

Disciplinary Actions regarding the Improper Conducts of the Final Vehicle Inspection in the Plants, and the Change in Organisation, Executives, and Personnel

Suzuki Motor Corporation would like to offer our deepest apologies to each and every one of our customers and stakeholders regarding the improper conducts of the final vehicle inspection in the plants.

Regarding the improper conducts, the Company will take the following disciplinary actions against the management and the concerned personnel, as well as make the following change in organisation and personnel, such as establishment of departments for thorough implementation of preventive measures.

1. Disciplinary Actions regarding the Improper Conducts of the Final Vehicle Inspection in the Plants

1) Reductions of Executive Remuneration

(1) Bonus for FY2018

- ① Representative Directors and Directors : Fully waived
- ② Executive Officers : 50% reduction

(2) Monthly Remuneration after July 2019

- ① Representative Director and Chairman : No remuneration for 1 year based on voluntary proposal
- ② Representative Director and President : 50% reduction for 6 months
- ③ Representative Director and Vice Chairman : 40% reduction for 6 months
- ④ Directors : 30% reduction for 6 months
- ⑤ Outside Directors : 10% reduction for 3 months
- ⑥ Executive Officers in charge of manufacturing : 30% reduction for 6 months
- ⑦ Other Executive Officers : 10% reduction for 3 months

Also, there will be 10% reduction for 3 months for the Audit & Supervisory Board Members, based on their voluntary proposal to waive their remuneration.

2) Change in Executive

Director and Managing Officer, Executive General Manager, Manufacturing Hiroaki Matsuura

Retirement of Managing Officer : 31 May 2019

Retirement of Director : 27 June 2019 (at the end of the Ordinary General Meeting of Shareholders)

3) Disciplinary Actions of Concerned Personnel

The Company took disciplinary actions against the managers who were concerned in manipulation of vehicle check sheets, as well as those who were responsible for supervising and managing those manipulations, and those who were responsible for supervising and managing the improper conducts of the final vehicle inspection in the plants, based on the employment regulation.

2. Organisation Change

Following organisation change will become effective as of 1 June 2019.

1) Establishment of Inspection Reform Committee

Inspection Reform Committee (Chief Officer: Toshiaki Hasuike, Executive Vice President) will be established to review and manualise the definition of inspection, and enable the new organisation structure to smoothly make measures, such as reviewing inspector's qualification, employment test, and conditions, and introducing facilities to enhance quality, into effect in a short period of time. New and former executives in charge of manufacturing and inspection will become members of the committee to intensively discuss and implement such measures.

2) Securement of Manufacturing Quality and New Establishment of Inspection

Production Engineering should be responsible for securing manufacturing quality that conform to safety regulations in the manufacturing process. In order to enhance quality in the manufacturing process, Quality Group will be newly established in each plant (Kosai, Sagara, Iwata, and Hamamatsu). On the other hand, in order to enhance independency of inspection departments, they will be moved outside the control of Production Engineering, and shifted under Inspection. They will be responsible for examining the consistency of vehicles and conformity to safety regulations.

Conventionally, each plant manager of Kosai, Sagara, Iwata, and Hamamatsu Plants concurrently served as chief inspection engineer. From now on, Kosai Inspection Department, Sagara/Osuka Inspection Department, Iwata Inspection Department, and Hamamatsu Inspection Department will be established under Inspection, and department general manager of each inspection department will be the chief inspection engineer.

3) Construction of Auditing Structure for Final Vehicle Inspection

Final Vehicle Inspection Group and Parts Inspection Group will be shifted under Inspection to thoroughly conduct self-auditing by the Inspection Group.

Inspection Administration Department will be established under Vehicle Regulations and Engineering Administration, and they will audit whether the final vehicle inspections are properly conducted according to vehicle regulations and certification.

Audit Department will become Audit to strengthen its structure, and Engineering/Manufacturing Audit Department will be newly established under Audit to conduct auditing to verify whether the Company is complying with laws and regulations, based on situation of execution of operation in the plants and various auditing methods.

4) Others

- Besides Engineering/Manufacturing Audit Department, Domestic Audit Department, Overseas Audit Department, and Internal Audit Group will be placed under Audit.
- Affiliates Accounting Department under Finance will be abolished upon new establishment of Audit.
- Manufacturing Engineering Department I, II, III, and Motorcycle/Marine & Power Products MFG. ENG. Department will be merged and become Production Engineering Powertrain Department, Production Engineering Stamp & Weld Department, Production Engineering Paint & Assembly Department, and Production Engineering Parts Department. Manufacturing Engineering Department IV will become Production Engineering Control Department.
- Trial Production Department and Tooling Plant will be merged and become Trial Production/Tooling Plant.

3. Appointment, Retirement, and Change in Operational Responsibilities of Directors

[Scheduled as of 27 June 2019]

Toshiaki Hasuike is scheduled to become Director, following an approval at the Ordinary General Meeting of Shareholders scheduled on 27 June 2019. He will also become Executive Vice President and will be in charge of the following operational responsibilities as of 1 June 2019.

(New)	(Name)	(Previous)
Director and Executive Vice President in charge of Engineering/Manufacturing/Quality, and Chief Officer, Inspection Reform Committee	Toshiaki Hasuike	Senior Managing Officer Executive General Manager, Automobile Engineering

Hiroaki Matsuura is scheduled to retire as Director, upon the end of the Ordinary General Meeting of Shareholders scheduled on 27 June 2019, and will be appointed as Adviser. He will also retire as Managing Officer as of 31 May 2019 and will be in charge of the following operational responsibilities as of 1 June 2019.

(New)	(Name)	(Previous)
Adviser based in Maruti Suzuki India Limited, and Committee, Inspection Reform Committee (term of the committee will be until 27 June 2019)	Hiroaki Matsuura	Director and Managing Officer in charge of Manufacturing Engineering/Manufacturing/Parts, and Executive General Manager, Manufacturing, and Department General Manager, Trial Production Department

[As of 1 June 2019]

Following change in operational responsibilities will become effective as of 1 June 2019.

(New)	(Name)	(Previous)
Director and Managing Officer in charge of Human Resources, and Department General Manager, Human Resources Department, and Executive General Manager, Corporate Planning Office, and Committee, Inspection Reform Committee	Masahiko Nagao	Director and Managing Officer in charge of Human Resources, and Department General Manager, Human Resources Department, and Executive General Manager, Corporate Planning Office

4. Appointment of Audit & Supervisory Board Members

Following personnel are scheduled to become Audit & Supervisory Board Members, following an approval at the Ordinary General Meeting of Shareholders scheduled on 27 June 2019.

(New)	(Name)	(Previous)
Audit & Supervisory Board Member	Toyokazu Sugimoto	Adviser, Suzuki Training Center
Audit & Supervisory Board Member	Masato Kasai	Managing Officer Group Manager, Environment Engineering Group, Vehicle Regulations and Engineering Administration
Outside Audit & Supervisory Board Member (part-time)	Norihisa Nagano	Attorney, Nagano Law Firm

5. Retirement of Audit & Supervisory Board Members

Following personnel are scheduled to retire as Audit & Supervisory Board Members, upon the end of the Ordinary General Meeting of Shareholders scheduled on 27 June 2019, and will be appointed as Advisers.

(New)	(Name)	(Previous)
Adviser (part-time)	Kunio Nakamura	Audit & Supervisory Board Member
Adviser (part-time)	Eiji Mochizuki	Audit & Supervisory Board Member
Adviser (part-time)	Yasuhiro Yamazaki	Outside Audit & Supervisory Board Member (full-time)

6. Appointment of Managing Officers

Following personnel will be appointed as Managing Officers as of 1 June 2019.

(New)	(Name)	(Previous)
Managing Officer Executive General Manager, Automobile Engineering, and Department General Manager, Automobile Platform and HMI Development Department	Masahiro Ikuma	Deputy Executive General Manager, Automobile Engineering, and Department General Manager, Automobile Platform and HMI Development Department
Managing Officer Deputy Executive General Manager, Automobile Engineering	Masamichi Suzuki	Deputy Executive General Manager, Automobile Engineering

Managing Officer Executive General Manager, Research & Development, and Department General Manager, Advanced Engineering Development Department	Hisanori Takashiba	Executive General Manager, Research & Development, and Department General Manager, Advanced Engineering Development Department
Managing Officer Deputy Executive General Manager, Automobile Engineering	Yukihiro Yamashita	Deputy Executive General Manager, Automobile Engineering
Managing Officer Branch Manager, Tokyo Branch, and Chairman, Suzuki Motor Sales Tokyo Inc.	Shinichi Akama	Branch Manager, Tokyo Branch
Managing Officer Deputy Executive General Manager (in charge of Asia Automobile), Global Automobile Marketing, and Department General Manager, India Automobile Department	Hisashi Takeuchi	Deputy Executive General Manager (in charge of Global Administration), Global Automobile Marketing, and Department General Manager, India Automobile Department
Managing Officer Executive General Manager, Legal/IP, and Department General Manager, Domestic Legal Department	Yutaka Kikukawa	Executive General Manager, Legal/IP, and Department General Manager, Domestic Legal Department

7. Retirement of Managing Officers

Following personnel will retire as Managing Officers as of 31 May 2019, and will be appointed as Advisers as of 1 June 2019.

(New)	(Name)	(Previous)
Adviser in charge of Special Missions, Audit	Kazuo Hakamata	Managing Officer in charge of Manufacturing/Purchasing/Engineering, S.I.M. (Indonesia)
Adviser in charge of Special Missions, Global Automobile Marketing	Shuji Oishi	Managing Officer Deputy Executive General Manager (in charge of Asia Automobile), Global Automobile Marketing
Adviser General Manager, Suzuki Training Center	Shigeyuki Yamamura	Managing Officer in charge of Human Resources Development
Adviser in charge of Special Missions, and Committee, Inspection Reform Committee	Ichiro Onishi	Managing Officer Executive General Manager, Customer Quality Assurance and Service
Adviser in charge of Special Missions, Audit	Kazuhiko Ayabe	Managing Officer Executive General Manager, Purchasing, and Department General Manager, Powertrain Purchasing Department
Adviser in charge of Human Resources Structure Reform	Yoshikazu Ozawa	Managing Officer based in Maruti Suzuki India Limited (in charge of India Human Resources Management)

8. Change in Operational Responsibilities of Managing Officers

Following change in operational responsibilities will become effective as of 1 June 2019.

(New)	(Name)	(Previous)
Managing Officer Executive General Manager, Inspection, and Deputy Chief Officer and Chief Secretariat, Inspection Reform Committee	Keiichi Asai	Managing Officer Deputy Executive General Manager, Manufacturing
Managing Officer Executive General Manager, Vehicle Regulations and Engineering Administration, and Deputy Chief Officer, Inspection Reform Committee	Shigeo Yamagishi	Managing Officer Executive General Manager, Vehicle Regulations and Engineering Administration
Managing Officer in charge of Engineering Human Resources, and Committee, Inspection Reform Committee	Kazunobu Hori	Managing Officer in charge of Engineering Human Resources
Managing Officer Executive General Manager, Audit	Taisuke Toyoda	Managing Officer Executive General Manager, Finance, and Department General Manager, Affiliates Accounting Department
Managing Officer Executive General Manager, Purchasing, and Department General Manager, Powertrain Purchasing Department, and Committee, Inspection Reform Committee (term of the committee will be until 27 June 2019)	Shigetoshi Torii	Managing Officer Deputy Executive General Manager (in charge of Manufacturing), Manufacturing

9. Retirement of Advisers

Following personnel will retire as Advisers as of 31 May 2019.

(New)	(Name)	(Previous)
Retire	Naoki Aizawa	President, Suzuki Motor Gujarat Private Limited (India)
Retire	Izumi Oishi	Executive Vice President, Suzuki Motor Gujarat Private Limited (India)
Retire	Hiroyasu Uchida	General Manager, Suzuki Training Center

10. Change in Personnel of Executive General Managers, Deputy Executive General Managers, Plant Managers of Domestic Affiliates, and President and Plant Managers of Overseas Affiliates

Following personnel will be appointed as of 1 June 2019.

1) Appointment of Executive General Managers and Deputy Executive General Managers

[Production Engineering]

(New)	(Name)	(Previous)
Executive General Manager, Production Engineering, and Deputy Chief Officer, Inspection Reform Committee	Hidetoshi Kumashiro	Plant Manager, Tooling Plant
Deputy Executive General Manager, Production Engineering (in charge of Powertrain/Plant)	Tetsuya Maita	Department General Manager, Manufacturing Engineering Department I

Deputy Executive General Manager (in charge of Body/Plant), Production Engineering, and Department General Manager, Production Engineering Paint & Assembly Department	Kazuo Ichino	General Manager in charge of Project, Manufacturing Engineering Department III
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[Customer Quality Assurance and Service]

(New)	(Name)	(Previous)
Executive General Manager, Customer Quality Assurance and Service, and Department General Manager, Automobile Body and Safety Research Department	Masahiko Mizushima	Department General Manager, Automobile Body and Safety Research Department

[Finance]

(New)	(Name)	(Previous)
Executive General Manager, Finance	Hiroshi Sakamoto	Department General Manager, Audit Department

2) Personnel Change of Department General Managers, Plant Managers, Domestic Affiliates Plant Managers and Overseas Affiliates President and Plant Managers

[Production]

(New)	(Name)	(Previous)
Department General Manager, Manufacturing Quality Assurance Department	Masami Oguri	Group Manager, Manufacturing Quality Assurance Group, Manufacturing Quality Assurance Department
Department General Manager, Production Engineering Powertrain Department	Hiroyuki Kinpara	Plant Manager, Suzuki Seimitsu Plant, Suzuki Auto Parts Mfg. Co., Ltd.
Department General Manager, Production Engineering Stamp & Weld Department	Tatsuya Motomura	Plant Manager, Magyar Suzuki Corporation Ltd. (Hungary)
Department General Manager, Production Engineering Control Department	Masaru Asahina	Department General Manager, Manufacturing Engineering Department IV
Department General Manager, Production Engineering Parts Department	Sakuji Hiwara	Department General Manager, Manufacturing Engineering Department III
Plant Manager, Trial Production/Tooling Plant	Makoto Isano	Department General Manager, Automobile Interior Design Department
Department General Manager, Overseas Manufacturing Department	Teruhisa Kadono	Group Manager, Automobile Overseas Manufacturing Group I, Overseas Manufacturing Department
Plant Manager, Sagara Plant, and Plant Manager, Sagara Plant, Snic Co., Ltd.	Junichi Otake	Plant Manager, Gujarat A Plant, Suzuki Motor Gujarat Private Limited (India)
Plant Manager, Iwata Plant	Takayuki Suzuki	Senior Manager, Iwata Plant
Plant Manager, Hamamatsu Plant	Yukinori Ishioka	Senior Manager, Engine Plant, Hamamatsu Plant

Plant Manager, Suzuki Seimitsu Plant, Suzuki Auto Parts Mfg. Co., Ltd.	Toshiyuki Hanaoka	Plant Manager, Suzuki Auto Parts Hamamatsu Plant, Suzuki Auto Parts Mfg. Co., Ltd.
Plant Manager, Suzuki Auto Parts Hamamatsu Plant, Suzuki Auto Parts Mfg. Co., Ltd.	Hirochika Suzuki	Manager, Foundry Group, Manufacturing Engineering Department I
In charge of Overall Manufacturing, and Plant Manager, Gujarat B Plant, based in Suzuki Motor Gujarat Private Limited (India)	Haruyuki Kawase	In charge of Gujarat B Plant and Construction of C Plant, Suzuki Motor Gujarat Private Limited (India)
Plant Manager, Gujarat A Plant, based in Suzuki Motor Gujarat Private Limited (India)	Tetsuharu Hayasaka	Department General Manager, Overseas Manufacturing Department
In charge of Construction of C Plant, based in Suzuki Motor Gujarat Private Limited (India)	Kazunari Yamaguchi	In charge of India Manufacturing, and Plant Manager, Gurgaon Plant, Maruti Suzuki India Limited
In charge of Engineering/Manufacturing/Quality/Purchasing, S.I.M. (Indonesia)	Yoshitomo Haneda	Plant Manager, Sagara Plant, and Plant Manager, Sagara Plant, Snic Co., Ltd.
Plant Manager, Cikarang (Powertrain) Plant, based in S.I.M. (Indonesia)	Toshio Ishida	Group Manager, Engine Group, Kosai Plant
Plant Manager, based in Suzuki (Myanmar) Motor Co., Ltd.	Yoshiharu Matsushita	General Manager, based in Suzuki (Myanmar) Motor Co., Ltd.
Plant Manager, based in Magyar Suzuki Corporation Ltd. (Hungary)	Hiroyuki Miura	Manager, based in Magyar Suzuki Corporation Ltd. (Hungary)

[Inspection]

(New)	(Name)	(Previous)
Department General Manager, Inspection Department	Jun Hashimoto	Plant Manager, Hamamatsu Plant
Department General Manager, Kosai Inspection Department	Takashi Suzuki	Senior Manager, Plant No. 2, Kosai Plant
Department General Manager, Sagara/Osuka Inspection Department	Hiroyoshi Kakizaki	Plant Manager, Iwata Plant
Department General Manager, Iwata Inspection Department	Tsutomu Hoshi	Manager, Automobile Overseas Manufacturing Group II, Overseas Manufacturing Department
Department General Manager, Hamamatsu Inspection Department	Nobuyuki Yamane	Department General Manager, Motorcycle/Marine & Power Products MFG. ENG. Department

[Vehicle Regulations and Engineering Administration]

(New)	(Name)	(Previous)
Department General Manager, Inspection Administration Department	Hiroyuki Niwa	General Manager (Supporting Group Manager), Environment Engineering Group

[Audit]

(New)	(Name)	(Previous)
Department General Manager, Domestic Audit Department	Naoki Matsuura	Group Manager, Distributor Support Group, Domestic Marketing Administration & Promotion Department
Department General Manager, Overseas Audit Department	Motoaki Yamagishi	Group Manager, Secretariat of Audit & Supervisory Board
Department General Manager, Engineering/Manufacturing Audit Department	Koji Yamada	Senior Advisor, Internal Audit Group, Audit Department

[Global Automobile Marketing]

(New)	(Name)	(Previous)
President, Suzuki Motor Gujarat Private Limited (India)	Motohiro Atsumi	General Manager, based in Suzuki Motor Gujarat Private Limited (India)

[Automobile Engineering]

(New)	(Name)	(Previous)
Department General Manager, Automobile Interior Design Department	Rikihei Naruse	Group Manager, Air Conditioning Design Group, Automobile Interior Design Department