, such as the risks of forced labor and child labor.

(2) Remediation and remedy

If it is found that we have caused or are involved in any adverse human rights impacts, we will take appropriate steps to remediate such impacts.

As part of these efforts, the Suzuki Group will set up a consultation desk that can be used by the relevant affected parties.

(3) Education

We will provide appropriate human rights-related education and awareness-raising for all officers and employees working at the Suzuki Group to ensure that they understand and implement this policy.

(4) Dialogue and discussion with stakeholders

We will continuously conduct dialogue and discussion about impacts on human rights with relevant stakeholders both within and outside the Company.

In addition, we will consult with third-party organizations with expertise in human rights to ensure the effectiveness of our efforts.

(5) Disclosure of information

We will periodically disclose information regarding our human rights efforts and strive for transparency, while also fulfilling our accountability to stakeholders.

The Board of Directors approved this policy in December 2022. It will be amended as needed based on the circumstances.

December 2022
Toshihiro Suzuki
Representative Director and President

Consultation desk, etc.

As a consultation service that specializes in human resources matters including harassment in the workplace, and consultations relating to safety, health, and mental health, the Human Resources and Administration Consultation Service is open. In addition to the consultation service, an Improvement Proposal Box is located at cafeterias and offices, allowing every employee to easily make a proposal on work improvements or request a consultation. We have also set up the Mental Health Consultation Room with a psychiatrist and psychotherapist, and have also introduced an external counseling service (employee assistance program).

Protecting human rights through products

i-Size child seats* complying with the new UN Regulation No. 129 aimed at increasing safety are offered as genuine accessories in all passenger cars sold in Japan.

Suzuki endorses the Children's Rights and Business Principles and strives to protect the rights of children to safe transportation by ensuring the safety of products and services it provides.

* UN Regulation No. 129: A regulation aimed at improving child restraints based on the "UN 1958 Agreement" concerning the Adoption of Uniform Technical Prescriptions for Wheeled Vehicles, Equipment and Parts which can be Fitted and/or be Used on Wheeled Vehicles and the Conditions for Reciprocal Recognition of Approvals Granted on the Basis of these Prescriptions. WITH series excepted. As of October 2023.

Supply chain efforts

Suzuki complies with the laws and regulations of each country and region in which it does business (for example, compliance with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and business operations according to the five principles for procurement in the Automotive Industry Appropriate Transaction Guidelines in Japan), respects human rights and strives for environmental conservation. Also, we have established the Suzuki CSR Guidelines for Suppliers and ask our business partners to strive for compliance with laws and regulations, respect for human rights and environmental conservation.

Additional efforts regarding respect for human rights

Suzuki decided to intensify efforts to respect human rights in 2021 and conducted the following initiatives in 2022 as one aspect of human rights due diligence.

- Establishment of Suzuki Group Human Rights Policy
Suzuki established the Suzuki Group's basic policy regarding human rights in December 2022 after receiving advice from outside experts and the approval of the Board of Directors (→ P.37). Information is also posted on the Suzuki website to make the information widely known among all interested parties.
- Reaching agreement with suppliers on respect for human rights
Each company in the Suzuki Group (including overseas subsidiaries) is in the process of adding a clause on respect for human rights to the basic purchasing agreements that they have concluded with suppliers.

- Survey of foreign workers

We are aware that there is a risk of human rights violations in Japan when accepting foreign technical intern trainees and in the working and living environment after accepting them. In 2022, with support from a human rights NGO, we held a seminar on the theme of foreign workers issues for our business partners in Japan and conducted a survey on such matters as the employment situation of foreign workers. As a result, we learned that about one-third of our business partners are accepting foreign technical intern trainees, and to confirm the details of their situation, started on-site surveys of suppliers together with the NGO.



Interviewing foreign technical intern trainees

- Efforts to procure minerals responsibly

Suzuki traces back the supply chain and identifies smelters using a survey form provided by the Responsible Minerals Initiative (RMI), an international framework, to confirm whether certain minerals (tin, tantalum, tungsten, gold, cobalt and mica) used in Suzuki products are not a source of funding for armed groups in conflict zones and other areas. We survey for conflict minerals for all automobile, motorcycle and outboard motor products. Suzuki aims to avoid using minerals suspected of being obtained through human rights violations, such as using child labor, referring to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas from the Organisation for Economic Co-operation and Development.

Human Capital

Safety and health

Basic Safety Concept

- **Make safety the first priority. (Safety First)**

The basis of corporate activities is "people." The first priority must be always given to safety that protects "people."

- **All accidents are preventable.**

Managers must lead the workplace, having the strong belief that "all accidents are preventable."

- **Safety is everyone's responsibility.**

While the Company conducts what it should do, every single person must take responsible actions to protect themselves.

Let's make a culture where everyone follows the rules and mutually warns each other in the workplace.

Safety and health control system

The Central Safety and Health Committee which representatives from plants, offices and labor unions attend is held twice a year to determine basic policies related to corporate work safety, labor health and traffic safety.

In addition, the Central Safety and Health Committee conducts a central safety patrol once a year to raise safety awareness within the Company through cross-functional safety activities by inter-department crosschecks. A departmental health committee is established at each office and constantly conducts activities related to safety and health based on the policy of the Central Safety and Health Committee.

Initiatives for safety and health

Suzuki sets targets and priorities to ensure that employees may work safely, securely and in excellent health, as it pursues safety and health initiatives.

■ Initiatives in FY2022

	Target	Priorities	Specific measures
Occupational Safety	Zero serious or lost-time accidents Total number of occupational accidents of 30 or less	Rigorous workplace safety management	<ul style="list-style-type: none"> • Reconfirm the risk of crane work and forklift work • Conduct risk assessment of work that could lead to serious accidents and promote risk reduction measures • Improve work environment and pathways and promote 5S in order to prevent falling accidents • Promote pedestrian-vehicle separation and compliance with rules when walking
		Improve safety awareness and ensure safe behavior through repeated education and drills	<ul style="list-style-type: none"> • Safety education of supervisors • Educate personnel on regulations and rules reflecting past accidents, including experienced workers • Improve risk prediction skills and risk sensitivity by continuing risk prediction drills and providing experiential training on risks
		Prevent accidents by inexperienced workers (less than three months) and workers transferring between processes (less than one month)	<ul style="list-style-type: none"> • Conduct regular patrols, work checks, and interviews • Strengthen follow-up of temporary employees in particular (Confirm rules and basics, and identify difficult tasks)
Occupational Health	Create a better workplace where employees can be physically and mentally healthy	Management of chemical substances	<ul style="list-style-type: none"> • Strengthen chemical substance management associated with amendments to laws and promote risk reduction measures • Prepare lists of chemical substances in use and maps of chemical substance storage locations • Enhancements to labeling standards mandated by laws and regulations, as well as storage methods identifiable at a glance • Nurture chemical substances managers
		Better working environment	<ul style="list-style-type: none"> • Improve work environments for hazardous work (fine particles, noise, chemical substances, etc.) • Conduct measurements in work environment • Perform mask-fit tests of workers exposed to welding fumes • Implement heat illness countermeasures • Improvement measures suited to workplace characteristics, including outdoor and irregular work, and use of heat index • Provide early warning before hot weather and related education and guidance (including construction contractors, etc.)

Risk assessment activities

Suzuki implements risk assessments mainly for prevention of risks as preemptive safety activities. Through these activities, we try to improve safety by identifying potential risks in operations and promoting countermeasures to prevent them. We introduced risk assessment for the close call cases in 2001 and have been working on risk assessment in regular operations since 2013. Moreover, risk assessments for chemical substances have been carried out since 2016. Risk assessment methods were reviewed in 2017, and based on the reviews, we reassess risk levels and work to advance various measures to reduce risks.

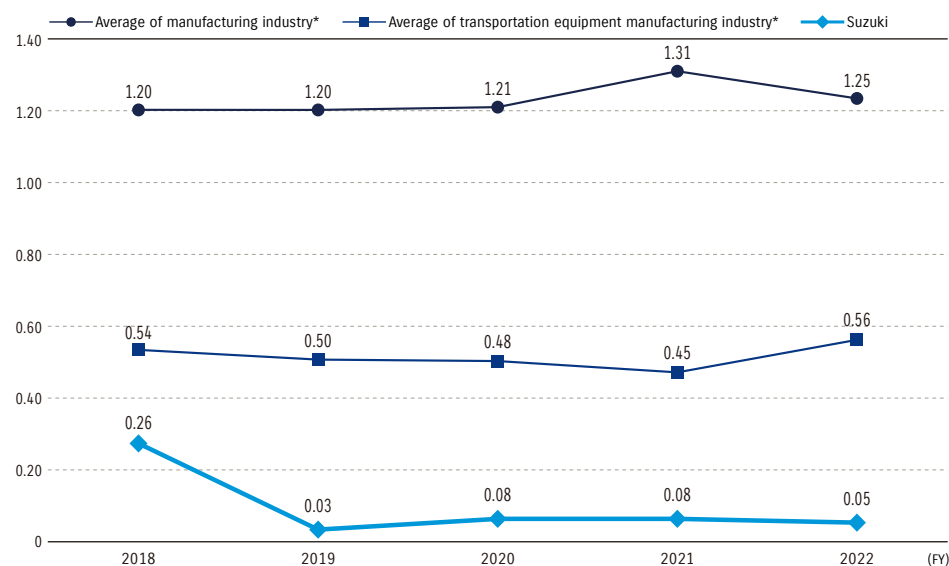
Incidence of occupational accidents

(Cases)

	FY2021 result	FY2020 result	FY2022	
			Target	Result
Total number of occupational accidents	62	75	30 or less	57
Serious and lost-time accidents	Lost-time	4	8	2
	Serious	0	0	0
	(Fatal on-site accidents)*	0	0	0

* The number of worker fatalities was zero from FY2020 to FY2022.

Trends in occupational accident frequency rate



* Source: Survey on Industrial Accidents, Ministry of Health, Labour and Welfare

Health management

Health Declaration



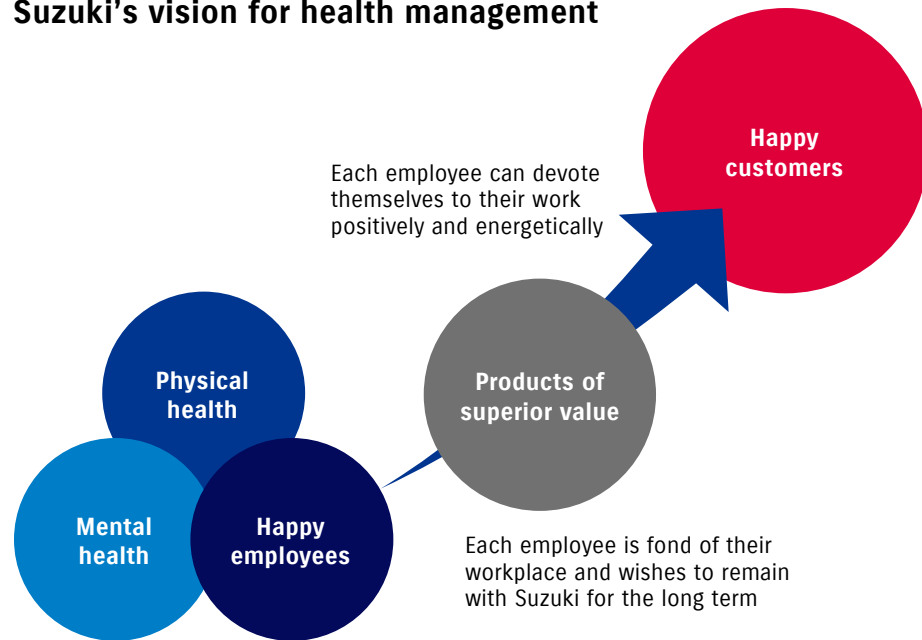
Health Declaration

Guided by the catchphrase of “Happy customers are created by happy employees!” the Company will take on health initiatives as Team Suzuki to ensure that all employees who work at the Suzuki Group can implement the Mission Statement and work positively and energetically in excellent mental and physical health, and as a result, provide products that delight customers.

Representative Director and President

鈴木 俊宏

Suzuki’s vision for health management



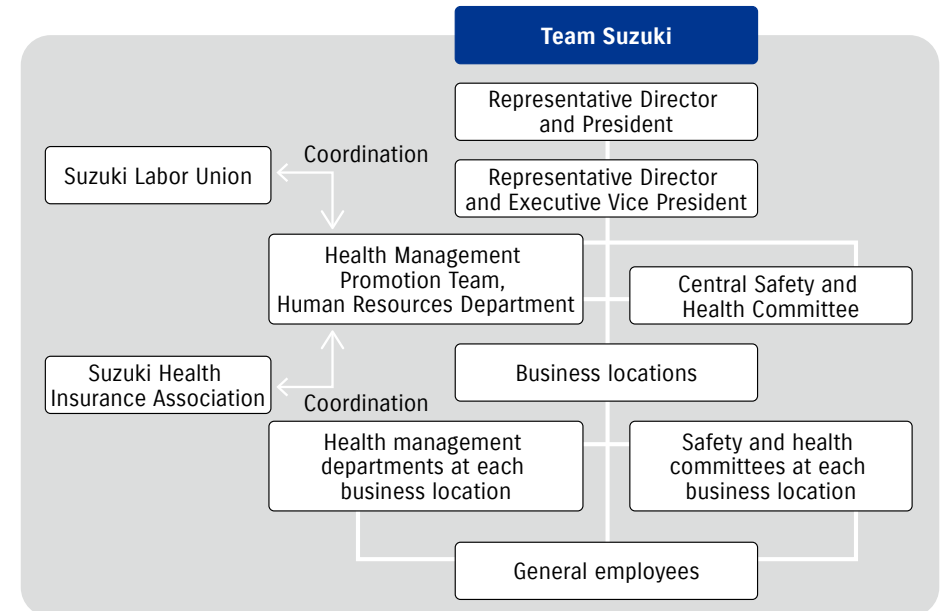
Promotion structure

Headed by the Representative Director and President, the Human Resources Department takes the lead in promoting employee health.

Accordingly, the department will proactively take opinions from experts, including health promoting industrial physicians, public health nurses, and nurses, and carry out activities through labor management cooperation.

In addition, the members of the Health Management Promotion Team have increased their understanding of health management by acquiring Health Management Advisor certification. They also carry out activities to promote Suzuki’s health management activities to a wide audience, both inside and outside the Company.

Organizational structure for promoting health and productivity management



Sustainability Policy | Climate Change | Respect for Human Rights | **Human Capital** | Intellectual Property | Sustainable Local Community | Directors, Auditors and Officers | Roundtable Discussion with Outside Directors | Corporate Governance | Compliance System and Risk Management System

■ KPIs for promoting health management

Category	Measurement method	FY2022	FY2023	FY2025 target
Attendance ratio → Ratio of employees who are able to complete their duties regardless of time or place of work	Ratio of employees who are able to complete their duties without time off due to poor mental health	99.2%	*	100%
	Ratio of employees who are able to complete their duties without time off due to illnesses other than mental health conditions	99.8%	*	100%
Presenteeism → A condition in which operational efficiency has been reduced due to a health problem of some kind	Average of employee survey results (employees' demonstrated performance) using SPQ (Single-Item Presenteeism Question; University of Tokyo Working Group) → Larger scores indicate better conditions	–	71.0%	80%
Work engagement → A condition in which vitality, enthusiasm, and immersion are fulfilled	Average of employee survey results using the short version of the Utrecht Work Engagement Scale (0: Never – 6: Always) → Larger scores indicate better conditions	–	2.71	3.5

* Data for FY2023 is not disclosed as the period is still under way.

■ Health indicators

Category	FY2021	FY2022	FY2025 target
Percentage of employees who received regular health checks	100.0%	100.0%	Continued 100%
Percentage of employees who underwent a thorough examination after a regular health check	71.3%	59%	100%
Specific health check implementation rate	99.4%	99.5%* ²	100%
Specific health guidance implementation rate	53.1%	57.8%* ²	55%→60% (Updated target because it was achieved in FY2022)
Stress check response rate	95.2%	93.0%	95% or more
Smoking rate	24.8%	26.2%	15% or less
Exercises regularly* ¹ (Exercises for at least 30 minutes per session at least twice a week, for one year or more)	25.5%	20.6%	30% or more
Sufficiently rested through sleep* ¹	61.6%	62.5%	65% or more
Skips breakfast at least three times a week* ¹	17.4%	18.6%	10% or less
Drinks alcoholic beverages regularly* ¹ (Drinks approx. 180 ml or more per day)	11.7%	10.7%	10% or less
Obesity ratio	32.0%	30.7%	25% or less
Prevalence of employees showing irregularities in glucometabolic items	14.7%	14.2%	12% or less
Prevalence of employees showing irregularities in lipid items	29.3%	27.5%	25% or less
Prevalence of employees showing irregularities in blood pressure	8.9%	11.8%	8% or less

*¹ Calculated based on health-check questionnaire forms for regular health checks.

*² Disclosed based on figures aggregated as of the end of September 2023.

Stable labor-management relations

Through mutual trust, Suzuki has developed a good relationship with the Suzuki Labor Union, which represents Suzuki employees. The number of labor union members is 17,270 as of the end of FY2022, and the unionization rate of full-time employees (excluding managers and non-union members defined in the labor agreement) is 100%.

Building a new labor-management relationship (from negotiations to dialogue)

Transformation in the labor-management negotiation style from 2022 onward

Previously, the annual spring wage negotiations (the so-called *shunto* (“spring offensive”) wage talks) were the primary occasion for labor-management negotiations.

These negotiations revolved around the core theme of pay raises and bonuses, and other issues involved a mix of individual workplace and cross-divisional issues, making the focal point of discussions difficult to understand. It was difficult to align the Company and the labor union in the same direction, and discussions were often merely a formality to communicate each side’s position.

In light of these conditions, Suzuki sought to energize communication between supervisors and subordinates at the workplace level, which is the foundation of a trusting relationship between labor and management, and to carry out level-based discussions. Suzuki implemented measures during the annual spring wage negotiations in 2022 to achieve these aims.

Activities during annual spring wage negotiations

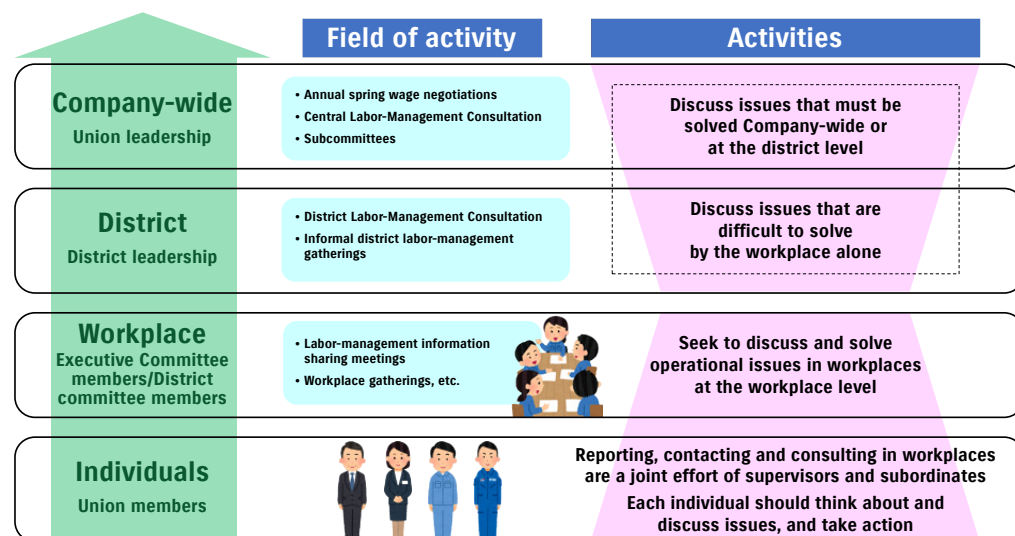
- Suzuki made negotiations “a place of dialogue,” in which the Company conveys its measures for the future, and shares with the union the issues that should be addressed in relation to those measures, with both sides aligning their positions while discussing ways to reach solutions.

- Based on the belief that it would be effective for not only union members, but also managers to work together on labor-management negotiations, a message from the President mainly targeting managers was issued to coincide with the negotiations. Information on the content of the dialogue, including this message, was made available to all members of labor and management.

Continuous activities after labor-management negotiations

- Communication is stimulated by holding regular informal labor-management gatherings at the division level, in order to allow personnel to solve their own workplace issues.
- Issues that are difficult to solve by the workplace alone are discussed continuously in District Labor-Management Consultation and Central Labor-Management Consultation meetings held monthly until the annual spring wage negotiations in March. This process aims to make the annual spring wage negotiations the capstone of labor-management discussions.

	Frequency
Central Labor-Management Consultation	Monthly
District Labor-Management Consultation	Monthly



Conducting union member awareness surveys

The Suzuki Labor Union, which represents Suzuki employees, conducts an awareness survey of all union members in collaboration with the Federation of Suzuki Automobile Workers' Unions (a federation of Suzuki-related labor unions whose members are Suzuki Group labor unions).

This survey has been conducted every year since 2018 in order to create a better company and workplace by grasping the strengths and weaknesses of the Suzuki Group as a whole. Issues identified through the survey results are reported to union members and reflected in union activities. Concurrently, labor and management share the issues, which are put to good use in activities to solve workplace issues, thereby maintaining a stable labor-management relationship.

(Outline of survey results for 2023)

Survey target: all union members

Survey period: April-May 2023

Survey method: anonymous / sealed envelope

Response rate: effective response rate of 79.7%

Question categories: 1. Strategy and culture
2. Management
3. Communication and motivation
4. Work environment
5. Union activities

Engagement (workplace communication)

President's workplace dialogue

Since 2021, the President has visited all workplaces within the Company (divisions, plants, sites) and has held information sharing meetings (2022: 41 workplaces). The President directly conveys his thoughts and ideas to employees, while employees share their daily issues with the President. The President and employees share problems, cooperate, and make a concerted effort to solve those problems. Notably, these meetings provide young to middle-level employees with the opportunity to convey their thoughts and ideas directly to the President in their own words. In addition, the President and other members of management listen to these voices of employees and strive to make improvements flexibly and rapidly.

Revision of business plans

Since FY2023, Suzuki has maintained a balance between personnel development through business execution and man-hours in the business plans of each division by visualizing the necessary man-hours to achieve plans, formulating plans down to the individual level, and assigning work to each individual. Previously, there were some plans that were partially imbalanced in terms of workload and man-hours (number of people x ability). As a result, Suzuki has learned that rather than developing employees, such imbalanced plans result in lower quality work as employees race to handle excessive workloads, resulting in many cases of rework, changes and delays to plans, and exhaustion of the workforce. To ensure that each employee feels like they are growing, Suzuki uses PDCA cycles in operations, while encouraging close daily communication between supervisors and subordinates.

Building a stable relationship with the labor union in the Suzuki Group

The Suzuki Group has 120 member companies (manufacturers, non-manufacturers, sales distributors) at home and abroad. It is our hope that those 120 member companies are individually trusted by the local residents, society, and customers.

At Suzuki, seminars are given to union officials and human resource management personnel of overseas companies to make them understand the importance of trusting relationships and smooth communication between labor and management, as well as the need for a fair and equal personnel management system, etc. We also work with the Suzuki Labor Union to promote global personnel exchanges both domestically and abroad, and we strive to establish a work climate which allows our 70,000 employees in 120 companies to enjoy working with a highly creative and stable labor-management relationship.

India | **Maruti Suzuki India Limited**

Maruti Suzuki India strives to ensure a stable and friendly labor-management relationship through effective communication, employee participation in important decision-making processes, and various employee welfare programs. The company conducts regular interactive communication led by the President with employees at various levels in order to constantly provide information on the condition of management overall and provide a robust platform for exchanging opinions.

Meeting	Frequency
Managing Director meeting with labor union representatives	Monthly
Directors in charge of production and human resources meeting with labor union representatives	
Production and human resources department meeting with labor union representatives	Held continuously
Production and human resources department meeting with front line employees	
Front line employee grievance hearings held through a dedicated help desk	Weekly

● **Freedom of association and collective bargaining**
 Maruti Suzuki India respects the right of its employees to form and join labor unions. Maruti Suzuki India recognizes three employee labor unions. There is one labor union each at Gurgaon Plant, Manesar Plant, and Manesar Powertrain Plant. These are independent labor unions, and elections are held in accordance with union regulations.
 The union representatives and management communicate regularly through constructive dialogue and collective bargaining. In addition, the three labor unions make wage revisions every three years, based on a shared labor union charter. Elections to decide the representatives of the labor unions at the Gurgaon Plant and the Manesar Powertrain Plant were held without incident in FY2022.

● **Compensation system**
 Maruti Suzuki India provides industry-leading allowances and compensation that exceeds the industry average. In terms of remuneration policy, the company has introduced a well-structured performance-linked remuneration system for all levels of employees, without gender discrimination, and based on indicators of improved productivity and achievement of business targets.

● **Employee welfare system**
 Maruti Suzuki India values employees who contributed to the company's development. The company contributes 1% of after-tax profit in the prior fiscal year to a fund for employee welfare. The fund is utilized for welfare measures such as housing loan subsidies, educational support for employees' children, development of shared infrastructure for employee housing, and social security measures such as post-retirement medical benefits for employees and their spouses.

At a housing project carried out in Dharuhera in the state of Haryana, 262 housing units have so far been delivered to employees. Several additional housing units are currently under construction and are scheduled to be delivered to employees.

● **Connections between employee families and the company**
 To build connections with employees' families and provide for their welfare, Maruti Suzuki India holds events such as career counseling by experts for employees' children, Family Day, and plant tours for families. Communication through internal newsletters and President's messages issued on special days fulfill a crucial role in relations with employees' families.

● **Handling grievances from local employees through a specialist help desk**
 A specialist help desk handles grievances, in order to address grievances reported by employees, including temporary employees. Regular grievance hearings are held to address employee problems.

● **Awards presented and received**
 Maruti Suzuki India has received an award from Ambition-Box for the "Best Places to Work in India 2022" in the automobile industry.



Human resources development

Basic policy on human resources and human capital

Suzuki's Mission Statement sets three goals for all employees of the Suzuki Group to understand and strive for: a goal toward carrying out a company's social missions (making products), a goal for the corporate organization that they belong to (building the company), and a goal for themselves (developing human resources). Based on these goals to strive for, the President is personally leading various reforms related to human resources development in keeping with the belief that human resources development is the cornerstone of a company. In October 2022, the organizational structure was reshaped with the reorganization of the Human Resources/General Affairs into the Human Resources Development Division. The Company is focused on developing people unique to Suzuki who embody the Mission Statement and Philosophy of Conduct.

Additionally, Suzuki aims to achieve a carbon-neutral society, which is its social mission, and finds itself in a period of once-in-a-century major transformation known as CASE. In this environment, Suzuki must deal with major changes that would be unachievable if it remained a conventional automaker. To this end, Suzuki is working to recruit and develop a diverse spectrum of human resources, including personnel who can boldly take on new challenges, personnel with diverse experiences and values who can generate new ideas, personnel with sophisticated expertise, and personnel who can succeed globally.

Furthermore, Suzuki will work to build a company in which employees with unique personalities can demonstrate their abilities in working toward common goals, create outcomes of even higher added-value, and continue to work vigorously while feeling job satisfaction and purpose. This will be accomplished by encouraging staff to take on the challenge of achieving high goals and fostering a culture that values individual effort in line with the spirit

of the Mission Statement.

More recently, Suzuki has been listening to the voices of employees more closely than ever, conducting thoughtful dialogue between labor and management, and advancing reforms through various personnel and general affairs measures, such as drastic changes in the personnel system, bold revision and abolition of operations, workstyle reforms, and improvements in working conditions. Through these efforts, Suzuki aims to transform itself into a company that every employee is happy to work for.

In-house education system

Suzuki's education system is comprised of three pillars, which are group training, in-house workplace training, and voluntary skill development. Suzuki Juku, in charge of education, provides Company-wide, cross-functional education, including rank-based training, based on the philosophy of our Mission Statement. They also collaborate with engineering and manufacturing departments to conduct job-specific training (basic) seminars for knowledge and abilities needed for execution of operation.

Human resources development concept

The following types of training are carried out based on the concepts of "enhancing the basic abilities of new recruits through to young employees" and "planned and continuous learning with rank-based follow-up."

(1) Training to enhance the basic abilities of new recruits through to younger employees

Provide stage-based learning opportunities for younger employees in their second through to seventh year in the Company based on the year of entry and on subjects from basic behaviors through to team building.

(2) Training planned to develop employees with job titles
Training for newly appointed employees with job titles and follow-up seminars will provide continuous learning opportunities.

In job-specific training, necessary skills are clearly defined according to each individual's attributes, and training is planned and implemented to acquire those skills.

Moreover, online training is being expanded to enable employees to obtain effective learning opportunities amid a time of diversifying work styles as one aspect of work style reform.

■ FY2022 training data

Number of employees on a standalone basis (as of March 31, 2023)	16,550
Number of training participants	74,800
Annual training expense per employee*	¥26,100

* Excludes costs for on-the-job training, in-house personnel expenses and facility operations, etc.

New human resources development initiatives

Introducing problem-solving methods

In its operations, Suzuki found some incidents in which employees had made a cursory analysis of the causes of problems and hurried responses, resulting in rework and wasteful activities, thereby spurring on the shortage of man-hours. In response, Suzuki has begun introducing shared Company-wide problem-solving methods from June 2021, as part of efforts to improve each employee's problem-solving skills by boosting their capacity to identify the true cause of problems and their ability to solve them. Project teams are working to promote widespread adoption and regular use of these methods. Since FY2022, the problem-solving methods have been integrated into Company-wide training.

Dispatching young employees to startups

Suzuki has started dispatching young employees to startups, with the aim of reaffirming its basic principle of fostering an entrepreneurial spirit to face difficulties and pioneer a way forward, expanding horizons and knowledge, and increasing each employee's sensitivity to trends outside the Company. In Japan, Suzuki has dispatched staff to M2 Labo. Inc. since 2020. Beginning in August 2022, the Company has also dispatched staff to SkyDrive Inc. to sow seeds and develop "flying cars" into one of Suzuki's new mobility businesses to follow automobiles, motorcycles, and marine products. Overseas, Suzuki has dispatched young employees from various internal divisions to India, where digitalization is evolving rapidly, through the Suzuki Innovation Center (SIC) since November 2022. It has started an innovation generation activity that will lead to social contribution in which Indian Institutes of Technology students and Suzuki employees contribute ideas and develop IT products with the goal of solving issues that people face in their daily lives.

Harnessing the abilities of Indian personnel

Suzuki is pursuing new fields, including its response to CASE, primarily in Japan, while transferring operations in existing domains to India. Local Indian personnel, including Maruti Suzuki India employees, and Japanese personnel are mixing together and working as one, with a view to enhancing the education and training of Indian personnel further than before. These efforts will improve development capabilities in India and boost Suzuki's overall competitiveness.

Training in Silicon Valley

Suzuki began dispatching staff to Silicon Valley in September 2017 to learn design thinking, which is a problem-solving method, and to embrace the venture spirit of taking on challenges without fear of failure. So far, Suzuki has dispatched a total of 173 people to Silicon Valley on 16 occasions to learn from local startups that embody a "focus on the customer," which is a major element of Suzuki's Mission Statement. During the COVID-19 pandemic, Suzuki has provided online training to a total of 103 people on 10 occasions. Personnel with a wide range of titles and levels, from executives to young staff, have participated in the training, with the President also attending. Following the training, personnel have applied the things they have learned, such as design thinking and the mindset of taking on challenges without



fear of failure, which they learned locally, to daily operations, new projects, and human resources development.

Digital education

The use of digital technology to identify and solve issues has been rapidly increasing. At Suzuki, various digital technology-related activities and decision-making processes are quickly expanding. Accordingly, Suzuki is working to ensure that officers as well as Executive General Managers and all other employees, understand the purpose of digital technology, and have digital literacy, knowledge and skills.

<Main digital education activities>

- (1) Management voluntarily changes not only their awareness, but also their behavior (e.g., switch from paper to digital documents)
- (2) Reduce back-office tasks by 50% using digital technology based on the slogan "Simple Work!"
- (3) Revamp the mission-critical enterprise system with the aim of achieving data-driven management (deploy ERP)
- (4) Provide Company-wide education to facilitate data utilization
- (5) Meet customer needs by ensuring that the Company and customers connect through all manner of customer touchpoints
- (6) Nurture and assign digital technology professionals in the Company to accelerate the process of digitization by conducting it in-house



Diversity in human resources

Women

Initiatives to promote participation by women

To further create workplaces where women can work successfully, Suzuki has increased the number of new female graduate recruits since 2015. Since 2020, the Company has also set a target to triple the number of female employees with job titles in 2025 compared with the number in FY2015, and it is working to increase the number of female employees with job titles who are candidates for manager roles. The number of female employees with job titles in FY2022 was 156, which was 2.9 times more than in FY2015.

Meanwhile, the number of female managers was 21 as of FY2022 (ratio of female managers: 1.6%). Suzuki is reviewing its personnel system to determine whether it is assigning work to all employees based on their competence, regardless of post, occupation, or gender, and compensating them for that work. From the perspective of impartiality, Suzuki believes that it is reasonable to expect the gender ratio to be almost equal in each type of post, such as general employee, officer, or manager. Based on this belief, Suzuki believes that the ratio of women to all employees (12.4% in FY2022) should be the future target for the ratio of female managers, which the Company should achieve. Suzuki will work on personnel system reforms, development of the environment and human resources development so that the ratio of female managers reaches 2.0% by FY2025.

Furthermore, Suzuki considers the low ratio of women in the automobile industry to be an issue. Suzuki is striving to realize ease of work so that everyone, regardless of gender, age or disability, can work comfortably in all its workplaces, including production plants. To that end, the Company will take steps such as fundamentally improving work environments through production technology innovation.

Gender wage gap for workers (%)*		
All workers	Full-time workers	Part-time workers, temporary workers
64.4	64.0	67.5

* Data from Suzuki Motor Corporation, calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015)

Action Plan based on the Act on Promotion of Women's Participation and Career Advancement in the Workplace

1. Term of plan
From April 1, 2020 to March 31, 2025 (5 years)
2. Issues
 - Low ratio of female managers
 - Low rate of paid annual leave taken by all employees including managers
3. Target
 - (1) Triple the number of female employees with job titles in 2025 compared to FY2015, before the Act on the Promotion of Female Participation and Career Advancement in the Workplace was enforced (Increased by 2.9 times in FY2022)
 - (2) Improve rate of paid annual leave taken by all employees, including managers, by 10% compared to FY2018 in 2025 (Achieved 10% improvement in FY2022)
4. Actions to take

Action 1: Reinforce awareness of existing measures to promote flexible work styles, and promote using them

 - ◆ Education regarding work and family balancing (conducted at training by employment year / managerial hierarchy)
 - From the first half of FY2020:
 - Conduct training to promote understanding among employees with a job title
 - Conduct explanations and promotions of the work and family balancing system for young employees
 - From the first half of FY2021:
 - Conduct explanations and promotions of the work and family balancing system to new employees
 - ◆ Communicating information regarding work and family balancing
 - From the first half of FY2020:
 - Hold gatherings of employees taking childcare leave ahead of their reinstatement (twice a year)
 - Explanations of the work and family balancing system, exchanges of opinion with employees who have taken childcare leave, exchanges of information among employees taking childcare leave, provision of information regarding postpartum care from an industrial doctor, individual consultations, etc.
 - From the first half of FY2021:
 - Set up an internal webpage regarding information on work and family balancing support

Action 2: Enhance awareness of promotion to take paid leave, and consider measures to promote taking leave

 - ◆ Inform regarding the status of paid leave taken, and promote using paid leave
 - From the second half of FY2020:
 - Disclose the status of paid leave taken by each department on the internal website to promote taking leave
 - From the first half of FY2021:
 - Renew the attendance recording system so that employees themselves can easily ascertain the status of paid leave taken

Other initiatives besides the above include:

 - Develop abilities for planned assignment in positions and job types where women are under-represented
 - Strengthen systematic human resource development, including the acquisition of work experience and business knowledge necessary for women to become managers
 - Initiatives to create workplace environments and culture where men and women are equal

Going forward, the Company will take various initiatives to become a company where female employees can demonstrate their abilities and work successfully.

Mid-career recruitment

To secure a diverse range of human resources, Suzuki has been focusing on mid-career recruitment in recent years in addition to new graduate recruitment. In FY2022, the Company hired 105 people (a 44% (43 person) increase over the previous year). In FY2023, Suzuki continues to rapidly bring on talent from outside the Company, with mid-career recruitment already reaching 84 people (as of the end of April). Furthermore, Suzuki has established a new employment format that is not limited to the existing personnel system for certain human resources who possess knowledge and experience that the Company does not have at all. This new employment format was implemented beginning in June 2023.

Recruitment of non-Japanese personnel

Suzuki is focusing on the recruitment of digital professionals to develop next-generation technology. Since 2018, Suzuki has directly hired graduates of the Indian Institutes of Technology (10 people as of April 2023). In the Indian market, where Suzuki is strong, the Company is working with Maruti Suzuki India to strengthen its competitiveness.

Re-employment

Employees 60 and over make up 5.9% of the workforce (as of March 2023). The Company has revised the re-employment system for managers so that these personnel can work vibrantly leveraging their past experience and knowledge, while maintaining their physical fitness and health. If job tasks remain at the same level after the age of 60 and above, remuneration has been improved to the same level as before the retirement age. In the future, Suzuki plans to expand this system to union members in order to encourage the success of experienced human resources regardless of post.

Employment of people with disabilities

Suzuki strives to create a working environment where people with disabilities can continue to work at ease. We appoint a specialist in charge of employing people with disabilities, as well as a psychiatric social worker in the Human Resources Department to provide individual consultations periodically and also assign a vocational life consultant for persons with disabilities to each workplace to care for their problems.

- Business development of special subsidiary Suzuki Support

Suzuki Support Co., Ltd., a special subsidiary company established in February 2005, has been conducting business activities for 18 years. As of the end of July 2023, 82 employees with disabilities, including those with severe disabilities, are performing janitorial services at Suzuki's head office, employee dormitories and related facilities and stationery management services, as well as farm work at Suzuki's farm together with supervisors.

Their sincere and cheerful attitude toward work greatly encourages all the people in Suzuki.

Suzuki will, through Suzuki Support, continue to actively employ people with disabilities for them to feel happiness through working and to grow as people through social participation in line with the philosophy behind the establishment of Suzuki Support, which is to contribute to society.

[Summary of Suzuki Support]

1. Company name	Suzuki Support Co., Ltd.
2. Capital	¥10 million
3. Capital investor	Suzuki Motor Corporation
4. Location	300 Takatsuka-cho, Minami-ku, Hamamatsu, Shizuoka
5. Establishment	February 2005
6. Business category	Janitorial services, stationery management, farming production
7. Representative	Yusuke Kato
8. Number of employees	129 (incl. 82 employees with disabilities)



Intellectual Property

Initiatives related to intellectual property

Suzuki has made it the first part of its Mission Statement to “develop products of superior value by focusing on the customer.” The Company conducts intellectual property activities basically for rights formalization of knowledge and technology that create value, and protects, accumulates and utilizes these rights as intangible assets.

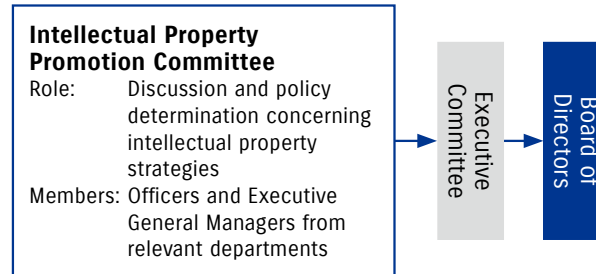
The core of these intellectual property strategies lies in “Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty),” which is the root of Suzuki’s philosophy and culture and also contributes to carbon neutrality. Based on the Philosophy of Conduct “Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty),” each and every employee will respond to the diversifying needs of customers and society with wisdom and ingenuity. They will design and develop products with original ideas that are unique to Suzuki, inspiring amazement, and will continue to create intellectual property.

Promotion structure

● Intellectual Property Promotion Committee

In March 2022, the Company newly established the Intellectual Property Promotion Committee. This committee, which is attended by Directors, Managing Officers and Executive General Managers from relevant departments, holds Company-wide discussions on intellectual property strategies, and will continue this activity in the future (held 13 times between March 2022 and October 2023).

The contents discussed and determined at this committee are reported to the Executive Committee and the Board of Directors for approval. In this way, the Company establishes an appropriate governance organization for intellectual property and promotes the execution of intellectual property strategies.



● Strengthening intellectual property activities on site
 Based on discussions at the Intellectual Property Promotion Committee, Intellectual Property Dept. staff will enter a site in an advanced development field where attention must be given, such as electrification, next-generation mobility, or the realization of customers’ desires, and additionally, collaborate with a staff member called the patent coordinator dispatched to the site side as a mediator between the site and the department in charge of intellectual property, thereby crafting the insight and ideas at the frontline of work into the shape of a patent with a competitive edge.

● Enhancing incentives to create intellectual property through a reward system

In April 2023, Suzuki revised the reward system for intellectual property to make individual employees who create intellectual property feel “praised,” “recognized” or “highly commended.” Incentives for creating intellectual property were also strengthened in such ways as, in particular, having the inventors of patents chosen by general managers for embodying “Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty)” being presented with awards directly by the President at Company-wide events, holding roundtable talks among the inventors, the President and officers, and disclosing scenes of such events on the Company intranet.

The recipients of this fiscal year’s presidential award are the four patents described in the next section, “Achievements of ‘Sho-Sho-Kei-Tan-Bi.’”



An award ceremony for patent inventors held in the new fiscal year ceremony

Achievements of “Sho-Sho-Kei-Tan-Bi”

(1) Paint repairs and paint repair methods (candy paint)

<Patent key point>

The significance of the invention is that the method allows for partial repair of defective metallic painting rather than rework on the entire panel.

<Unique to Suzuki>

Smaller: Smaller paint repair area

Fewer: Fewer paint repair costs

Shorter: Shorter time for repairs

Beauty: Finish is as beautiful as when using conventional process methods

(2) Vehicle proximity notification device

<Patent key point>

The significance of the invention is that the vehicle proximity notification device is located at the back of the front emblem of the vehicle, improving interior quietness by generating alerts directed forward, and at the same time reducing damage to the speaker in the event of a front-on collision.

<Unique to Suzuki>

Smaller: Space-saving

Fewer: Lower alert volume and reduced collision damage

(3) Electrified vehicle body structure

<Patent key point>

The significance of the invention is that the BEV platform is based on a gasoline vehicle platform with minimal structural changes.

<Unique to Suzuki>

Fewer: Reduced development costs

Lighter: Lighter due to a reduction in parts

Shorter: Shorter development period

(4) Driver assistance device

<Patent key point>

The significance of the invention is that vision of the blind spot on the left-hand side of the vehicle automatically displays when necessary while passing on narrow roads.

<Unique to Suzuki>

Fewer: Monitor display activation is the minimum necessary

Beauty: Cumbersome screen switching is avoided

Various initiatives concerning intellectual property

● Enhancing patent applications in India

Suzuki has been enhancing patent applications in India, which is one of Suzuki’s primary markets. Following Japan, where we have the most rights acquired (approximately 4,200), we have currently acquired and maintain over 1,600 patents in India.

● Periodic provision of the latest patent-related information

As one benchmark, we promote viewing technological information by providing the latest patent-related information about business inside and outside the Company in an easy-to-view format, and support manufacturing and the realization of customers’ desires.

● Conducting systematic intellectual property training

Suzuki also concentrates on intellectual property training, implements stratified training with a focus on patent and copyright laws, and promotes the importance of preserving and utilizing intellectual property throughout the entire company.

Sustainable Local Community

Promotion through products

Welfare vehicles (WITH series)

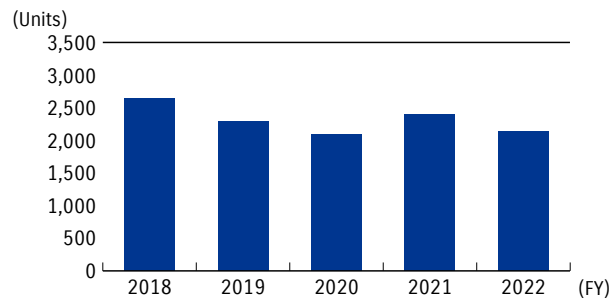


Sales of our WITH series welfare vehicles began in 1996. These vehicles are designed to provide seniors and people with disabilities with greater ease of entry and exit of automobiles.

At present, there are two types, a wheelchair courtesy vehicle and a lifting seat type vehicle, and four models are available. We are working to develop a lineup of welfare vehicles so that customers can select a vehicle suitable for specific needs and situations.



■ WITH series sales



Wheelchair courtesy vehicle

Wheelchair courtesy vehicles make it easy for persons requiring special care to get into and out of the rear of the vehicle while seated in a wheelchair. The low floor vehicle allows the helper to easily support persons who require special care while getting in or out. This vehicle can accommodate either a manual wheelchair or motorized wheelchair. Spacia, Every Wagon, and Every have a wheelchair courtesy variant.



Every Wagon wheelchair courtesy vehicle

Lifting seat type vehicle

The lifting seat type vehicle equips the passenger seat with the function to move up and down and rotate by a command switch to accommodate persons requiring special care. Since the seat can be brought into a position that makes it easy for the person requiring special care to get in and out, the stress on the helper is reduced. WagonR has a variant equipped with the lifting passenger seat.



WagonR lifting seat type vehicle

Electric senior vehicles

Suzuki has a lineup of electric senior vehicles, motorized wheelchairs with a loop-shape steering handle, mainly as a means of transport for the elderly for day-to-day events such as shopping or strolls.

* Motorized wheelchairs (electric senior vehicles) are regarded as pedestrian traffic. A driver's license is not needed.

The electric senior vehicle equipped with a user-controlled, loop-shape steering handle was first introduced in 1985. This motorized wheelchair is mainly designed to enable seniors and people with disabilities to easily go out. It is capable of moving at adjustable speeds ranging from 1 km/h to 6 km/h. Charging involves plugging into a household 100 V power outlet.



ET4D



ET4E

Initiatives to solve community issues

● Participation in the Hamamatsu Automated Driving Yaramaika Project

In 2016, Suzuki joined the Hamamatsu Automated Driving Yaramaika Project by signing a Partnership Agreement with Hamamatsu City, Enshu Railway Co., Ltd., and SB Drive Corp. (currently BOLDLY Inc.). The Hamamatsu Automated Driving Yaramaika Project is an initiative to explore the ideal form of sustainable public transportation by solving regional public transportation issues, specifically securing a mode of transportation for people who are at a disadvantage because they live in areas lacking public transportation in Hamamatsu City, which has a diverse range of areas from urban to mountainous areas. In anticipation of the future commercialization of automated driving technology, the four partners are collaborating to conduct verification tests to determine which types of mobility services are best suited as a mode of transportation in areas lacking public transportation, while obtaining the cooperation of local residents.

The project has so far received many opinions and comments from local residents about mobility services and automated driving, including factors such as their acceptance of such services and the user friendliness of



vehicles, through three verification tests conducted in 2017, 2019, and 2022. The project is using this feedback to develop mobility services and automated driving technologies in accordance with the principle of the actual place, actual thing, actual situation.

Mobility services using small vehicles on scheduled and set routes are expected to be helpful in securing a mode of transportation in areas lacking public transportation and to stimulate the local community through social participation by many more residents. The Hamamatsu Automated Driving Yaramaika Project will continue to conduct activities based on the "Yaramaika (give it a try) spirit," with the goal of expanding the area that local residents can freely get around as they wish through mobility services and automated driving technology.

● Support for mini-truck markets

Suzuki supports the mini-truck markets that are held across Japan.

A mini-truck market is a temporary market in which truck-type mini vehicles (mini-trucks) come together to display and sell goods such as food, local specialties, and general merchandise on their truck beds. In 2005, the first mini-truck market was held in Shizukuishi, Iwate Prefecture as a means of revitalizing the community. Mini-truck markets are currently held in over 120 regions throughout Japan.

Mini-trucks feature truck beds that are the ideal height for displaying and selling goods, plus they are movable vehicles, making it very easy to set up and take down a market.

Because many farmers own mini-trucks, producers are able to transport fresh goods directly from farm to market.

The organizers of mini-truck markets are mostly local chambers of commerce and industry and other similar organizations. The venues are largely shopping streets that are struggling to attract customers. Mini-truck markets frequently create a buzz and generate interest because of the wide range of products available and distinct regional features. As a result, visitors to mini-truck markets have been increasing year after year, and an increasing number of new areas have been hosting these markets. As populations become more concentrated in cities, mini-truck markets have helped to revitalize regional communities and shopping streets.

Suzuki empathizes with mini-truck markets' efforts to reinvigorate communities. It serves as a cheerleader for these events through activities such as providing operational support to mini-truck markets. By doing so, Suzuki will continue to support mini-truck markets throughout Japan.



President Suzuki walked around the 7th National Mini-truck Market in Nagano Shinonoi (October 2022) and encouraged each participant through conversation.



Directors, Auditors and Officers

(As of October 2023)

Representative Directors



Toshihiro Suzuki
Representative Director
and President



Naomi Ishii
Representative Director
and Executive Vice
President
Supporting President, and
Executive General Manager,
Corporate Planning Office



Masahiko Nagao
Director and
Senior Managing Officer
In charge of Public Relations



Toshiaki Suzuki
Director and
Senior Managing Officer
Executive General Manager,
Domestic Marketing, in charge
of Domestic Marketing I, and
Representative Director and
President, Suzuki Finance
Co., Ltd.



Kinji Saito
Director and
Senior Managing Officer
Executive General Manager,
Global Automobile Marketing



Hideaki Domichi
Outside Director



Shun Egusa
Outside Director



Naoko Takahashi
Outside Director

Audit & Supervisory Board Members



Taisuke Toyoda
Full-time Audit &
Supervisory Board Member



Masato Kasai
Full-time Audit &
Supervisory Board Member



Norio Tanaka
Audit & Supervisory
Board Member (Outside)



Norihisa Nagano
Audit & Supervisory
Board Member (Outside)



Mitsuhiro Fukuta
Audit & Supervisory
Board Member (Outside)

* Hideaki Domichi, Shun Egusa and Naoko Takahashi are Outside Directors as stipulated under Article 2, Item 15 of the Companies Act.

* Norio Tanaka, Norihisa Nagano and Mitsuhiro Fukuta are Outside Audit & Supervisory Board Members as stipulated under Article 2, Item 16 of the Companies Act.

Officers

Executive Vice President

Kenichi Ayukawa Chief Marketing Officer, and Executive General Manager, India Operations

Senior Managing Officers

Yukihiro Yamashita Senior Managing Officer based in Maruti Suzuki India Limited, and Chairman, Suzuki R&D Center India Private Limited

Katsuhiro Kato Executive General Manager, Automobile Powertrain Engineering

Managing Officers

Shinichi Imaizumi Executive General Manager, Domestic Marketing Administration, Domestic Marketing

Kazunobu Hori Executive General Manager, Global R&D Project, and Managing Director, Suzuki R&D Center India Private Limited

Shigeo Yamagishi Executive General Manager, Vehicle Regulations and Engineering Administration, and Deputy Chief Officer, Inspection Reform Committee

Shigetoshi Torii Chief Officer, Inspection Reform Committee

Masayuki Fujisaki Executive General Manager, Product Planning, and in charge of CIP Promotion

Yutaka Kikukawa Executive General Manager, Legal/IP, and Committee, Inspection Reform Committee

Masahiro Ikuma Executive General Manager, Procurement Strategy

Hisanori Takashiba Managing Director, TDSG (Lithium-Ion Battery Plant)

Hisashi Takeuchi Managing Director & CEO, Maruti Suzuki India Limited

Kenichiro Toyofuku Supporting CEO, Maruti Suzuki India Limited

Tatsuro Takeuchi President, Suzuki Motor Sales Kinki Inc.

Kenichi Goto In charge of Parts Center and PDI Operations Reform, and Executive General Manager, Spare Parts and Accessories

Yoshihiro Ugai Executive General Manager, Global IT

Ryo Kawamura Executive General Manager, Finance

Koichi Suzuki Executive General Manager, (Europe/Middle East/Africa Automobile Marketing), Global Automobile Marketing

Kazuo Ichino Executive General Manager, Manufacturing, and in charge of Painting Plant in Manufacturing, and Deputy Chief Officer, Inspection Reform Committee

Naoki Matsuura Executive General Manager, Audit

Hidetoshi Kumashiro Executive General Manager, Automobile Electrical/Electronic Engineering, and in charge of EV Technology, EV Operations

Roundtable Discussion with Outside Directors



Naoko Takahashi
Outside Director
(new appointment)

Hideaki Domichi
Outside Director
(fourth year in office)

Shun Egusa
Outside Director
(second year in office)

Facilitator: Thank you for taking time out of your busy schedules to gather here today. I would like to begin by asking you to talk about the characteristics and operation of Suzuki's Board of Directors.

Characteristics and operation of the Board of Directors

Takahashi: I feel as if I have been with Suzuki for a very long time, as I have attended many other meetings besides Board of Directors meetings. However, let me talk based on the premise that I have only been on the Board for two months.

When I first attended a Board of Directors meeting, I was quite nervous. I was expecting a more formal atmosphere,

but in fact it was friendly, and seeing the Directors' express various opinions and give thoughtful responses made it easy for me to join the discussions.

Facilitator: How about you, Mr. Domichi and Mr. Egusa? Have there been any changes between when you first joined and now?

Domichi: I think things have changed a great deal compared to when I first joined the Board of Directors three years ago. The biggest change is that our compliance with the Corporate Governance Code is no longer a mere formality but is more substantial, with focused deliberation on priority issues necessary for the Company to grow and increase its competitive edge. We are all

engaged in serious discussion on what Suzuki should do, and I believe this is a sign of our determination to survive this once-in-a-century great transformation of the automobile industry.

In addition, the information necessary for such discussions is shared very thoroughly, even among us Outside Directors. This is not a common practice in many companies, so I appreciate Suzuki's stance in this regard. I think Suzuki is one of the most progressive companies I know. What is more, we Outside Directors are allowed to attend not only Board of Directors meetings but also Executive Committee meetings, monthly meetings, and product planning meetings. I think sharing information is crucial for effective discussions.

In addition, meetings provide an opportunity to freely exchange opinions on any questions we may have or want to confirm, besides the items on the agenda. This is something I am very grateful for and have now realized is a big change in the characteristics and operation of meetings which the Board of Directors attends.

Egusa: I also found Suzuki to be an open and friendly company. At my former company, I was the manager of the automobile parts business, so I have worked with many automobile manufacturers, but I never expected Suzuki to be so open. I thought attending the Board of Directors meeting would feel more solemn, like how a samurai feels entering Edo Castle, which was the highest governmental institution in Japan, to take revenge, knowing that he would be severely punished. However, everyone at the meetings spoke freely and we Outside Directors could speak up as well, so it was completely different from how I imagined. Because there is a culture of openness, we are allowed to point out Suzuki's weaknesses and bring in information from the outside.

Takahashi: I have also been able to participate in meetings other than Board of Directors meetings, so this has made it very clear and easy to understand how discussions take place and how they make their way up to the Board of Directors meetings.

Domichi: I think the most important thing is having the freedom to set an agenda. I have observed many different companies until now, and if you want to do things in the most efficient way, it is better to keep discussion to a minimum. That is why the board of directors of many companies only give brief explanations to outside directors like us. But even if they have this approach, their internal conditions will be revealed eventually. Therefore, as everyone has said, I think Suzuki has done a great job of valuing a high degree of freedom.

Egusa: However, it is important to maintain a third-party perspective as an Independent Outside Director. We need to look at things subjectively. At times, we need to clearly point out wrong things when we see something is wrong without fear of being hated.

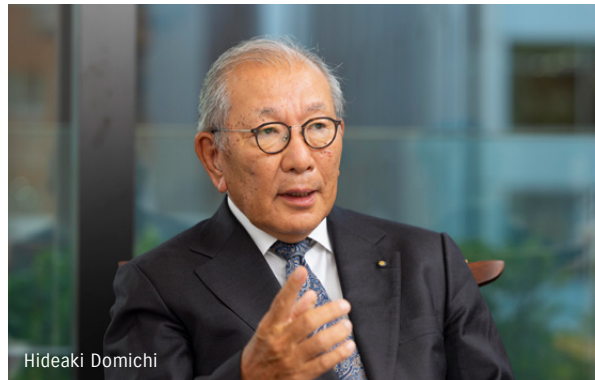
Facilitator: So, the Outside Directors have to play a supervisory role.

Let's move on to the next question. What is your assessment of the Growth Strategy for FY2030 that was announced in January 2023?

Assessment of the Growth Strategy for FY2030

Egusa: Our targets for 2030 are net sales of ¥7 trillion and global sales of 5 million automobiles. It is better to set goals that are as ambitious as possible. However, while it is good to set big goals, implementation and execution are more important. It is a plan that requires tremendous capital expenditure, investment in development, and other resource investments, but since our resources are of course limited, Suzuki needs to leverage India as well. Also, marketing is important. We have seen examples in the past of huge investments poured into manufacturing that did not produce the desired results in terms of sales. There have been many cases where the market did not follow expectations or the Company was beaten out by competitors, so it must not forget those past benchmarks.

Domichi: I think it was good that Suzuki announced its growth strategy this year. I had been concerned about Suzuki's delay in the development of EVs. Suzuki's motto in car manufacturing has been "Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty)," and it has been committed to providing high quality at affordable prices. The Company has set high standards for itself by attempting to maintain this tradition for EVs as well. However, with the shift to EVs accelerating worldwide, we were all worried about what would happen to Suzuki, and whether it would lose its competitive edge due to its delay. So I think it was a good thing that Suzuki announced its growth strategy and stated its clear intention to introduce six models in Japan, six models



Hideaki Domichi

in India, and five models in Europe by 2030. I have heard that thorough internal discussions were held leading up to the announcement, so I really hope that it will succeed.

Above all, Suzuki's strength lies in India. The Company has an overwhelming advantage over its competitors in that it holds this large market. The rate of car ownership in India is still only 3%, so the automobile market will expand dramatically as India develops. In its growth strategy, Suzuki has declared that it will expand its production capacity to meet demand in India and that it is aiming for a 50% market share, which I think was a good move.

Furthermore, although there is still much debate about how widespread the use of EVs will be in India, I hope that

Suzuki will take a leadership role in EVs in order to stay ahead of the changing times and remain the leader of India's automobile market in the future.

Takahashi: While it is important to set numerical business targets such as ¥7 trillion in net sales, it is also necessary to set goals for solving social issues, such as achieving carbon neutrality. I think it is important for a company to make well-rounded efforts over the mid- to long-term, not just to achieve numerical targets, and I feel that Suzuki is putting this into practice effectively.

For example, Suzuki Motor Gujarat Private Limited ("SMG"), our production subsidiary in India, recently announced that it will adopt a new management structure. Formally, SMG will no longer be a subsidiary of Suzuki and will instead become a subsidiary of Maruti Suzuki India Limited. However, considering the feelings of employees in both companies, the President believes it is important to maintain the good relationship between SMG and Maruti Suzuki India, which has been built through friendly rivalry, regardless of being a parent company and its subsidiary. Suzuki aims to create an environment in which employees can work with a sense of fulfillment. In this regard, I felt that Suzuki's management is considerate of creating a comfortable work environment for employees and that the communication between the two companies is well-balanced.

Egusa: In terms of human resources, and I think Mr. Domichi would agree, Suzuki should make better use of India's strengths. Currently, it is taking things step by step as it looks into various fields like R&D, but it needs to leverage talented human resources in India and Southeast Asia even more. It also needs more management personnel. It needs more diversity. Going forward, it needs to mutually respect and accept people with different values while skillfully mobilizing their strengths, such as by encouraging women to play more active roles and being inclusive regardless of nationality or race. The old cookie-cutter management style is no longer sufficient.

Even in Japan, young people do not adhere to such a mindset. In that sense, Suzuki has the greatest opportunity

to grow. I think Suzuki needs to have a perspective that values diversity and inclusion. Until now, all it had to do was make and sell products, but now sustainability and various other values have to be incorporated into its products. The Company's business must be integrated with these values for it to grow. That is why old cookie-cutter human resources who have little capacity to adapt to business environment changes are no longer necessary for Suzuki.

Facilitator: Since you mentioned human resources, I would like to ask you about human resources and diversity. There is a particular issue right now regarding the low ratio of women in the automotive sector, including Suzuki. From an outsider's perspective, what do you think of diversity at Suzuki?

Diversity at Suzuki

Takahashi: I was amazed that Suzuki only has about 2,000 female employees, or around 12.4% of the total workforce. The reason for my curiosity is that recent statistics on driver's license holders show an almost equal male-to-female ratio. Many women drive cars, so I wondered why there are so few women in the automobile industry. Although Suzuki has made various efforts to improve its work conditions in relation to childbirth and childcare, I would like to see the ratio of women increase a little more. I also think it would be good to advertise Suzuki's strengths externally.

Egusa: Because Suzuki used to be a company centered around mechanical engineering, it has inevitably been dominated by men. However, with the spread of electrification, CASE, and MaaS, the Company is becoming more oriented towards software, networks, and services. The automobile industry is now no different from the IT industry. Suzuki is half an IT company that includes dealing with services and solutions. If Suzuki can communicate more emphatically that it is venturing into these areas, I think we will see an increase in the number of female applicants. Electrification

and the shift to EVs are opportunities to change the Company's image.

Domichi: In rural areas, mini vehicles make up 50% of the market, and of that amount, Suzuki holds a 30% market share. As such, its vehicles are overwhelmingly driven by the elderly, women, and people living in rural areas. These are the demographics that the Company has been focusing on for a long time. It is also partnering with startups to contribute to regional revitalization and help agriculture in the mini-truck market. Suzuki is engaged in these activities because of its unique identity. It has that kind of DNA. However, when it comes to its own employees, there are



very few women. So I have always thought that if the Company hires people who are dedicated to listening to and representing women's perspectives in the workplace, the percentage of women will increase.

Takahashi: Ever since I first heard about the lack of women in the automobile industry, I have been thinking about how Suzuki can convey its efforts to the outside world. First of all, I think Suzuki should listen to the voices of its employees.

Egusa: Without stepping outside the bounds of our roles as Independent Outside Directors, it might be worthwhile to host a roundtable discussion, for instance.

Takahashi: If Suzuki can identify its challenges, then it can use them as opportunities for growth. I hope it can find a way to communicate its positive qualities, which are not well known outside the Company, such as rewarding careers, a comfortable work environment, and favorable conditions. I, for one, am quite interested in what Suzuki's female employees think.

Egusa: In the Enshu region, there is a concept known as the "Yaramaika (give it a try) spirit." Osamu Suzuki, who led the Company for a long time, is now in an advisory position, so it is time for the organization to embody the Yaramaika spirit. One of the ways to achieve this is to promote women and non-Japanese employees, because it is important to have a variety of different values. I hope that Ms. Takahashi's appointment to the Board of Directors will be a catalyst for this.

Facilitator: Next, I would like to ask for your opinions on Suzuki's shareholder return and capital policy.

Suzuki's shareholder return and capital policy

Domichi: Japanese business companies as a whole have low earnings and low growth potential. In order to change this situation, Japan's Corporate Governance Code was established, and the government and the Tokyo Stock Exchange have been working together to promote it. Until now, Suzuki has focused more on investment for growth and strengthening its business base than on its stock price, but recently it has begun to pay more attention to dividends to investors, returns to employees, compensation to officers, and its stock price. Recently, warnings have been given to companies with a PBR (price-to-book ratio) of less than 1x, but really, it is the cost of capital that is truly important. The cost of capital roughly correlates with PER, the price-to-earnings ratio, and when PER goes down, the cost of capital goes up. The cost of capital is the risk taken by shareholders, and if the company does not provide returns for this risk, the stock price will fall. I believe that the Western view of stock price as a performance evaluation for management

may become stronger in Japan. This is a very harsh assessment of management, but Japan seems to gradually be moving in that direction. The Company has begun to buy back treasury shares, but I believe that it needs to consider its dividend payout ratio as well for a total return approach.

Egusa: Electronics manufacturers have been facing such demands from Western investors for a decade, so they have been extremely concerned about market capitalization. Suzuki's management needs to be more aware of its stock price. For example, the biogas business using cow dung set as part of its growth strategy is a great story from a sustainability perspective, but it will not impact the stock price. The announcement of ESG activities in India is in line with Suzuki's values, but from a corporate value perspective, Suzuki needs to make announcements that have a more significant effect on the stock price. India is not the only country that has cows. There are many cows in Europe and the United States as well. But if Suzuki can communicate in a way that suggests that it can change the world, then it can appeal to foreign shareholders coming from an ESG perspective. I think Suzuki deserves more recognition, and there are ways to leverage its communication more to achieve this.

Facilitator: In closing, I would like to ask again about the role and mission you would like to fulfill as Outside Directors.

Role and mission as Outside Directors

Takahashi: Based on my past experience, I would like to offer my opinions while keeping in mind objective, consumer, and experiential perspectives. I would also like to be able to speak from the perspective of providing a comfortable working environment for all employees.

I have been competing in marathons for a long time, relentlessly pursuing my goal of becoming a world champion, setting world records, and exploring uncharted territories where no one has ventured before. While studying the history of Suzuki, I was deeply impressed by Mr. Osamu Suzuki's determination to become number one and the fact

that he went to India during his time as President to achieve that goal. Of course, I do not expect my experience in running marathons to directly apply in this situation, but as with sports, goal-setting, developing strategies, utilizing weapons, and having unique skills that no one else can beat are important to secure the top place. I hope that we can find common ground and walk together with everyone at Suzuki to achieve the number one position.

Domichi: I enjoy being able to work together with Ms. Takahashi, and I'm sure Mr. Egusa does as well. After all, being number one in the world is no easy feat for anyone. If we all share that determination, I think that we can become



number one in car making. So I am looking forward to the future and am excited for it.

What I would like to do as an Outside Director is make Suzuki truly global. Sixty percent of the Suzuki Group's sales are already overseas, so Suzuki can be considered a global company. And going forward, Suzuki is attempting to enhance integration with its subsidiary, Maruti Suzuki India, in the Indian market, which is its lifeline. India has an overwhelmingly large pool of talented individuals in terms of sheer numbers, and it is advanced in ICT (Information and Communication Technology) software, which is gaining international recognition. I would like to see Suzuki have a stronger sense of unity with the people

of India so that they can grow together. Fortunately, Suzuki has many like-minded people, especially those who have experienced India and other foreign countries. Together with such people, I would like to do my utmost to help Suzuki develop as a truly global company.

Egusa: I used to work for a home appliance and electronics manufacturer. It took about 30 years for home appliances to be considered IT tools, but over the course of numerous failures, home appliances have changed, as have electronics manufacturers themselves. Similarly, cars are now IT-enabled, and the automobile industry has made steady progress in technological innovation in new areas like CASE and MaaS, they are expected to change drastically over the next 20 years. I want Suzuki to step out into this new world. I would especially like to see it dominate the Indian market, with the strength of the IT-savvy Indian people. That is why I will bring information from the outside world and integrate it with Suzuki. I would very much like to do this, and I strongly desire to contribute as an Outside Director.

Facilitator: Thank you all for sharing your candid opinions today.



Corporate Governance

Governance

Basic policy on corporate governance

Through fair and efficient corporate activities, the Company aims to earn the trust of our shareholders, customers, suppliers, local communities, employees, and other stakeholders, and to make further contribution to the international community in order to continue to grow and develop as a sustainable company. To achieve this goal, the Company recognizes that continuous improvement of corporate governance is essential, and as a top priority management issue, we are actively working on various measures.

In consideration of the meaning of the respective principles of the Corporate Governance Code, Suzuki will make continuing efforts to ensure the rights and equality of shareholders and the effectiveness of the Board of Directors and the Audit & Supervisory Board, as well as to upgrade the internal control system.

Also, in order to be trusted further by society and stakeholders, we will disclose information immediately in a fair and accurate manner prescribed in laws and regulations and actively disclose information that we consider is beneficial to deepen their understanding of the Company. Thus, we will further enhance the transparency of the Company.

Corporate Governance Report

<https://www.globalsuzuki.com/ir/library/governance/pdf/report.pdf>

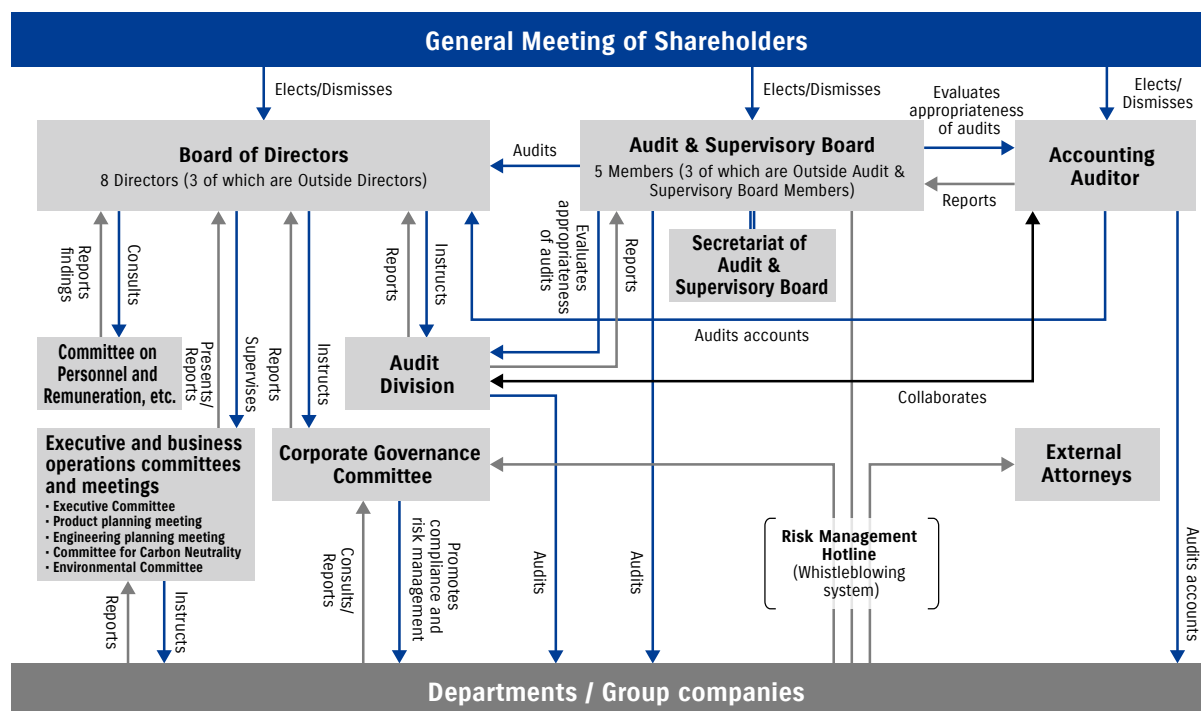
Outline of the corporate governance system

The Company has adopted the current system with the idea that a company auditor system is the foundation and that the establishment of an optional committee for the

appointment of highly independent Outside Directors, election of candidates for Directors, and decisions regarding remuneration will enable the improvement of governance.

Corporate governance system

(As of June 23, 2023)



Status of corporate governance

	Up until FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	From FY2023	
Chairman	Osamu Suzuki Chairman and President	Osamu Suzuki (June 2015 to June 2021)									
	(December 2008 to June 2015)	Toshihiro Suzuki (From June 2015)									
President											
Term	1-year terms for Directors since 2002										
Supervision / execution	Introduced a managing officer system in April 2006										
Composition (Outside Directors / Directors)	2 of 9 22.2%				2 of 8 25.0%			2 of 7 28.6%	3 of 9 33.3%	2 of 8 25.0%	3 of 8 37.5%
Support system, etc.	Secretarial Office (Corporate Governance Office prior to August 2021) / Secretariat of Audit & Supervisory Board										
Number of members	Up to 30 (1989 to June 2017)				Up to 15 (From June 2017)						
Committees	Committee on Personnel and Remuneration, etc. (Advisory Committee on Personnel and Remuneration, etc. until June 2021)										
	Corporate Governance Committee										
	Environmental Committee										
	Committee for Carbon Neutrality										
Vision	Suzuki Group Mission Statement (Formulated in March 1962)										
	(Updated in April 2023)										
Code of conduct	Suzuki Activity Charter, Suzuki employees Activity Charter (2003 to April 2016)		Suzuki Group Code of Conduct (Distributed Compliance Handbook in February 2020)								

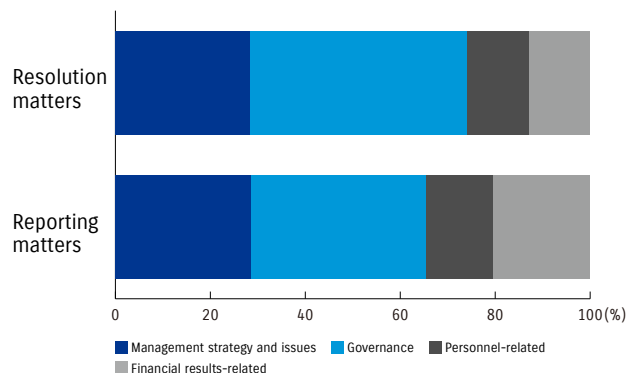
Board of Directors

The Company adopted a managing officer system in 2006 with the aim of speeding up decision-making at the Board of Directors, executing business flexibly and clarifying who is accountable, and has made progress in slimming the composition of the Board of Directors. Currently, there are eight Directors, and out of them, three Outside Directors are elected so that the Company can strengthen the Board's function to supervise business management and have Outside Directors offer useful advice, suggestions, etc. on the Company's business management, based on their respective experience and knowledge and from their diverse perspectives.

In principle, the Board of Directors meets once a month and also as needed to strengthen supervision by making decisions on basic management policies, important business execution matters, matters authorized by the General Meeting of Shareholders to the Board of Directors, and other matters stipulated by law and regulations and the Articles of Incorporation based on sufficient discussion, including from the perspective of legal compliance and corporate ethics, as well as receiving reports on the execution of important business operations as appropriate.

In order to clarify managerial accountability for individual Directors and flexibly respond to the changing business environment, the term of each Director is set to one year.

■ Composition of resolution and reporting matters in Board of Directors meetings held in FY2022



Board evaluation

The Company carried out analysis and evaluation in order to further improve the effectiveness of the Board of Directors. The outline is as follows.

(1) Method of evaluation

- As in FY2021, in FY2022 the Company focused on the Board of Directors' challenges to enhance Suzuki's competitiveness.
- From March to April 2023, interviews were held with individual Directors and as a group for Audit & Supervisory Board Members. Through this process, the Company confirmed future initiatives at Board of Directors meetings in line with discussions at the Executive Committee that took place after the interviews.

(2) Outline of FY2021 results and initiatives

- a. Outline of results
 - 1) Agenda-setting should be further strengthened to discuss the direction that the Company should take.
 - 2) Explanatory materials should be clearer about key points for decision-making.
 - 3) More reporting on progress in business execution should be made.
 - 4) Explanations of materials should be shorter and done more efficiently to allocate more time to deliberation.
 - 5) Members attending Board of Directors meetings should have separate meetings to discuss and exchange opinions without formality.

b. Initiatives

- 1) and 3): Scheduled agenda items were set in advance and discussed at the Board of Directors meetings in order.
- 2) and 4): The Board of Directors Rules were revised to make it easier for internal departments to understand the procedures to submit proposals to the Board of Directors, and precautions for submission were prepared and guided.

- 5): At the proposal of the Chairperson of the Board of Directors, the board members have an opportunity to freely exchange their views after Board of Directors meetings.

(3) Outline of FY2022 results and initiatives

a. Outline of results

- The Company has received the following feedback from the Outside Directors:
- They have no complaints about the explanation itself and the deliberation time is appropriate.
 - They are grateful that the Chairperson of the Board of Directors has taken care so that they can express their opinions candidly and that discussions held in other meeting bodies are made available before they attend a Board of Directors meeting.
 - The Board of Directors as a whole is functioning well.

On the other hand, based on suggestions including those made by Outside Directors, the following three issues have been set as priority issues for FY2023:

- 1) Selection of topics for deliberations, resolution, and reporting
- 2) Scheduling and advance preparation for submitting proposals to the Board of Directors
- 3) When to distribute materials in advance and how to prepare and explain materials

b. Initiatives

To achieve the goals of Suzuki's Growth Strategy for FY2030, the Company will make further improvements by setting appropriate agendas, ensuring more detailed scheduling including advance preparation of proposals to the Board of Directors, enhancing explanatory materials and streamlining explanations, etc.

Audit & Supervisory Board

The Audit & Supervisory Board is comprised of five members, specifically Full-time Audit & Supervisory Board Members Taisuke Toyoda and Masato Kasai, and Outside Audit & Supervisory Board Members Norio Tanaka, Norihisa Nagano, and Mitsuhiro Fukuta.

Mr. Taisuke Toyoda, Full-time Audit & Supervisory Board Member, has operational experience in the financial and audit divisions, and Mr. Norio Tanaka, Outside Audit & Supervisory Board Member, has ample experience as Certified Public Accountant. They have sufficient knowledge and experience in relation to finance and accounting. Mr. Masato Kasai, Full-time Audit & Supervisory Board Member, has considerable knowledge in the fields of technology, quality control, environment, etc., Mr. Norihisa Nagano, Outside Audit & Supervisory Board Member, has extensive knowledge in law as a solicitor, and Mr. Mitsuhiro Fukuta, Outside Audit & Supervisory Board Member, has considerable knowledge in the fields of technology, human resources development, etc.

In addition, we have established the Secretariat of Audit & Supervisory Board as a full-time staff division independent of the chain of command of the Directors and others to assist the Audit & Supervisory Board Members in their duties. There are four staff members with expertise and experience in accounting and finance, auditing, overseas assignment, technology divisions, etc.

Audit & Supervisory Board Members' audit procedures conform to the auditing standards of the Audit & Supervisory Board, and according to the auditing policy and division of duties, which are formulated after the General Meeting of Shareholders, Audit & Supervisory Board Members audit the proper execution of corporate management and communicate their opinions by attending meetings of the Board of Directors, Executive Committee and other important meetings, inspecting important approval documents, etc., and receiving reports and interviews from Directors and employees on the status of operations. In addition, Audit & Supervisory Board Members review and discuss the audit plan and topics formulated by the Audit Division, which is an

internal audit division, and the results of operational audits conducted by the Audit Division.

The following are the main matters to consider, resolve, and report at the Audit & Supervisory Board meetings.

<Major matters to consider>

- Audit policy and audit plan
- Items to be submitted to Board of Directors meetings
- Status of development and operation of an internal control system
- Appropriateness, etc. of audit methods and results of Accounting Auditors

<Main issues to resolve>

- Audit policy, audit plan and division of duties
- Consent to proposals for election of Audit & Supervisory Board Members
- Evaluation, election and dismissal of Accounting Auditors
- Consent to auditing fees for Accounting Auditors
- Preparation of audit reports

<Main matters to report>

- Audit status and findings from each Audit & Supervisory Board Member
- Status of accounting audit of quarterly financial results, etc., and audits on business report and financial statements, etc.
- Audit plans from Accounting Auditors, report on results of quarterly review, status of implementation of annual audit, and initiatives for quality control of audit
- Discussions with Accounting Auditors on Key Audit Matters (KAM)
- Status of audits conducted by the Audit Division, which is an internal audit division, about the head office, major business sites, and subsidiaries
- Status of financial reporting from the Finance Division

Audit & Supervisory Board Members strive to share information based on the audit policy, audit plan and division of duties resolved at Audit & Supervisory Board meetings. In addition to the activities at Audit & Supervisory

Board meetings, Audit & Supervisory Board Members are mainly engaged in the following activities.

- Communication with Directors, internal audit divisions, other employees, etc.
- Attendance at Board of Directors meetings and other important meetings
- Attendance at the meetings of the Committee on Personnel and Remuneration, etc., the Corporate Governance Committee, the monthly business report meeting, the product planning meeting, the Quality Assurance Committee, the Environmental Committee, etc.
- Inspection of important approval documents, etc.
- Investigation of the status of operations and assets at the head office and major business site
- Communication and exchange of information with directors, audit & supervisory board members and others of subsidiaries, etc., and verification of business reports from subsidiaries as necessary
- Attendance at accounting audits conducted by Accounting Auditors
- Exchange of opinions with Representative Directors and Outside Directors

After the end of the fiscal year, Audit & Supervisory Board Members evaluate the effectiveness of the Audit & Supervisory Board and detect issues therein to improve the effectiveness of the Audit & Supervisory Board for the following fiscal year.

Independence of Outside Directors and Outside Audit & Supervisory Board Members

As to the independence from the Company with regard to the election of Outside Directors and Outside Audit & Supervisory Board Members, the Company judges their independence under the Company's "Standard for Independence of Outside Directors and Outside Audit & Supervisory Board Members of the Company" based on independence criteria set by the Tokyo Stock Exchange. Suzuki reports all the elected Outside Directors and Outside Audit & Supervisory Board Members to the Tokyo Stock Exchange as independent officers.

Sustainability Policy | Climate Change | Respect for Human Rights | Human Capital | Intellectual Property | Sustainable Local Community | Directors, Auditors and Officers | Compliance System and Risk Management System

Roundtable Discussion with Outside Directors | **Corporate Governance** |

<Standard for Independence of Outside Directors and Outside Audit & Supervisory Board Members>

The Company judges an independent person who does not fall under any of the following as an Outside Director or an Outside Audit & Supervisory Board Member:

1. Persons concerned with the Company and its subsidiaries (“the Suzuki Group”)
 - (1) With regard to Outside Directors, any person who is or was a person executing business*¹ of the Suzuki Group at present or in the past,
 - (2) With regard to Outside Audit & Supervisory Board Members, any person who is or was a Director, Managing Officer, or employee of the Suzuki Group at present or in the past, or
 - (3) A spouse or a relative within the second degree of kinship of a present Director or Managing Officer of the Suzuki Group
2. Persons concerned such as business partners or major shareholders, etc.
 - (1) Any person who is a person executing business of any of the following:
 - 1) A company whose major business partner is the Suzuki Group*²
 - 2) A major business partner of the Suzuki Group*³
 - 3) A major shareholder holding 10% or more of the total voting rights of the Company
 - 4) A company in which the Suzuki Group holds 10% or more of the total voting rights
 - (2) A person who is or was a representative partner or a partner of the Suzuki Group’s Accounting Auditor at present or in the past five years
 - (3) A person who receives a large amount of remuneration from the Suzuki Group other than remuneration for Director / Audit & Supervisory Board Member*⁴
 - (4) A person who receives a large donation from the Suzuki Group*⁵
 - (5) A spouse or relative within the second degree of kinship of a person who falls under categories (1) through (4) above

Notes

1. A person executing business:
An Executive Director, an executive officer, a Managing Officer or an employee

2. A company whose major business partner is the Suzuki Group:
A company which belongs to the group of a business partner who has received 2% or more of its consolidated net sales in the group’s latest fiscal year from the Suzuki Group in any of the past three fiscal years
3. A major business partner of the Suzuki Group:
A company which belongs to the group of a business partner who has paid 2% or more of the Suzuki Group’s consolidated net sales or provides loans to the Suzuki Group worth 2% or more of its consolidated total assets in the Suzuki Group’s latest fiscal year in any of the past three fiscal years
4. A person who receives a large amount of remuneration:
In any of the past three fiscal years:
 - A consultant or legal or accounting expert, etc., who receives annual remuneration of ¥10 million or more other than remuneration as a Director / Audit & Supervisory Board Member, as an individual
 - A consultant or legal or accounting expert, etc., who belongs to an organization that receives annual remuneration worth 2% or more of its annual total revenues
5. A person who receives a large donation:
In any of the past three fiscal years:
 - A person who receives an annual donation of ¥10 million or more as an individual
 - A person who belongs to an organization that receives an annual donation worth 2% or more of its annual total revenues and manages the activities that are the purpose of the donation

Training for Directors and Audit & Supervisory Board Members

The Company implements trainings that allow Directors and Audit & Supervisory Board Members to deepen their understanding of their respective roles, responsibilities, etc. We intend to make the training an opportunity in which Directors and Audit & Supervisory Board Members take part together in principle, so that they can share information on their respective roles, responsibilities, etc.

When a new Outside Director or a new Outside Audit & Supervisory Board Member assumes post in the Company, the

Company will explain to the person the corporate philosophy, lines of business, finances, organizations, etc. In addition, the Company will prepare opportunities, such as interaction with Directors, Managing Officers and employees in the Company, attendance at various meetings related to business operation and management, and joining of factory inspections, to ensure that the person can deepen their understanding of the Company.

Committee on Personnel and Remuneration, etc.

To enhance transparency and objectivity in electing candidates for Directors and Audit & Supervisory Board Members, as well as deciding remuneration of Directors, the Company has established the Committee on Personnel and Remuneration, etc. as an optional committee. A majority of the members are Outside Directors.

The Committee on Personnel and Remuneration, etc. discusses issues such as election standards and adequacy of candidates for Directors and Audit & Supervisory Board Members, as well as the adequacy of the system and level of Directors’ remuneration. The Board of Directors decides based on their results. Also, the Board of Directors delegates decisions on some matters to the Committee.

Decisions made by the Board of Directors for the election and remuneration of Senior Managing Officers are also based on the results of the Committee’s deliberation.

The main issues reviewed in FY2022 were as follows:

- Appropriateness of policy for determination of individual remuneration, etc. of Directors in FY2022
- Determination of the specific details of basic remuneration for each individual Director in FY2022 (the Board of Directors has delegated this determination to the Committee on Personnel and Remuneration, etc.)
- Appropriateness of policy and procedures for determining the remuneration of Managing Officers in FY2022
- Appropriateness of policy on selecting candidates for Director or Audit & Supervisory Board Member and proposed candidates to be submitted to Annual General Meetings of Shareholders held in 2023 and subsequent years
- Appropriateness of proposed appointments for Executive Vice President

■ Composition of the Board of Directors, Audit & Supervisory Board, and Committee on Personnel and Remuneration, etc. (as of June 23, 2023) and attendance in FY2022

◎: Chairperson ○: Member attending △: Observer

Status		Name	Board of Directors	Audit & Supervisory Board	Committee on Personnel and Remuneration, etc.
Representative Director and President	Male	Toshihiro Suzuki	◎ (15 times / 15 times)		◎ (7 times / 7 times)
Representative Director and Executive Vice President	Male	Naomi Ishii	○ (—)		○ (—)
Director and Senior Managing Officer	Male	Masahiko Nagao	○ (15 times / 15 times)		
Director and Senior Managing Officer	Male	Toshiaki Suzuki	○ (15 times / 15 times)		
Director and Senior Managing Officer	Male	Kinji Saito	○ (15 times / 15 times)		
Director	Independent Male	Hideaki Domichi	○ (15 times / 15 times)		○ (7 times / 7 times)
Director	Independent Male	Shun Egusa	○ (12 times / 12 times)		○ (6 times / 6 times)
Director	Independent Female	Naoko Takahashi	○ (—)		○ (—)
Full-time Audit & Supervisory Board Member	Male	Taisuke Toyoda	○ (15 times / 15 times)	◎ (13 times / 13 times)	
Full-time Audit & Supervisory Board Member	Male	Masato Kasai	○ (15 times / 15 times)	○ (13 times / 13 times)	
Audit & Supervisory Board Member	Independent Male	Norio Tanaka	○ (15 times / 15 times)	○ (13 times / 13 times)	△ (7 times / 7 times)
Audit & Supervisory Board Member	Independent Male	Norihisa Nagano	○ (15 times / 15 times)	○ (13 times / 13 times)	△ (7 times / 7 times)
Audit & Supervisory Board Member	Independent Male	Mitsuhiro Fukuta	○ (12 times / 12 times)	○ (10 times / 10 times)	△ (6 times / 6 times)

Notes: 1. Mr. Naomi Ishii and Ms. Naoko Takahashi were appointed as Directors on June 23, 2023.

2. Mr. Shun Egusa was appointed as a Director on June 29, 2022.

3. Mr. Norio Tanaka attended two of the seven meetings of the Committee on Personnel and Remuneration, etc. as a committee member and five of those meetings as an observer.

4. Mr. Mitsuhiro Fukuta was appointed as an Audit & Supervisory Board Member on June 29, 2022.

■ Directors and Audit & Supervisory Board Members and their respective experience, specialization, and knowledge

*1 ◎: Experience as President, ○: Experience as executive officer
*2 ◎: Experience in India / emerging countries

Status	Name	Corporate management*1	Technology / R&D / Procurement / Manufacturing / Quality	Sales / Marketing	Finance / Accounting	Legal / Risk management	ESG / Sustainability	HR development / Labor relations / HR	Overseas business / International experience*2	IT / Digital
Representative Director and President	Toshihiro Suzuki	◎	○	○			○		○	
Representative Director and Executive Vice President	Naomi Ishii	◎		○			○	○	◎	○
Director and Senior Managing Officer	Masahiko Nagao					○	○		○	
Director and Senior Managing Officer	Toshiaki Suzuki	◎		○						
Director and Senior Managing Officer	Kinji Saito	◎		○					◎	
Director	Hideaki Domichi	○				○	○	○	◎	
Director	Shun Egusa	○	○						○	
Director	Naoko Takahashi						○		◎	
Full-time Audit & Supervisory Board Member	Taisuke Toyoda				○	○	○			
Full-time Audit & Supervisory Board Member	Masato Kasai		○			○	○			
Audit & Supervisory Board Member	Norio Tanaka				○	○				
Audit & Supervisory Board Member	Norihisa Nagano					○				
Audit & Supervisory Board Member	Mitsuhiro Fukuta		○					○		

Reference: Managing Officers who are responsible for multiple business segments and do not concurrently serve as Directors and their respective experience, knowledge, and specialization

Executive Vice President	Kenichi Ayukawa	◎		○	○				◎	
Senior Managing Officer	Katsuhiro Kato		○			○				○
Managing Officer	Shigetoshi Torii	◎	○				○		◎	

Executive Committee and other various meetings relating to business operation and management

In order to speedily deliberate and decide on important management issues and measures, the Company holds the Executive Committee, attended by Executive Directors, Managing Officers, Executive General Managers, and Audit & Supervisory Board Members, as well as meetings to report and share information on management and business execution on a regular and as-needed basis.

Also, various meetings are held periodically and whenever necessary to deliberate business plans, etc. and to receive reporting on operation of the Company, enabling the Company to appropriately plan, identify administrative issues at an early stage, and grasp the situation on execution of operation.

In such a way, the Company is enhancing the efficiency of decision-making at the meetings of the Board of Directors and the supervision of execution of operations.

Corporate Governance Committee

The Corporate Governance Committee has been established to examine matters to ensure compliance and risk management, as well as to promote the implementation of measures and policies for the Suzuki Group's sustainable growth and the mid- to long-term enhancement of corporate value. The Committee also verifies the results of the effectiveness evaluation of internal controls over financial reporting in accordance with Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act.

Following a resolution of the Board of Directors in March 2023, the Committee was restructured in April 2023 to include the President as the Chairperson, the Vice Presidents, some of the Senior Managing Officers and Managing Officers as Vice Chairpersons, and other Managing Officers and the Executive General Managers as members, with Full-time Audit & Supervisory Board Members present as observers, commencing to oversee overall risk management including compliance.

Internal auditing

The Audit Division was established as an organization under the direct control of the President, whose staff members with expertise in various areas of the Company's operations regularly audit the Company's departments and domestic and overseas Group companies in accordance with the audit plan.

Operational audits include on-site, remote, and paper audits to confirm the appropriateness and efficiency of overall operations, compliance with law and regulations and internal rules, and the development and operation of internal controls, such as the management and maintenance of assets. The operational audit results are reported to the President, the head of relevant divisions and Full-time Audit & Supervisory Board Members each time an audit is conducted, along with proposals for improvement of matters pointed out. The results of audits are also reported to the Audit & Supervisory Board on a regular basis and opinions are exchanged there, as well as to the Board of Directors once every six months. Advice and guidance are provided until improvements are completed to solve issues at an early timing.

In addition, the effectiveness evaluation of internal controls over financial reporting in accordance with Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act is conducted by the Corporate Governance Committee, and the results are reported by the Corporate Governance Committee to the Board of Directors and the Audit & Supervisory Board.

For subsidiaries with internal audit divisions, the Company's internal auditing checks their activities, receives reports on their audit plans and results, and provides advice and guidance as necessary.

Furthermore, audit results are shared with the Accounting Auditor as needed, and regular meetings are held to share information, enhance communication, and maintain close cooperation.

Policy on Directors' and Audit & Supervisory Board Members' remuneration

a. Remuneration of Directors

Regarding the decision-making policy for individual remuneration of Directors (hereinafter referred to as the "Decision-making Policy"), the Committee on Personnel and Remuneration, etc., with a majority of the members as Outside Directors, is consulted on the appropriateness of the proposed policy. The Board of Directors deliberates and makes a resolution based on the report. The following is a summary of the Decision-making Policy as of the publication of this report.

Remuneration of Directors (excluding Outside Directors) consists of basic remuneration, bonuses linked to the Company's performance of each fiscal year, and restricted stock remuneration to function as an incentive for continuous improvement of the Company's corporate value resulting in the mid- to long-term stock price. The ratio is roughly 40% basic remuneration, 30% bonuses, and 30% restricted stock remuneration. Outside Directors' remuneration shall be solely basic remuneration, given their duties.

Basic remuneration for Directors is fixed monthly remuneration, which is determined and paid in consideration of duties and responsibilities, remuneration levels at other companies, and employee salary levels. Bonuses are calculated based on a formula for each position linked to consolidated operating profit and are paid at a certain time each year. In addition, the content of restricted stock remuneration is determined based on the criteria for each position and is delivered at a certain time every year.

The Decision-making Policy for remuneration, etc. for FY2022 was established by a resolution at the Board of Directors meeting held on June 15, 2022, after a consultation with the Committee on Personnel and Remuneration, etc. on the same day.

Sustainability Policy | Climate Change | Respect for Human Rights | Human Capital | Intellectual Property | Sustainable Local Community | Directors, Auditors and Officers | Roundtable Discussion with Outside Directors | **Corporate Governance** | Compliance System and Risk Management System

The determination of specific details about basic remuneration for each individual for FY2022 was delegated to the Committee on Personnel and Remuneration, etc., in accordance with a resolution of the Board of Directors meeting held on June 15, 2022. The reason for this delegation was to increase the transparency of the process for determining remuneration. Specific calculation methods to decide on FY2022 bonuses for each position were resolved at the Board of Directors meeting held on the same day, and specific details about payment of restricted stock remuneration for each individual were resolved as of July 12, 2022 by a so-called written resolution of the Board of Directors meeting under Article 370 of the Companies Act, after an outline was explained in advance at the Board of Directors meeting. Based on the above, the Board of Directors has determined that the individual remuneration, etc. for Directors in FY2022 is in line with the Decision-making Policy.

Bonus (performance-linked remuneration)

Bonuses are paid to Directors (excluding Outside Directors) in order to raise awareness of improvement of each fiscal year's performance. The specific amount of remuneration for each individual is calculated by multiplying the performance indicators predetermined by the Board of Directors by a stipulated percentage and the multiplication rate by position predetermined by the Board of Directors. The performance indicator is consolidated operating profit from the perspective of company profitability.

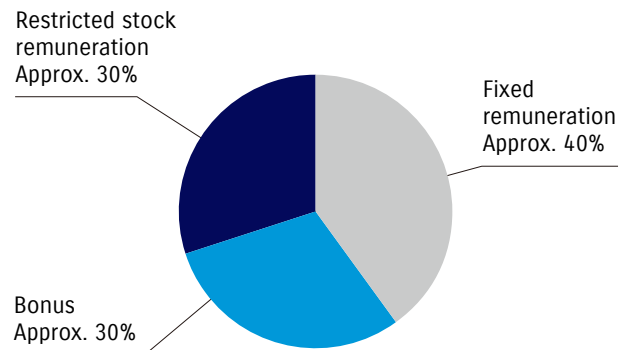
Restricted stock remuneration

It is paid to Directors (excluding Outside Directors) in order to function as an incentive for continuous improvement of corporate value and to further promote shared value with shareholders. Eligible Directors receive ordinary shares of the Company by paying all remuneration paid based on the

resolution of the Board of Directors (monetary remuneration rights) as contribution in kind. The transfer restriction period is until the date of retirement from the position of Director. If a Director falls under certain grounds, such as the Director retiring for any reason other than that deemed reasonable by the Board of Directors, the Company shall acquire the shares allotted for no fee.

b. Remuneration of Audit & Supervisory Board Members
The remuneration of Audit & Supervisory Board Members shall be limited to monthly fixed remuneration and is determined and paid based on consultations with Audit & Supervisory Board Members.

■ Estimated composition of the remuneration of Directors (excluding Outside Directors)



■ Amount of remuneration for Directors and Audit & Supervisory Board Members in FY2022

Officer classification	Total amount of remuneration (Million yen)	Total amount of remuneration by type (Million yen)			Number of eligible officers
		Fixed remuneration	Bonus	Restricted stock remuneration	
Directors (excluding Outside Directors)	506	204	196	105	6
Outside Directors	30	30	—	—	5
Total	536	234	196	105	11
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	57	57	—	—	2
Outside Audit & Supervisory Board Members	36	36	—	—	4
Total	93	93	—	—	6

Notes: 1. The above bonus and restricted stock remuneration for Directors (excluding Outside Directors) are the amounts recorded as expenses in FY2022.

2. The above remuneration for Outside Directors includes the amount paid to two Directors who retired as of the conclusion of the 156th Annual General Meeting of Shareholders held on June 29, 2022 and one Director who retired by resigning on September 21, 2022.

3. The above remuneration for Outside Audit & Supervisory Board Members includes the amount paid to one Audit & Supervisory Board Member who retired by resigning as of the conclusion of the 156th Annual General Meeting of Shareholders held on June 29, 2022.

Status of meetings with shareholders, etc.

In the belief that understanding the interests and concerns of the shareholders through constructive dialogues from a mid- and long-term perspective will contribute to the Company’s sustainable growth and the mid- and long-term enhancement of corporate value, the Company is striving to promote dialogue with the shareholders.

■ FY2022 result

Number of meetings held		Number of companies	Number of people
Total	Of which, ESG meetings		
363	22	891	1,185

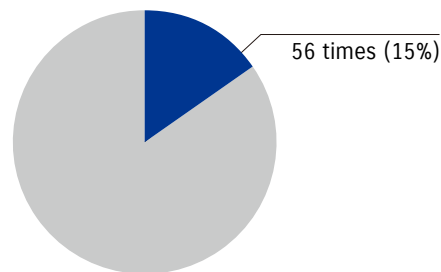
(Main dialogue topics)

Most of the main topics discussed concerned Suzuki’s mainstay Indian market for automobiles. A wide range of views were also exchanged on other main topics such as the Japanese market for automobiles, electrification strategy, financial figures, and shareholder returns.

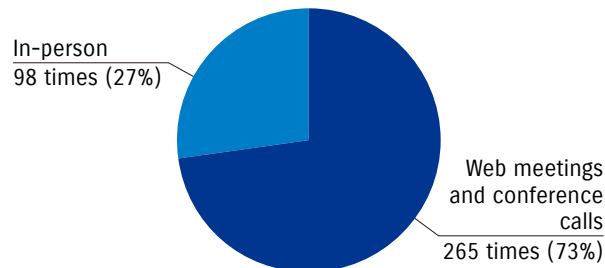
(Main dialogue topics at ESG meetings)

The Company exchanged a wide range of views about measures for carbon neutrality, growth strategies, human rights, women’s empowerment, and corporate governance, among other topics.

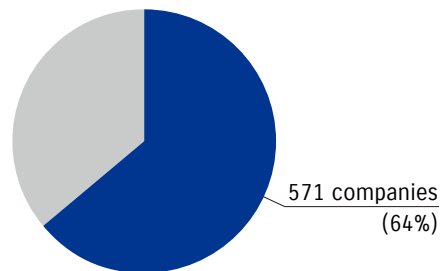
■ Attendance of Directors



■ Type of meeting



■ Ratio of overseas institutional investors attending meetings



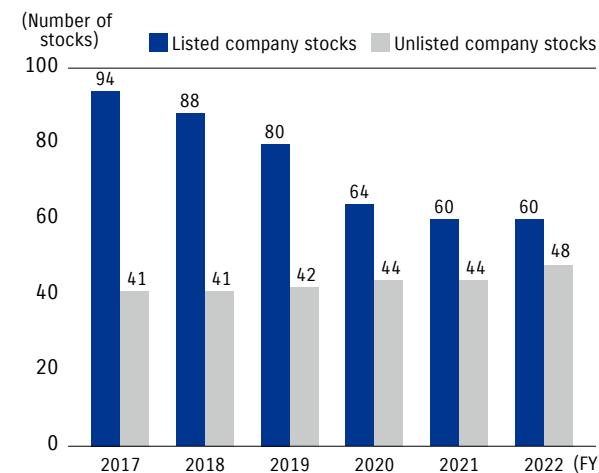
The management team and Board of Directors are provided with feedback regarding dialogue content and other related details.

Situation of cross-shareholdings

Appropriateness of individual cross-shareholdings is examined by the Board of Directors every year. The Company makes a comprehensive judgment on the accompanying benefits, risks, and other factors of holdings, taking into consideration the nature, scale, and other factors of transactions and setting qualitative criteria, including aspects of enhancement of corporate value, as well as quantitative criteria including comparison with capital costs. The Company will then reduce cross-shareholdings in the stocks it has decided to sell.

The Company has decided to sell 5 out of 60 listed company stocks held at the end of March 2023, and it is currently selling those stocks.

■ Trends in the number of cross-shareholdings



The increase of four unlisted company stocks in FY2022 was due to investment in startups engaged in the development of New Mobility technology and investment in businesses that contribute to decarbonization.

Compliance System and Risk Management System

Compliance

Basic Policy

For the Suzuki Group to achieve sustainable growth and development, it must be trusted by society and its activities need to be supported and understood. For this purpose, Suzuki recognizes that it is essential to not only comply with laws and internal regulations, but also adhere to social norms and carry out activities based on high ethical standards.

On the basis of the tradition and spirit passed down since the Company's founding, in 1962 Suzuki established the Mission Statement, which expresses the corporate philosophy of "what kind of company we seek to become" with the aim of sharing values throughout the Suzuki Group. (Please refer to page 10 of Corporate Philosophy for details.)

In 2016, Suzuki formulated the Suzuki Group Code of Conduct in line with the spirit of the Mission Statement, as a set of rules for enabling all persons working in the Suzuki Group to dedicate themselves to their duties healthily, efficiently, and energetically. This Code of Conduct has been made into a booklet so that all Suzuki Group employees can carry it at all times. Besides a Japanese version, English and Portuguese versions have been created and distributed to non-Japanese employees working in Japan. Also, at overseas subsidiaries, booklets written in the respective local native languages are distributed to employees.

Furthermore, based on the Code of Conduct, in 2020 Suzuki created and distributed the Compliance Handbook to all employees in Japan. This handbook specifically summarizes what people working in the Suzuki Group must and must not do from the perspective of compliance. Along with a Japanese version, Suzuki also created English and Portuguese versions of the handbook to enable employees to confirm and review their conduct at any time in their daily work.

Compliance system

● Corporate Governance Committee

Suzuki has established the Corporate Governance Committee directly reporting to the Board of Directors. The Committee examines matters to ensure compliance and risk management, as well as to promote measures and policies to address cross-organizational issues in cooperation with related departments. The Committee also verifies the results of the effectiveness evaluation of internal controls over financial reporting in accordance with Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act.

Following the resolution of the Board of Directors in March 2023, the Committee was restructured in April 2023 to include the President as Chairperson, the Vice Presidents, some of the Senior Managing Officers and Managing Officers as Vice Chairpersons, and other Managing Officers and the Executive General Managers as members, with Full-time Audit & Supervisory Board Members present as observers, commencing to oversee overall risk management including compliance.

The Committee engages in enhancement of compliance awareness by employees and urges caution for individual legal compliance throughout the Company. Furthermore, if compliance issues arise, the Committee deliberates each issue, formulates required measures, and reports the details to Directors and Audit & Supervisory Board Members as appropriate.

● Whistleblowing system (Suzuki Group Risk Management Hotline)

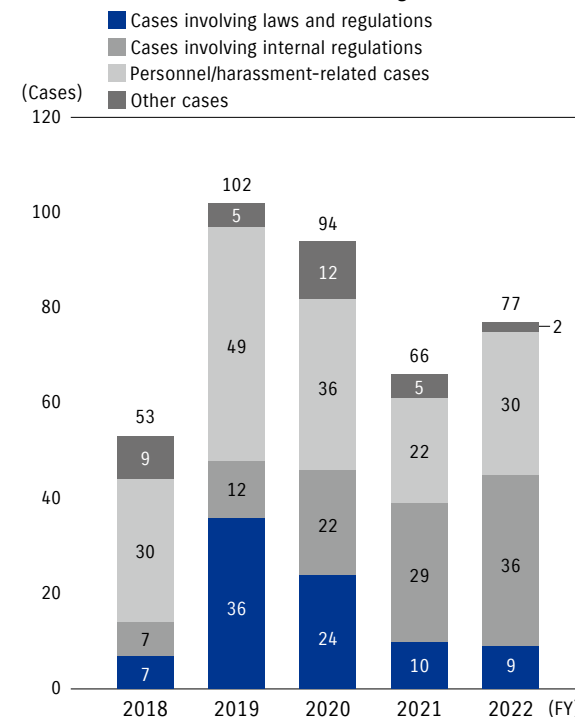
With the aim of preventing and promptly addressing non-compliance matters, Suzuki has established whistleblowing hotlines (Suzuki Group Risk Management Hotline; two internal hotlines and one external hotline (law firm)) based on a whistleblowing system. The hotlines accept reports from all Suzuki Group executives and employees (including temporary employees, fixed-term contract employees, and retired employees), whether in Japan or

overseas, and from external parties such as business partners. Rules for whistleblower protection have been established at whistleblowing hotlines, covering matters such as protecting the anonymity of whistleblowers and maintaining the confidentiality of report content, thereby establishing a system that allows whistleblowers to report on breach of laws and regulations or their possibility without facing any disadvantageous treatment.

Suzuki has also conducted a survey on awareness and use of the whistleblowing system and conducts initiatives to ensure employees' opinions lead to improvements.

The number of whistleblowing cases in the past five years (FY2018-FY2022) is as follows:

■ Trends in the number of whistleblowing cases*



* Total of compliance-related cases only

Compliance-related education

The Suzuki Group offers internal compliance-related education and training. The Company provides opportunities for systematic and continuous learning primarily through level-based group training.

■ FY2022 results

Scope	Suzuki Motor Corporation	Suzuki Group domestic distributors and Group sales companies, etc.
Number of participants	1,063	2,517
Scope of training	<ul style="list-style-type: none"> • New recruit seminar • Training for newly appointed employees with job titles (assistant manager / supervisor / foreman / manager / Executive General Manager class) 	<ul style="list-style-type: none"> • New recruit seminar • 2nd-year seminar / 5th-year seminar • Training for newly appointed site managers • Training for newly appointed employees with job titles (assistant manager / manager)
Main topics	Labor management, safety and health management, fire prevention management, whistleblowing, harassment, intellectual property (copyright, etc.), Subcontract Act, and security export control, among other topics	

Compliance-related initiatives

● **Status of measures to prevent recurrence of improper conduct during final vehicle inspections**
 “Remember 5.18,” an initiative for activities so that we never forget the improper sampling inspection of fuel consumption and exhaust gas in 2016 as well as the improper conduct regarding final vehicle inspection in 2018, is conducted in a way that all employees and officers, including the President, can take part, and we strive to foster a workplace culture where improper conduct does not occur due to compliance awareness and enhanced communication.

In FY2023, Suzuki conducted Company-wide “take stock” activities with a focus on the relationship between operations and laws and regulations as a general inspection (from April 20 to May 10), reviewing 8,986 cases. Activities undertaken so far were starting to show signs of losing teeth and becoming formalities. Therefore, the Company established the Four Principles of Conduct to ensure legal compliance based on case analysis, with an emphasis on implementing PDCA cycles. (The Four Principles of Conduct are: (1) Understand laws and regulations, (2) Apply the laws and regulations to your own duties and act accordingly, (3) If problems occur, share them with other departments, and (4) Act with ownership, without relying on others.) The Company has required all employees to practice the Four Principles of Conduct in their daily duties.

We continued to hold worksite discussions in which the President personally visits all divisions, plants, and sites of Suzuki Motor Corporation and exchanges views with employees on legal compliance and new operational measures. In FY2022, the President visited offices and sites in 41 Suzuki Motor Corporation locations throughout Japan.



The “Remember 5.18” initiative in session (held on May 18, 2023)

Risk management

Risk management system

Suzuki has established the Corporate Governance Committee under the Board of Directors. The Committee has been established to examine matters to ensure compliance and risk management, as well as to promote the implementation of measures to address cross-organizational issues in cooperation with related departments.

The Company ensures issues occurring or recognized in any department are deliberated on promptly by the Corporate Governance Committee or another committee, depending on their urgency and severity. The Company checks concerns of the impact and measures from each division every week at the Executive Committee to quickly grasp the impact on the business and make necessary management decisions on issues related to product quality, homologations, final vehicle inspections, as well as newer issues such as climate change and decarbonization, and issues of shortages of semiconductors and other parts or raw materials. Particularly important issues are discussed and reported by the Board of Directors.

Response to quality issues

The Company is working to strengthen its system for prompt investigation of causes and swift implementation of countermeasures to avoid situations where the prolonged response to quality issues causes major inconvenience to customers and an increase in the cost of countermeasures. The Company constantly keeps track of the latest status of quality issues at weekly and monthly meetings such as the Executive Committee. Market actions such as recalls are decided after deliberation by the Quality Assurance Committee, which is composed of related officers, Executive General Managers, General Managers, etc.

Establishing a tax policy

Suzuki established the Suzuki Group Tax Policy in December 2022 as the basic policy for thorough tax compliance and to conduct appropriate tax payments.

Tax Policy of the Suzuki Group

The Suzuki Group (hereinafter referred to as “we”) shall conduct business by placing utmost importance on our motto and mission of developing products and providing services of superior value by focusing on the customer. Simultaneously, we understand the importance of being tax compliant, by duly fulfilling our obligations as a taxpayer and returning our profits to society by way of payment of taxes and strive to contribute to society.

(Legal Compliance)

We shall comply with all relevant tax regulations including the tax laws of individual countries, the OECD Transfer Pricing Guidelines, the BEPS Action Plan as well as tax treaties, and at the same time, we shall not engage in unjust acts of tax avoidance.

(Governance)

We have established appropriate management reporting systems to deal with tax risks as part of an internal control mechanism. The management strives to resolve tax risks that are crucial and/or require immediate attention by taking various measures including deliberations at appropriate meetings as necessary. Timely in-house training and tax compliance awareness programs are conducted for employees across various departments to promote tax literacy and cognizance of applicable tax laws and regulations.

(Relationship with Tax Authorities)

We shall take every possible opportunity to foster a trustworthy relationship with tax authorities. In addition, if there is a lack of mutual understanding with the tax authorities, we shall promptly communicate with them. Furthermore, we shall sincerely make transparent tax payments and deal with tax audits appropriately in accordance with the basic policy and guidelines.

(Prevention of Double Taxation)

We are well aware of the applicable double taxation risks arising on account of international taxation, including transfer pricing. We follow the international transfer pricing guidelines as well as local regulations of the respective countries of operation when determining the prices of inter-company transactions. Furthermore, as a group, we shall strive to eliminate any presence of double taxation by consultation with tax experts, negotiation with relevant tax authorities, and implementation of applicable remedies.

Efforts for preventing corruption

While acknowledging the existence of differences in laws and regulations related to competition such as antitrust law, those related to fair trading, and societal norms in each country or region, the Suzuki Group will grasp the differences and provide training to employees to ensure that they observe laws and regulations and societal norms in their respective countries and regions. We will work to prevent all forms of corruption, including bribery.

● Efforts for preventing bribery

Suzuki makes efforts to prevent bribery. The Suzuki Group Code of Conduct explicitly prohibits the bribery of public officials while the Compliance Handbook cites examples of specific prohibited acts (e.g., making facilitation payments, providing entertainment for public officials who have an influence on corporate activities, etc.).

Additionally, to build and maintain fair and proper relationships with all our business partners, Suzuki has prescribed internal regulations regarding entertainment received from our business partners and requires all executives and employees to obey these rules.

● Efforts for preventing anti-competitive behavior

Within the Suzuki Group Code of Conduct, Suzuki calls for compliance with laws and regulations, including competition laws, and provides thoroughgoing education in this area.

Moreover, Suzuki is working to raise the level of understanding among employees such as by citing specific prohibited behavior in an easily comprehensible manner in the Compliance Handbook.

Response to business risks

The main business and other risks that management believes could affect the Suzuki Group's business results, financial condition, cash flows, and other aspects and have a material impact on investors' decision-making are as follows.

Risks to business, etc.		Measures
Risks that currently have a significant impact	Issues related to procuring parts from suppliers	In FY2022, Suzuki reduced the impact of production cuts compared with the previous fiscal year through measures such as reducing the number of semiconductors used per vehicle by modifying designs, and strengthening partnerships with suppliers. However, the shortage of semiconductors and other parts is still ongoing, and Suzuki continues to be unable to conduct production as planned in FY2023. These conditions have persisted over the long term since FY2020, and back orders have increased during this period.
	Rise in raw materials and parts prices	In FY2022, the prices of steel and other raw materials also increased. The prices of parts procured from suppliers also rose due to price increases for raw materials, energy and other items. As a result, these price increases had the impact of reducing earnings by ¥93.9 billion.
	Intensification of competition with other companies	The Suzuki Group is targeting a share of over 50% of India's passenger car market. In response to the growing popularity of SUVs in this market, the Suzuki Group launched two new SUV models in FY2022: the new Brezza and the new Grand Vitara. However, the Suzuki Group's share of the SUV segment remained at 12.1% as other companies also successively rolled out SUVs. As a result, the Suzuki Group's share of the overall passenger car market remained at 41.3%.
		In FY2023, the Suzuki Group will further strengthen partnerships with suppliers to ensure that production returns to normal. However, the Group expects that a long period of time will be needed to clear back orders that have accumulated in Japan and overseas. Suzuki has been unable to solve the problem of making customers wait for their orders.
		In FY2023, the Suzuki Group expects that price increases will have the impact of reducing earnings by ¥20.0 billion relative to FY2022. The Suzuki Group has been working to secure earnings through measures such as cost cutting and price pass-throughs, but it has yet to sufficiently overcome the rise in prices.
		In FY2023, the Suzuki Group will strengthen its competitiveness by launching the new SUV Fronx and the new Jimny 5-Door. Furthermore, in anticipation of growth in the Indian market, the Suzuki Group has been advancing efforts to ramp up production capacity as planned and will continue working to achieve a share of 50%.

Risks to business, etc.

Business-related risks	1) Climate change and the transition to a decarbonized society	Market-related risks	1) Changes in economic conditions, fluctuations in market demand
	2) New product development and introduction capabilities		2) Intensification of competition with other companies
	3) Compliance	Market-related risks	1) Fluctuations in exchange rates and interest rates
	4) Human resources recruitment and development		2) Fluctuations in raw materials and parts prices
	5) Issues related to procuring parts from suppliers	Risks related to politics, regulations, legal procedures, disasters, etc.	1) Government regulations, etc.
	6) Quality assurance		2) Protection of intellectual property
	7) Issues related to the adoption of digital and information technologies		3) Legal procedures
	8) Reliance on particular business or market		4) Business development in countries around the world
	9) Tie-ups with other companies		5) Impacts from natural disasters, epidemics, pandemics, conflicts, terrorism, strikes, etc.
	10) Information leaks		

* For details on each risk, please refer to the Securities Report.

Financial Review

Business segments and scope of consolidation

The Group consists of the Company, 120 subsidiaries, and 33 affiliates. The main businesses are the manufacturing and marketing of automobiles, motorcycles, outboard motors, and motorized wheelchairs, as well as logistics and other services related to the respective operations.

Management results of FY2022

Regarding the business environment surrounding the Group during FY2022, while ongoing yen depreciation resulting from the widening interest rate gap between Japan and the US provided a tailwind for our business performance, issues in the previous fiscal year, such as the semiconductor shortage's influence on our ability to meet production and sales targets and the sharp rise in raw material prices, remained challenges throughout the current fiscal year as well. Despite the semiconductor shortage, production and sales of both automobiles and motorcycles exceeded levels of the previous fiscal year as we strengthened our procurement capabilities through enhanced cooperation with our suppliers and our ability to adapt, such as by making changes to designs. In addition, to combat soaring raw material prices, we have been striving to secure earnings by raising our prices overseas.

For FY2022, net sales increased by ¥1,073.3 billion (30.1%) to ¥4,641.6 billion year on year. Operating profit increased by ¥159.1 billion (83.1%) to ¥350.6 billion year on year. Of this profit increase, depreciation of the yen against the US dollar contributed ¥100.6 billion yen. Ordinary profit increased by ¥119.9 billion (45.6%) to ¥382.8 billion year on year. Profit attributable to owners of parent increased by ¥60.8 billion (37.9%) to ¥221.1 billion year on year.

R&D expenses

The Company takes the lead in R&D activities for the entire Group. With our principle of manufacturing, “Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty),” and our motto to deliver “value-packed products” by focusing on the customer, we are working on the following to deliver products and services that support the daily lives of customers worldwide while being eco-friendly, the one that's always beside you to depend on, like a lifestyle partner.

In its Mid-Term Management Plan “Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty)” (April 2021 to March 2026), Suzuki has declared its commitment to assuring people's means of mobility as one tenet under the plan's basic philosophy. While focusing on this tenet, the production, engineering, procurement, and IT departments of Suzuki are working in concert and taking up the challenge of quality improvement and assurance using AI and strengthening our data utilization infrastructure in order to deliver valued products and services to customers. These are linked to the electrification of products and carbon neutrality in the field of manufacturing, and are being addressed as part of the Suzuki Smart Factory system. Mass production of manufacturing technologies for electrification is under consideration, and in the area of CO₂ emissions reduction in manufacturing, we have begun a plan to renovate our painting facilities, which emit large amounts of CO₂. We are also promoting the use of technologies and conducting demonstration tests, such as fuel cell transporters that utilize hydrogen.

In FY2022, R&D expenses of the entire Group amounted to ¥205.6 billion, and the breakdown of activities by segment is as shown below.

Segment	R&D expenses (Billion yen)
Automobile business	186.2
Motorcycle business	14.5
Marine business	4.5
Other	0.4
Total	205.6

Capital expenditures

Capital expenditures for FY2022 were ¥269,863 million, which were used for production, R&D, and marketing facilities, etc. Breakdown by segment is as per below.

Segment	Capital expenditures (Million yen)
Automobile business	253,271
Motorcycle business	11,541
Marine business	4,088
Other	961
Total	269,863

Notes: 1. Capital expenditure amounts are the total of the Company and its subsidiaries.

2. Investments in each segment are as per below.

In the automobile business, the Company made capital expenditures of ¥63,806 million, which includes improvement of production quality and production facilities for new models. Maruti Suzuki India Limited also made capital expenditures of ¥108,038 million, which includes expansion of production ability, production facilities for new models. Suzuki Motor Gujarat Private Limited made capital expenditures of ¥31,260 million, which includes expansion of production ability.

In the motorcycle business, the Company made capital expenditures of ¥3,199 million, mainly in production facilities. In addition, Suzuki Motorcycle India Private Limited also made capital expenditures of ¥6,137 million, mainly for expansion of production ability.

In the marine business, the Company made capital expenditures of ¥2,010 million, mainly in production facilities. In addition, Suzuki Marine USA, LLC also made capital expenditures of ¥1,496 million, mainly for R&D facilities.

Liquidity and source of funds

Financial position

With respect to the financial position at the end of FY2022, total assets were ¥4,577.7 billion (increased by ¥422.6 billion year on year). Total liabilities were ¥2,069.1 billion (increased by ¥177.6 billion year on year). Total net assets were ¥2,508.6 billion (increased by ¥244.9 billion year on year).

As for borrowings, we intend to maintain the current borrowing level owing to the still uncertain impact of component supply shortages, including semiconductors, and the growing risk of a global economic recession.

Cash flows

The balance of cash and cash equivalents at the end of FY2022 amounted to ¥882.1 billion (increased by ¥24.1 billion year on year). Cash flows for FY2022 are as follows.

(1) Cash flows from operating activities

Net cash provided by operating activities for FY2022 amounted to ¥286.6 billion. Increased profit resulted in an increase of ¥65.4 billion compared to inflows of ¥221.3 billion in the same period of the previous fiscal year.

(2) Cash flows from investing activities

Net cash used in investing activities for FY2022 amounted to ¥302.7 billion, a decrease of ¥149.2 billion compared to outflows of ¥153.5 billion in the same period of the previous fiscal year. This was mainly caused by purchases of property, plant and equipment.

As a result, free cash flow amounted to outflows of ¥16.0 billion, a decrease of ¥83.8 billion compared to inflows of ¥67.7 billion in the same period of the previous fiscal year.

(3) Cash flows from financing activities

Net cash provided by financing activities for FY2022 amounted to ¥31.6 billion, an increase of ¥186.2 billion compared to outflows of ¥154.6 billion in the same period of the previous fiscal year. This was mainly due to an increase in borrowings compared to the same period of the previous fiscal year as a result of repayment of refinancing and the postponement of the borrowing period.

Dividend policy

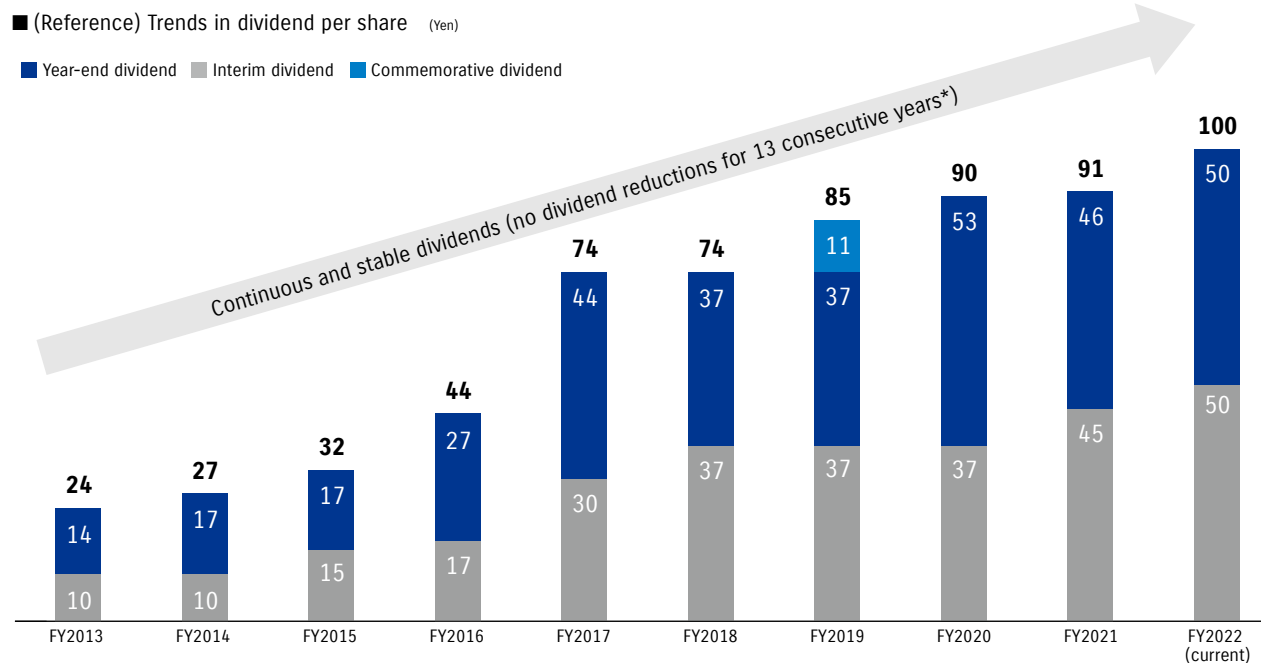
The Company maintains a progressive dividend policy that ensures continuous and stable dividends.

Our basic policy is to pay dividends from surplus twice a year in the forms of interim and year-end dividends. In

accordance with the Articles of Incorporation, the decision-making bodies for dividends are the Board of Directors for the interim dividend and the General Meeting of Shareholders for the year-end dividend.

Based on our basic policy of paying progressive dividends, the annual dividend for the current consolidated fiscal year will be ¥100 per share, an increase of ¥9 year on year. As a result, the year-end dividend will be ¥50 per share, since we paid an interim dividend of ¥50 yen per share.

Regarding the use of retained earnings, we will sustainably increase our corporate value by continuing to invest in growth, including the development of low-CO₂ vehicles and the construction of a new plant in the ever-growing Indian market.



11-Year Major Financial / Non-Financial Data

	Unit	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
Automobile	Production units	2,878	2,857	3,043	2,951	3,074	3,338	3,394	2,964	2,651	2,822	3,210	
	Domestic production	1,044	998	1,055	861	871	971	1,011	944	930	840	954	
	Overseas production	1,834	1,859	1,988	2,090	2,203	2,367	2,383	2,020	1,721	1,982	2,256	
	India	1,169	1,153	1,308	1,424	1,585	1,781	1,850	1,577	1,440	1,659	1,922	
	Sales units	2,661	2,709	2,867	2,861	2,918	3,224	3,327	2,852	2,571	2,707	3,000	
	Domestic sales	672	728	756	630	639	668	725	672	647	561	627	
	Overseas sales	1,989	1,981	2,111	2,231	2,279	2,556	2,602	2,179	1,924	2,145	2,373	
	India	1,051	1,054	1,171	1,305	1,445	1,654	1,754	1,436	1,323	1,365	1,645	
	Sales units of hybrid models*1	Thousand units	–	–	55	249	389	461	539	489	615	626	800
	Motorcycle	Production units	2,269	2,033	1,799	1,480	1,370	1,627	1,747	1,729	1,497	1,784	1,914
Domestic production		169	180	154	122	141	152	115	95	67	99	111	
Overseas production		2,100	1,852	1,645	1,358	1,229	1,475	1,632	1,634	1,430	1,685	1,803	
Sales units		2,312	2,022	1,764	1,501	1,367	1,576	1,745	1,709	1,535	1,634	1,859	
Domestic sales		76	74	67	61	62	60	57	49	51	53	46	
Overseas sales		2,236	1,948	1,697	1,440	1,305	1,516	1,688	1,661	1,484	1,581	1,814	

*1 Hybrid models include Mild Hybrid, S-ENE CHARGE, and SHVS

	Unit	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
Net sales	Automobile	25,783	29,383	30,155	31,807	31,695	37,572	38,715	34,884	31,782	35,684	46,416	
	Motorcycle	22,978	26,157	27,020	28,785	28,956	34,358	35,325	31,574	28,766	32,048	41,622	
	Marine	2,303	2,666	2,505	2,339	2,063	2,464	2,551	2,426	2,065	2,535	3,332	
	Other	–	–	–	–	–	–	–	745	834	980	1,346	
	Marine + Other	502	560	630	683	676	750	839	884	951	1,101	1,464	
	Domestic sales	10,409	11,327	10,946	10,479	10,375	11,167	12,524	11,795	11,740	10,737	12,120	
	Overseas sales	15,374	18,056	19,208	21,328	21,320	26,405	26,191	23,089	20,042	24,947	34,296	
	Europe	2,865	3,989	3,720	4,047	4,253	5,106	5,248	4,653	4,227	4,181	4,792	
	North America	956	651	660	670	561	625	708	670	681	794	1,237	
	Asia	9,854	11,120	12,145	13,947	13,930	17,732	17,623	15,237	12,932	15,901	22,274	
	Others	1,699	2,297	2,683	2,663	2,576	2,942	2,612	2,529	2,202	4,071	5,993	
	Operating profit	¥0.1 billion	1,446	1,877	1,794	1,953	2,667	3,742	3,244	2,151	1,944	1,915	3,506
	Ordinary profit	1,556	1,978	1,943	2,091	2,867	3,828	3,795	2,454	2,483	2,629	3,828	
	Profit*2	804	1,075	969	1,167	1,600	2,157	1,788	1,342	1,464	1,603	2,211	
Capital expenditures	1,693	2,136	1,945	1,715	1,988	2,134	2,689	2,364	1,709	1,894	2,699		
Depreciation and amortization	¥0.1 billion	937	1,172	1,344	1,683	1,634	1,509	1,489	1,642	1,365	1,615	1,773	
R&D expenses	1,193	1,271	1,259	1,310	1,315	1,394	1,581	1,481	1,462	1,607	2,056		
Interest-bearing debt balance	4,275	4,453	5,547	5,293	6,399	5,779	3,754	4,042	7,708	6,742	7,638		
Total assets	¥0.1 billion	24,876	28,741	32,528	27,020	31,160	33,408	34,020	33,398	40,364	41,552	45,777	
Net assets	12,986	14,944	17,014	11,877	13,870	15,952	17,159	17,937	20,320	22,637	25,086		
Shareholders' equity ratio	%	46.1	46.2	45.6	35.4	35.9	38.8	40.9	44.5	41.8	45.2	45.4	
Profit per share	¥	143.31	191.60	172.67	234.98	362.54	488.86	395.26	286.36	301.65	330.20	455.21	
Cash dividends per share (annual)		18.00	24.00	27.00	32.00	44.00	74.00	74.00	85.00	90.00	91.00	100.00	
ROE	%	7.5	8.7	6.9	9.6	15.4	17.9	13.3	9.3	9.2	9.0	11.2	

*2 Profit attributable to owners of parent (from FY2015 onwards)

Please refer to the Securities Report for details on financial data.

	Unit	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees		14,405	14,571	14,751	14,932	15,138	15,269	15,431	15,646	16,073	16,267	16,550
Male	Person	13,140	13,260	13,347	13,467	13,603	13,711	13,808	13,932	14,220	14,326	14,503
Female		1,265	1,311	1,404	1,465	1,535	1,558	1,623	1,714	1,853	1,941	2,047
Employees with job titles*1		–	–	–	4,184	4,232	4,333	4,437	4,517	4,709	4,831	5,048
Male	Person	–	–	–	4,131	4,162	4,243	4,339	4,403	4,577	4,695	4,892
Female		–	–	–	53	70	90	98	114	132	136	156
Ratio of female	%	–	–	–	1.27	1.65	2.08	2.21	2.52	2.80	2.82	3.09
Managers		–	–	926	965	1,014	1,049	1,080	1,139	1,203	1,268	1,303
Male	Person	–	–	921	957	1,004	1,037	1,066	1,121	1,185	1,248	1,282
Female		–	–	5	8	10	12	14	18	18	20	21
Ratio of female	%	–	–	0.54	0.83	0.99	1.14	1.30	1.58	1.50	1.58	1.61
Employment rate of people with disabilities	%	–	–	2.09	2.08	2.04	2.02	2.14	2.20	2.23	2.35	2.44
New employees		427	588	571	635	794	642	563	708	819	595	719
Male	Person	364	496	496	532	674	541	445	569	651	451	567
Female		63	92	75	103	120	101	118	139	168	144	152
College degree or above		367	446	462	472	585	456	475	494	577	352	444
Male	Person	328	404	425	412	523	396	396	413	474	285	383
Female		39	42	37	60	62	60	79	81	103	67	61
Turnover rate	%	–	–	4.3	4.1	3.8	4.2	3.9	3.1	2.2	2.9	3.0
Number of employees (consolidated)	Person	55,948	57,749	57,409	61,601	62,992	65,179	67,721	68,499	68,739	69,193	70,012
Rate of paid leave taken*2	%	–	–	–	–	–	–	73.7	77.2	75.0	85.4	81.4
Male rate of taking childcare leave	%	–	–	–	–	–	–	–	–	–	17.7	43.5

*1 Manager, assistant manager, supervisor, and foreman (including expert and technical master)

*2 Includes managers

	Unit	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
CO ₂ emissions in the entire value chain		–	–	–	–	–	–	–	–	9,018	9,207	10,372
Scope 1	10,000 t-CO ₂	–	–	–	–	–	–	–	–	38	40	42
Scope 2		–	–	–	–	–	–	–	–	68	71	72
Scope 3		–	–	–	–	–	–	–	–	8,913	9,096	10,258
Global average CO ₂ emissions of new automobile models												
Average fuel efficiency in Japan	km/L	22.0	24.9	26.4	27.2	27.4	27.1	25.9	25.6	24.5	24.6	24.6
Average CO ₂ emissions in Europe	g/km	128.8	125.3	126.1	119.4	118.6	114.9	113.9	120.7	100.2	98.3	96.3
Average CO ₂ emissions in India		120.3	118.5	117.5	112.1	111.1	109.9	108.7	111.2	112.9	111.1	107.4
Amount of water used globally		434	782	780	772	818	874	866	864	815	821	911
Suzuki (domestic plants)	10,000 m ³	342	347	330	314	319	334	329	320	332	309	319
Domestic subsidiaries		92	99	106	116	104	104	84	87	81	75	90
Overseas plants		–	336	344	342	395	438	454	457	402	437	502
Total global waste discharge amount		130	281	290	297	315	372	384	350	325	381	414
Suzuki (domestic plants)		110	102	102	93	93	114	115	104	113	116	121
Domestic manufacturing subsidiaries	1,000 tons	20	22	20	18	18	24	21	20	16	16	17
India		–	130	147	166	186	213	228	209	185	229	258
Indonesia		–	21	17	13	10	12	12	12	8	16	15
Thailand		–	6	4	7	8	9	8	5	3	4	3

Please refer to Sustainability Report 2023 for details on non-financial data.

Company Information

Company name	Suzuki Motor Corporation		
Date of incorporation	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	
Representative	Toshihiro Suzuki, Representative Director and President		
No. of employees	[Consolidated] 70,012	[Non-consolidated] 16,550	(As of March 31, 2023)
Net sales	[Consolidated] ¥4,641,600 million	[Non-consolidated] ¥2,217,200 million	(FY2022)
Head office	300 Takatsuka-cho, Minami-ku, Hamamatsu, Shizuoka 432-8611 Japan Website address: https://www.globalsuzuki.com		
Fiscal year-end	March 31		
Public accounting firm	Seimei Audit Corporation		
Main products	Automobiles, motorcycles, outboard motors, motorized wheelchairs, etc.		
Main facilities	Head office	Hamamatsu, Shizuoka	
	Kosai Plant	Kosai, Shizuoka	
	Iwata Plant	Iwata, Shizuoka	
	Osuka Plant	Kakegawa, Shizuoka	
	Sagara Plant	Makinohara, Shizuoka	
	Hamamatsu Plant	Hamamatsu, Shizuoka	
	Tokyo Branch Office	Minato-ku, Tokyo	
	Yokohama Labo.	Yokohama, Kanagawa	
	Marine Technical Center	Kosai, Shizuoka	

Suzuki Group companies (As of March 31, 2023)

Consolidated subsidiaries 120 companies

<Japan>

Consolidated subsidiaries in Japan 66 companies

Manufacturing companies including Suzuki Auto Parts Mfg. Co., Ltd., Snic Co., Ltd., etc.

Sales distributors including Suzuki Motor Sales Tokyo Inc., Suzuki Motor Sales Kinki Inc. etc.

<Overseas>

Overseas consolidated subsidiaries 54 companies

Manufacturing companies including Maruti Suzuki India Ltd. (India),

Pak Suzuki Motor Co., Ltd. (Pakistan),

PT Suzuki Indomobil Motor (Indonesia),

Thai Suzuki Motor Co., Ltd. (Thailand),

Magyar Suzuki Corporation Ltd. (Hungary), etc.

Sales distributors including Suzuki Deutschland GmbH (Germany), etc.

Stock and Other Information

■ Capital and stock (As of March 31, 2023)

Capital	¥138,370 million
Total number of authorized shares	1,500 million
Total number of shares issued	491,146,600
Number of shareholders	34,897
Stock listing	Tokyo Stock Exchange
Securities code	7269
Ordinary General Meeting of Shareholders	June
Record dates	<ul style="list-style-type: none"> · Ordinary General Meeting of Shareholders: March 31 · Year-end dividend: March 31 · Interim dividend: September 30
Shareholders' register manager	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo

■ Rating

Name of rating agency	Rating and Investment Information, Inc. (R&I)
Rating	A [Rating outlook: Positive]

<Top 10 largest shareholders>

Name of shareholders	Number of shares (1,000 shares)	Percentage of shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	84,126	17.3
Custody Bank of Japan, Ltd. (Trust Account)	36,369	7.5
Toyota Motor Corporation	24,000	4.9
Tokio Marine & Nichido Fire Insurance Co., Ltd.	17,063	3.5
MUFG Bank, Ltd	16,000	3.3
Resona Bank, Ltd.	13,000	2.7
The Shizuoka Bank, Ltd.	11,600	2.4
SSBTC CLIENT OMNIBUS ACCOUNT	8,839	1.8
Sompo Japan Insurance Inc.	7,761	1.6
STATE STREET BANK WEST CLIENT – TREATY 505234	6,325	1.3

Note 1. The number of shares is rounded down to the nearest 1,000 shares.

Note 2. Percentage of shareholding is calculated excluding treasury stock (5,031 thousand shares).

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Total shareholder return	%	86.8	47.9	92.0	79.5	91.5
(TOPIX Net Total Return Index)	%	(95.0)	(85.9)	(122.1)	(124.6)	(131.8)