



Suzuki Mid-Term Management Plan (April 2021 to March 2026)

~ “Sho-Sho-Kei-Tan-Bi” ~

SUZUKI MOTOR CORPORATION

24 February 2021

- 1. Introduction**
- 2. Basic philosophy**
- 3. Review of previous mid-term management plan**
- 4. New mid-term management plan initiatives**
- 5. Management performance targets**



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Suzuki celebrated its 100th anniversary in March 2020. Over the past 100 years, we have taken on many challenges, including looms, motorcycles, automobiles, and outboard motors. Suzuki will continue to take on the challenge to realize carbon neutral and in such a course, the philosophy of "Sho-Sho-Kei-Tan-Bi" which represents the basis of Suzuki's manufacturing since its foundation, is truly worthy of this challenge.

We reaffirm the unwavering commitment to "Focusing on the customer" inherited from our founder, and we will make even greater efforts to provide customers with the value of "Sho-Sho-Kei-Tan-Bi".

Toshihiro Suzuki, President and Representative Director

Note: "Sho-Sho-Kei-Tan-Bi" is an abbreviation for Japanese meaning "smaller" "fewer" "lighter" "shorter" and "neater". Over the years, it has become an accepted expression of Suzuki's mind and culture.



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Assure people's "means of mobility"

- Mini-cars in Japan function as local transportation and is an indispensable means of living.
- As a mobility company, Suzuki contributes to the environment providing small products worldwide.



Emerging economies continue to be a pillar of growth

- Providing economical and quality products and services to customers in emerging countries
- Emerging economies as a pillar of Suzuki's future growth, anticipating the medium-and long-term development



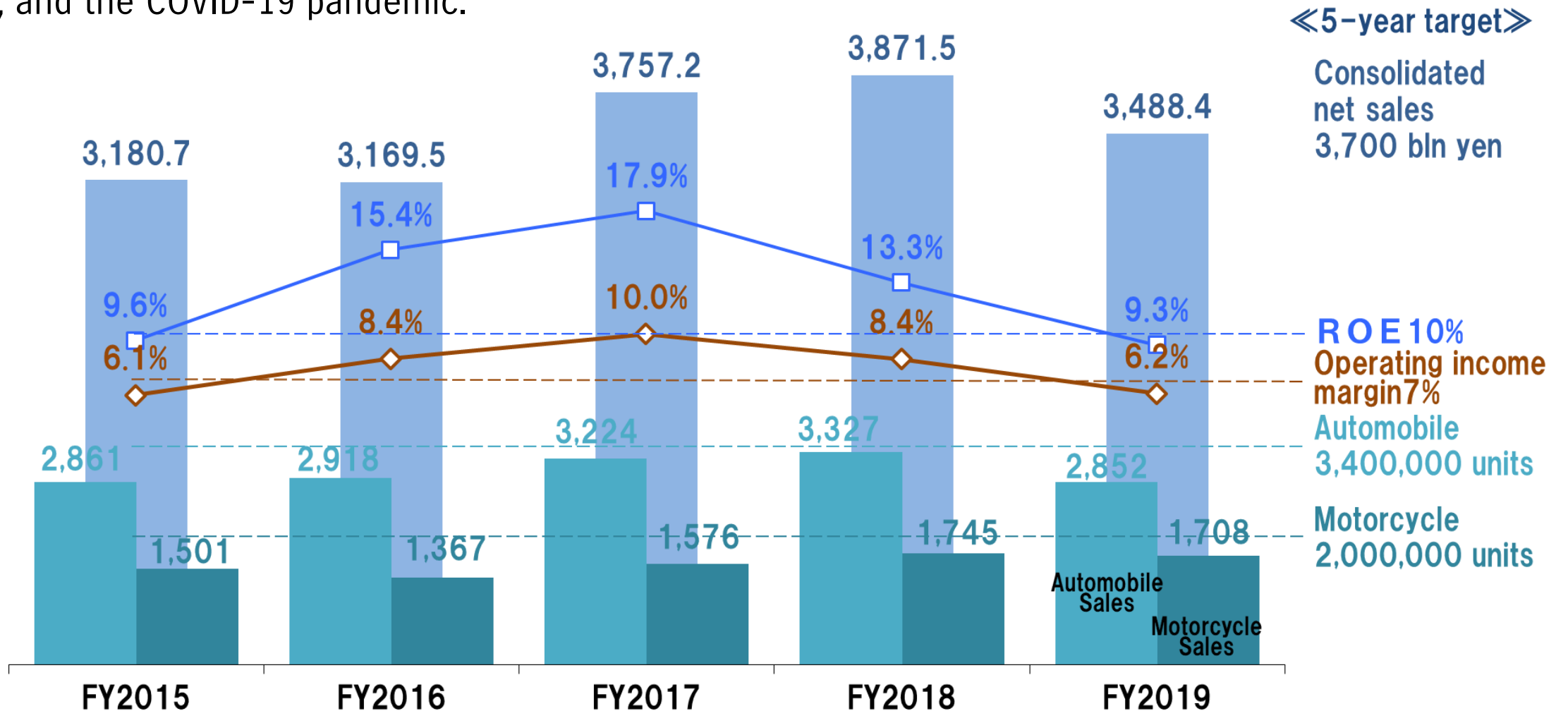
- Suzuki will stay focused upon customer throughout the next 100 years, and with our “Sho-Sho-Kei-Tan-Bi” concept, we strive to provide value-packed products and services
- We would like to convey our thought together with the slogan of "Small cars for a big future."





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- Net sales target achieved in FY2017 and FY2018, operating profit ratio target achieved in FY2016 to FY2018
- Target not achieved in its final year of FY2020 due to the slowdown of the Indian market, final inspection issue, and the COVID-19 pandemic.



Review of previous mid-term management plan

- Loss of customer trust
 - Frequent quality problems and recalls
 - Fraud in fuel efficiency tests and final inspection
- Delay in CASE development



Determination **Return to basics in the Mission Statement**

*If the customer needs something
we must do whatever we can to respond.
Hard work guarantees success.*

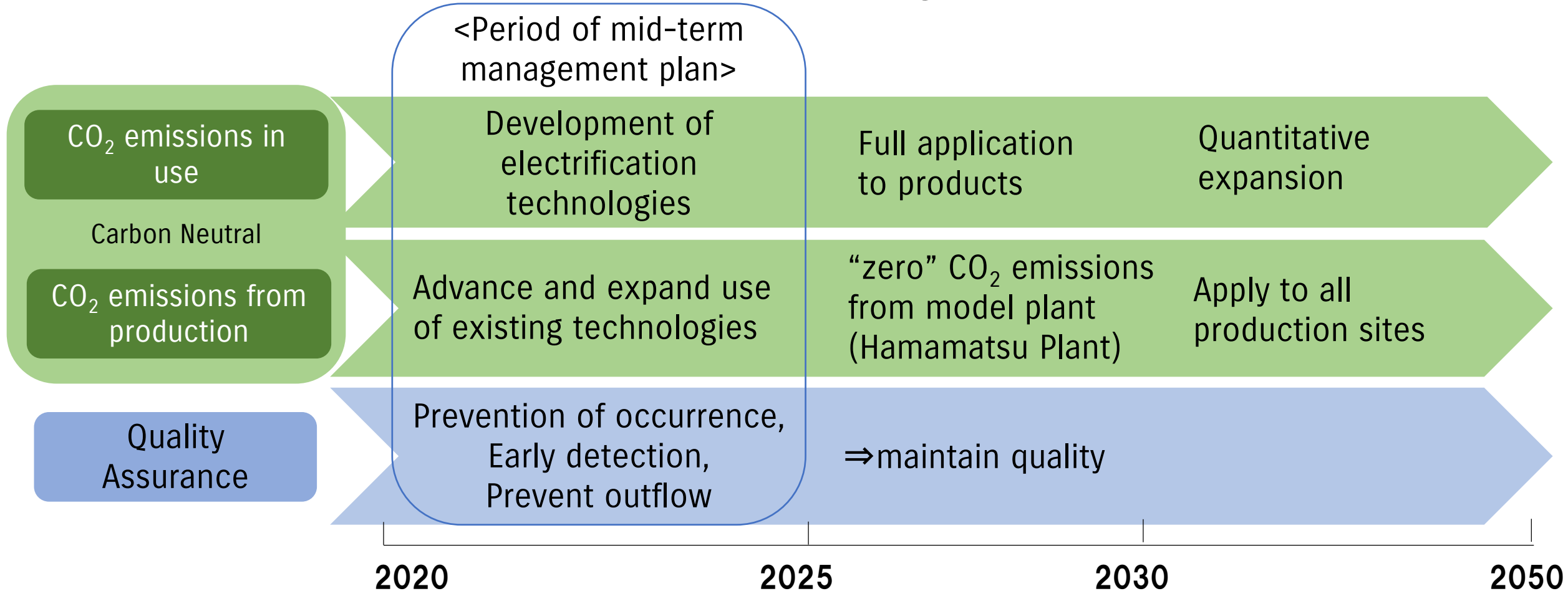
– Founder Michio SUZUKI





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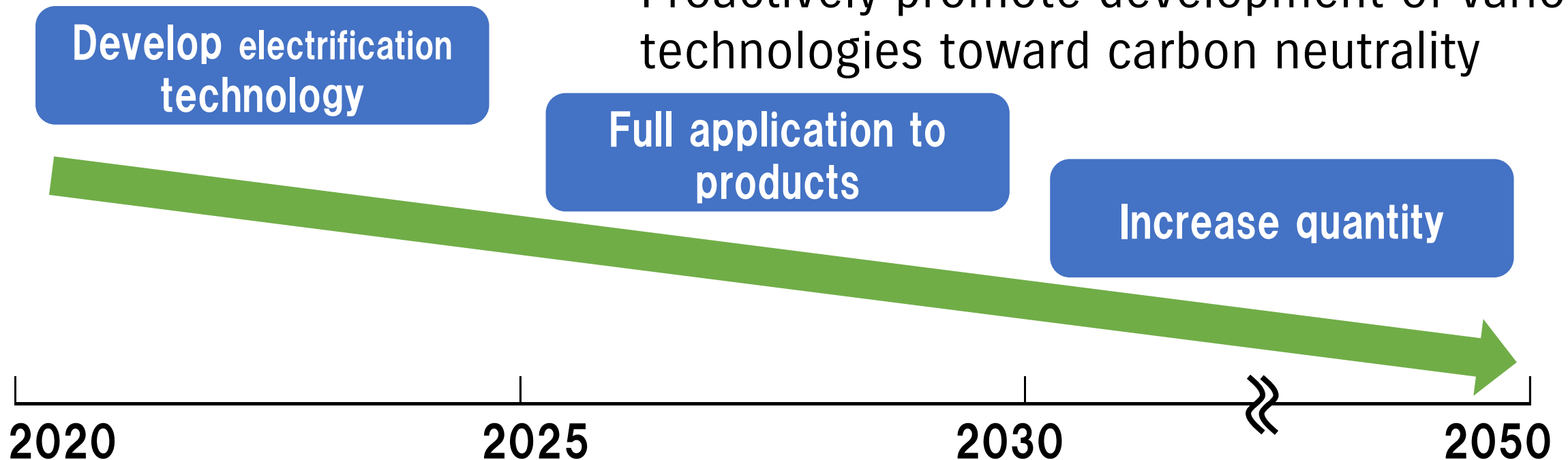
- In the global trend toward carbon neutrality, we clarified our initiatives.
- Shift to electrification and software development requires greater emphasis on quality.
- Therefore, Suzuki puts top priority on the following three issues.



- By 2025 : Develop electrification technology
- By 2030 : Full application of electrification technology developed during the mid-term management plan period
- 2030 onward : Increase the quantity of electric-powered products

Visual image toward “zero” CO₂ emissions

Proactively promote development of various technologies toward carbon neutrality



The next 5 years will be the period of concentrated development in order for Suzuki to survive beyond 2025

Development and commercialization of Suzuki hybrid system

- Development of hybrid system for mini, compact and commercial vehicles
- Development of plug-in hybrids
- Expand the range of vehicles equipped

Development and commercialization of EVs

- Development of mini EV and compact EV
- Utilize joint development with Toyota

Challenge toward “zero” CO₂ emissions from production in 2050

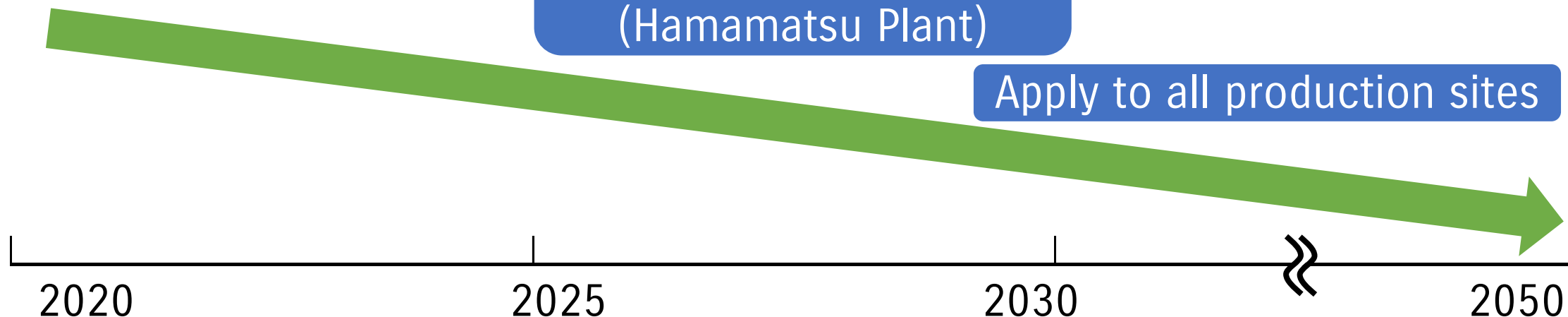
Visual image toward “zero” CO₂ emissions

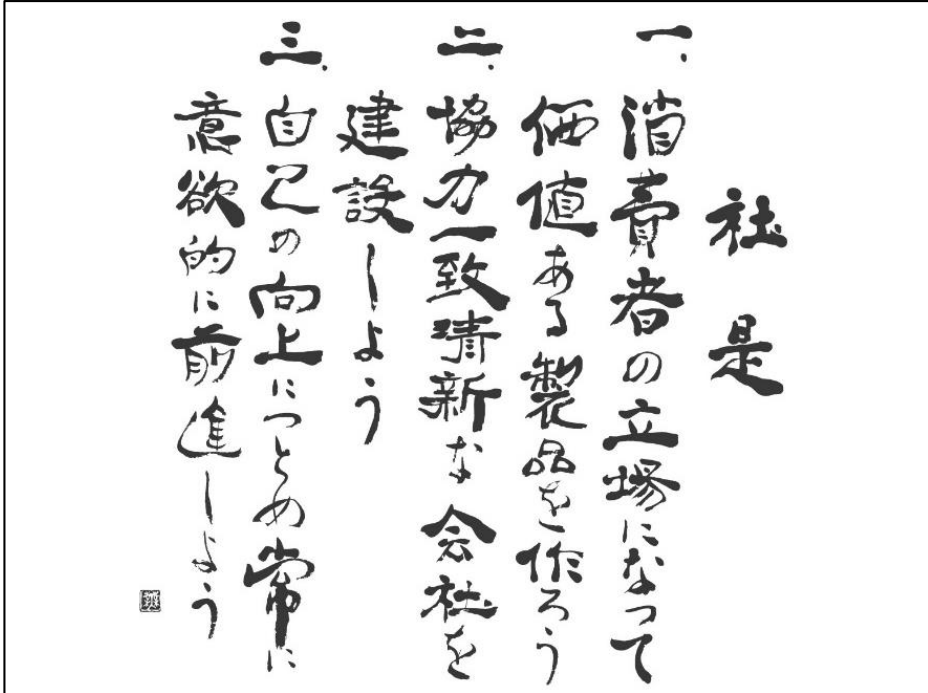
Proactively promote development of various technologies toward carbon neutrality

Advance and expand use of existing technologies

“Zero” CO₂ emissions from model plant (Hamamatsu Plant)

Apply to all production sites





Mission Statement

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

Mission Statement

- Established in 1962
- Suzuki upholds a slogan “Value-packed Products”, and all employees are striving every day to be value creators

- Suzuki, as a manufacturing company tackles to develop new technologies.
- However, no product will be accepted unless the technology is; high quality, and affordable.
- Only when customers choose Suzuki products, Suzuki’s business makes sense.
- *“Develop products of superior value by focusing on the customer”*

Drawings	Production	Inspection	Market
<div>Prompt investigation of causes and countermeasures (Early detection and countermeasures)<ul style="list-style-type: none">• Not to miss a single defect• AI management of market quality information• Automatic acquisition of vehicle data</div>			
<div>Production with less variants (Prevention of occurrence)</div>		<div>Expand traceability management (Prevention of outflow)</div>	
<div>Human resources development</div>			

Maintain market share of 30%+ in mini segment, and increase compact car sales by 50% (vs FY2020)

Electrification

- Expand sales of models equipped with Suzuki Hybrid System
- Expand charging infrastructure to cope with future EV sales

Strengthen sales capability

- Strengthen distributor function
- Update direct sales outlet, increase sales and service personnel
- Digitization for effective sales

Enhance product lineup

- Enhance lineup of compact cars
- Strengthen preventive safety technology
- Continuous introduction of new models

Production

- Flexible production operations to meet the changes in demand
- BCP administration of supply chain

- Taking the initiative in promoting electrification required by society in response to environmental issues in India
- Maintain market share of more than 50% in passenger car segment

Electrification

- Promote penetration of hybrids
- Introduce EV

Sales

- Increase number of rural small outlets, allocate circuit service car
- Develop demand in rural areas
- Increase sales efficiency through digitization

Product line up

- Strengthen SUV segment
- Promote CNG cars

Production

- Strengthen production capacity in line with the growth of the Indian market

Deepening of alliances

Cooperation in electrification

- Expand mutual supply of hybrid vehicles
- Promote use of batteries for hybrid vehicles produced in India
- Development of small EV platform

Collaboration in Africa

- Market development
- Introduction of products from India and establishment of logistics and service systems

Complementing products and components

- Enlarge mutual supply of vehicles and powertrain

Motorcycles

2 million sales units, Secure operating profit of 5% or more

Commonization

- Commonization of platform
- Attractive and diverse lineup

Electrification

- Introduction of EV scooters

Marine

Net sales target ¥100 billion

Earnings increase

- Increase sales of large 4-stroke models (leisure use)
- 2 stroke models → 4 stroke (business use)

Comprehensive brand recognition

- Promote Clean Ocean Project with customer participation

New technologies

- New technologies including electrification
- Integrated vessel controls



Contribute to solve social issues while earning profits from business activities

- Suzuki contributed to creating jobs in emerging countries, through development and penetration of environmentally friendly compact cars
- Through business activities that take advantage of Suzuki's strengths, Suzuki will contribute to solve social issues while increasing profits.
- Balancing contribution to a sustainable society and business growth

Environment

- Efforts to develop environmental technologies
- Challenge toward carbon neutral
- Disclosures in line with TCFD

Social

- Reducing the number of traffic fatalities and injuries (Safety technology initiatives)
- Resolving regional and elderly mobility issues (next-generation mobility and services)
- Recruitment and development of human resources with expertise that will lead the next generation
- Development of an environment and personnel system that enables diverse human resources to work
- Diversification of work styles and promotion of health management
- Preventing occupational accidents and promoting a safe and secure working environment

Governance

- Continuation of measures to prevent recurrence of inappropriate incidents
- Risk management for environmental and social issues related to business activities
- Strengthening information security



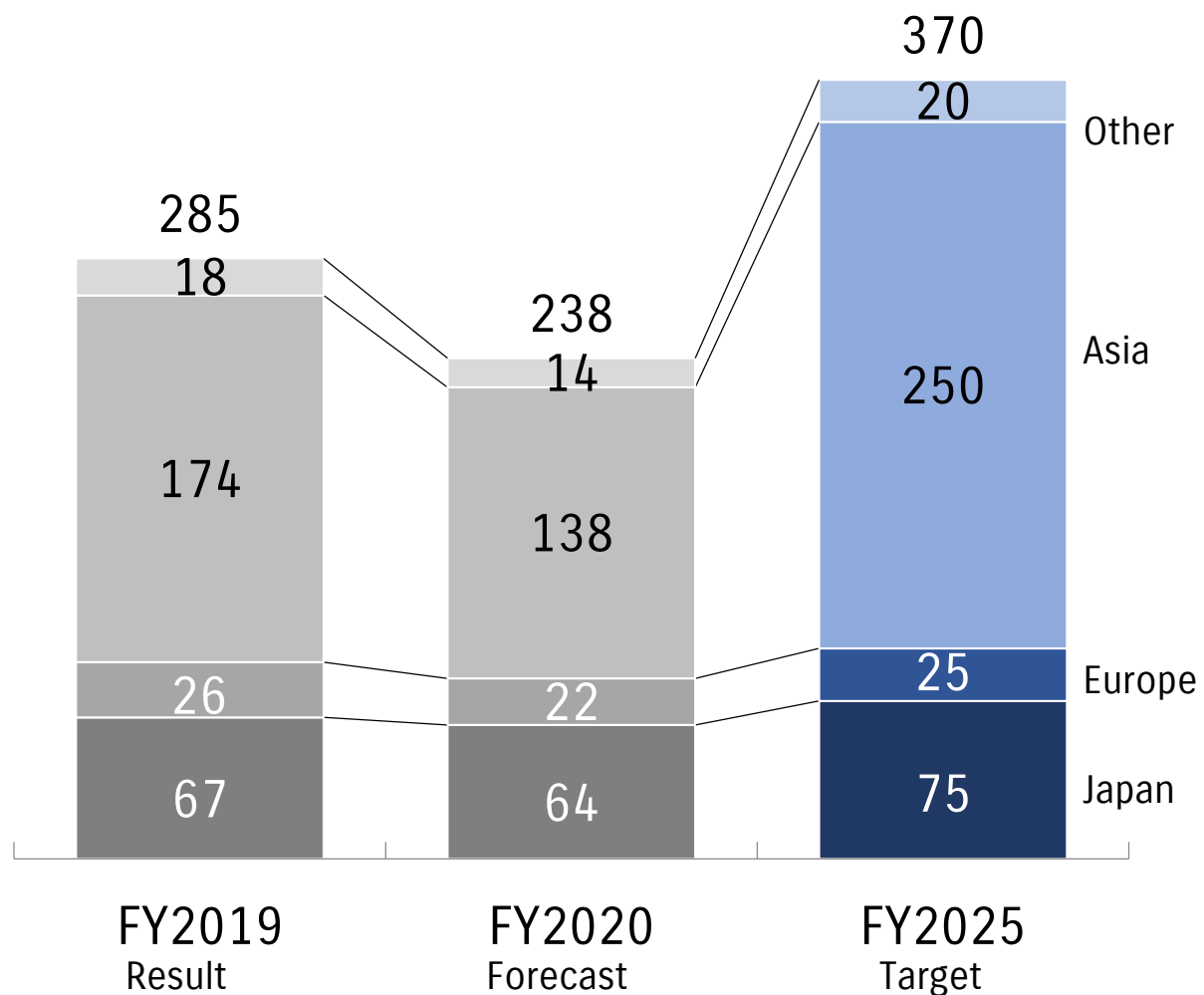


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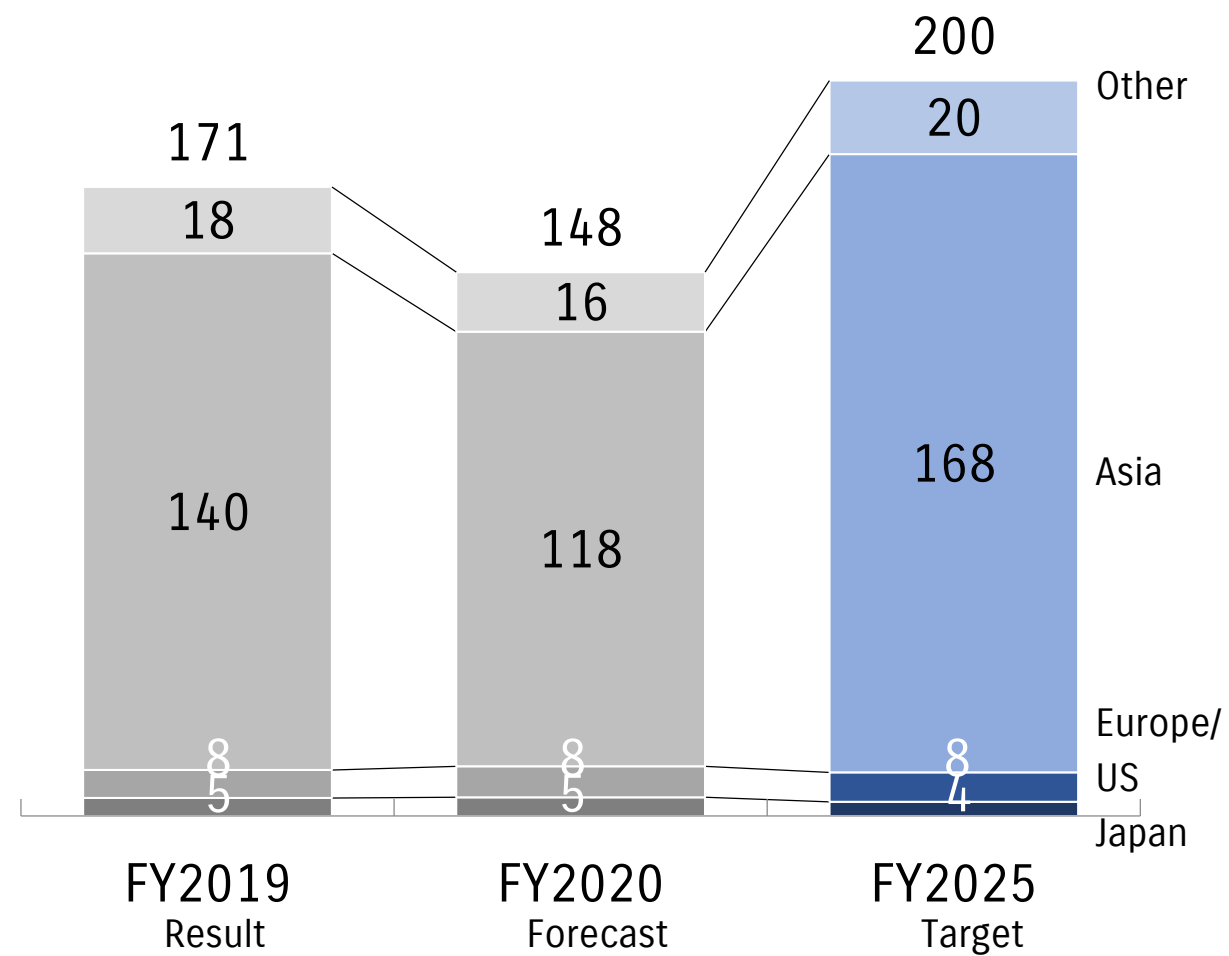
		FY2019 Result	FY2020 Forecast	FY2025 Target
Performance	Net Sales	3.4884 trillion yen	3 trillion yen	4.8 trillion yen
	Operating income margin	6.2%	5.3%	5.5%
Shareholder return	R O E	9.3%	–	8%
	Payout ratio	29.7%	TBD	30%
Investment	R&D	148.1 billion yen	150.0 billion yen	1.0 trillion yen/5 years (200.0 billion/year)
	Capital Investment	236.4 billion yen	220.0 billion yen	1.2 trillion yen/5 years (240.0 billion/year)
Global sales	Automobiles	2.85 million units	2.38 million units	3.7 million units
	Motorcycles	1.71 million units	1.48 million units	2.0 million units

Note. Exchange rate assumptions ... US \$1 = 104 yen, 1 Euro = 124 yen, 1 INR = 1.42 yen

<Automobiles> (10,000 units)



<Motorcycles> (10,000 units)



SUZUKI MOTOR CORPORATION



Sagara Plant and
Sagara Proving Grounds
(testing and development of automobiles)

Makinohara Photovoltaic Power Plant

.....**Caution with respect to Forward-Looking Statements**.....

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