



31 July 2023

Suzuki Changes the Automobile Manufacturing Structure in India

Aiming for further efficiency of automobile production business in India to meet the needs for growing market and carbon neutrality, Suzuki Motor Corporation ("Suzuki"), Maruti Suzuki India Limited ("MSIL"), and Suzuki Motor Gujarat Private Limited ("SMG") have each approved at their board meeting held on 31 July 2023, that SMG, a wholly owned subsidiary of Suzuki, will become a subsidiary of MSIL.

SMG entered into a contract manufacturing agreement with MSIL and commenced production of automobiles in 2017. All vehicles are supplied to MSIL. MSIL has a right to acquire all the shares of SMG held by Suzuki if the contract manufacturing agreement is terminated. SMG will become a subsidiary of MSIL through termination of the contract manufacturing agreement and acquisition of all the shares of SMG held by Suzuki.

The subsidiarization of SMG by MSIL is subject to an approval by shareholders of MSIL and an approval of the Government of India, as necessary. While it depends on the progress of the future procedures, it is expected that the subsidiarization will be completed by the end of this financial year.

This change to the manufacturing structure aims to further enhance competitiveness by enhancing the efficiency of production operations through integration of manufacturing of automobiles in India to MSIL. MSIL has announced construction of new plants having manufacturing capacity of one million units in addition to manufacturing at the existing plants and the new plants in Kharkhoda (State of Haryana) which are planned to start operations in 2025. MSIL plans to secure a production capacity of approximately four million units in India by the financial year 2030 and MSIL will make investment necessary for such increase of capacity.

On the other hand, with the aim of further strengthening research and development on future technologies, Suzuki will utilize Suzuki R&D Center India Private Limited, a wholly owned subsidiary in India of Suzuki, to make investments in development of technologies in advanced fields, manufacturing of batteries for electric vehicle (BEV), and biogas business, etc.

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