

ANNUAL REPORT 2014



SUZUKI MOTOR CORPORATION

Contents

Mission Statement	1
A Message from the Management	2
Financial Highlights	4
Year in Review	5
Automobiles	6
Motorcycles	9
Marine Products	12
Others	13
Topics	14
Directors, Officers and Auditors	17
Management Policy	18
Risks in Operations	24
The Status of the Corporate Group	26
Financial Section	28
Company Outline	64



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

A Message from the Management

Management results of this fiscal year

The management environment of the Group for FY2013 in overseas economy mainly in developed countries is showing positive trend toward recovery, despite influence by tapering of monetary easing in the US, financial problem in Europe and unpredictable economic outlook for emerging countries such as India and Indonesia. Japanese economy also continues to be on recovery trend. On the other hand, there is a concern about the impact of recoil reduction of last-minute demand due to increase in consumption tax rate.

Under these circumstances, the consolidated net sales of this fiscal year (April 2013 to March 2014) increased by ¥360.0 billion (14.0%) to ¥2,938.3 billion compared to the previous fiscal year, owing to increase in Japan, Asia, and Europe. The Japanese domestic net sales increased by ¥91.8 billion (8.8%) to ¥1,132.7 billion year-on-year, by covering the decrease in OEM sales with the sales of Suzuki brand vehicles. The overseas net sales increased by ¥268.2 billion (17.4%) to ¥1,805.6 billion year-on-year.

In terms of the consolidated income, the operating income increased by ¥43.1 billion (29.9%) to ¥187.7 billion year-on-year, and the net income increased by ¥27.1 billion (33.7%) to ¥107.5 billion year-on-year. The operating income increased mainly owing to improvement in export profit from Japan by the impact of the exchange rate and increase in income in Asia.

The Company has decided to distribute year-end dividends amounting to ¥14.00 per share for this fiscal year (¥10.00 per share for the previous fiscal year). As a result, the annual dividends including interim dividends were ¥24.00 per share and up by ¥6.00 per share from the previous fiscal year.

Outstanding issues

The Group set a basic policy of “Think smarter, work harder and unite as a Suzuki group; overcome our challenges and navigate our way to a brighter future” and will tackle following issues amid challenging condition.

-Strengthening and expansion of sales network

To respond to intensifying competition at various regions and products, the Group will be expanding and strengthening its sales network both in Japan and overseas, and execute marketing activities in a close contact with the market.

-Product development and strengthening of research and development

The Group will make effort to strengthen its ability of research and development such as environment technology, fuel efficient technology, weight reduction technology, safety technology, information and communications technology and product designing ability. Also, the Group will make effort to manufacture cars with lower cost by improving efficiency of development by integrating engine, powertrain and platform, and cost reduction.

-Strengthening of manufacturing capability

Based on the concept of “local production for local consumption,” the Group will continue to strengthen manufacturing outside Japan. Especially in Asia, which has a growing demand for automobiles, the Group will strive to increase the ratio of in-house manufacturing, expand global procurement and enhance production capability at respective local markets. Moreover, along with the advancement of economic cooperation among different regions through FTA and the trend of the foreign currency market, the Group will also work to optimize the balance of manufacturing activities in and outside Japan.

-Reconstruction of motorcycle business

As for the Motorcycle business, although business as a whole slightly turned into the black mainly owing to improvement in income of large-displacement motorcycles, compact motorcycle business mainly in Asia is still in the middle of reform. The Group will continuously be aiming at recovering its presence in the motorcycle market by uniting the planning, technology and sales functions and by developing new products that suit the market needs further. The Group will particularly be focusing on compact motorcycle business in Asia where growth potential is high, and at the same time, the Group will also be strengthening its lineup of middle and large-sized motorcycles

-Commitment to global environmental problem

Concerning the environmental issues, the Group has been offering minivehicles in Japan and many types of compact vehicles that are highly fuel-efficient in places like India and other Asian countries. The Group believes that a spread of such compact vehicles would be one of the best ways to contribute to solving the environmental issues. In addition to enhancement of next generation environmental technology in “SUZUKI GREEN Technology”, the Group will continue to tackle global environmental problem based on “Suzuki Environmental Plan 2015” and “Suzuki Biodiversity Protection Guideline”.

-Disaster prevention

While the Group has been taking various measures to prevent anticipated damage caused by Tokai and Tonankai Earthquake, after experiencing the Great East Japan Earthquake, it has diversified production and research sites including overseas. Firstly, it is relocating plants and facilities in Ryuyo region in Iwata City, Shizuoka Prefecture since massive tsunami damages are anticipated in the region, to Miyakoda district in northern part of Hamamatsu City. Also, the Group has diversified its production of engine for minivehicle, which was concentrated to Sagara plant, to Kosai plant to mitigate risk. Further, the Group is expanding its research facilities in India partly in order to mitigate risk concerning product development facility for automobile in Sagara test course. The Group will continue to enhance its preparedness against natural disasters.

The Group has carried out its operations on the basis of manufacturing of "value-packed products" to satisfy customers since its

establishment with the motto "Develop products of superior value by focusing on the customer" in the first paragraph of its mission statement. The Group will strive for manufacturing of really valuable products appreciated by customers, constantly paying attention to the movement of times.

The Group commits itself to make efforts to promote the "production of small and subcompact vehicles" and the "development of environmentally benign products" needed by customers, and "to be small, less, light, short and beautiful" on every side of organization, facilities, parts, environment and so on as well as production, with the slogan, "Small Cars for a Big Future", and has been working for the efficient, well-knit and healthy management.

Our executive officers and employees will strictly adhere to all statutes, social norms, and in-house rules, etc., act fairly and with sincerity.

We look forward to the continued support and encouragement of our stockholders.



Osamu Suzuki, Chairman & CEO

Representative Director and
Executive Vice President
Yasuhito Harayama

Representative Director and
Executive Vice President
Osamu Honda

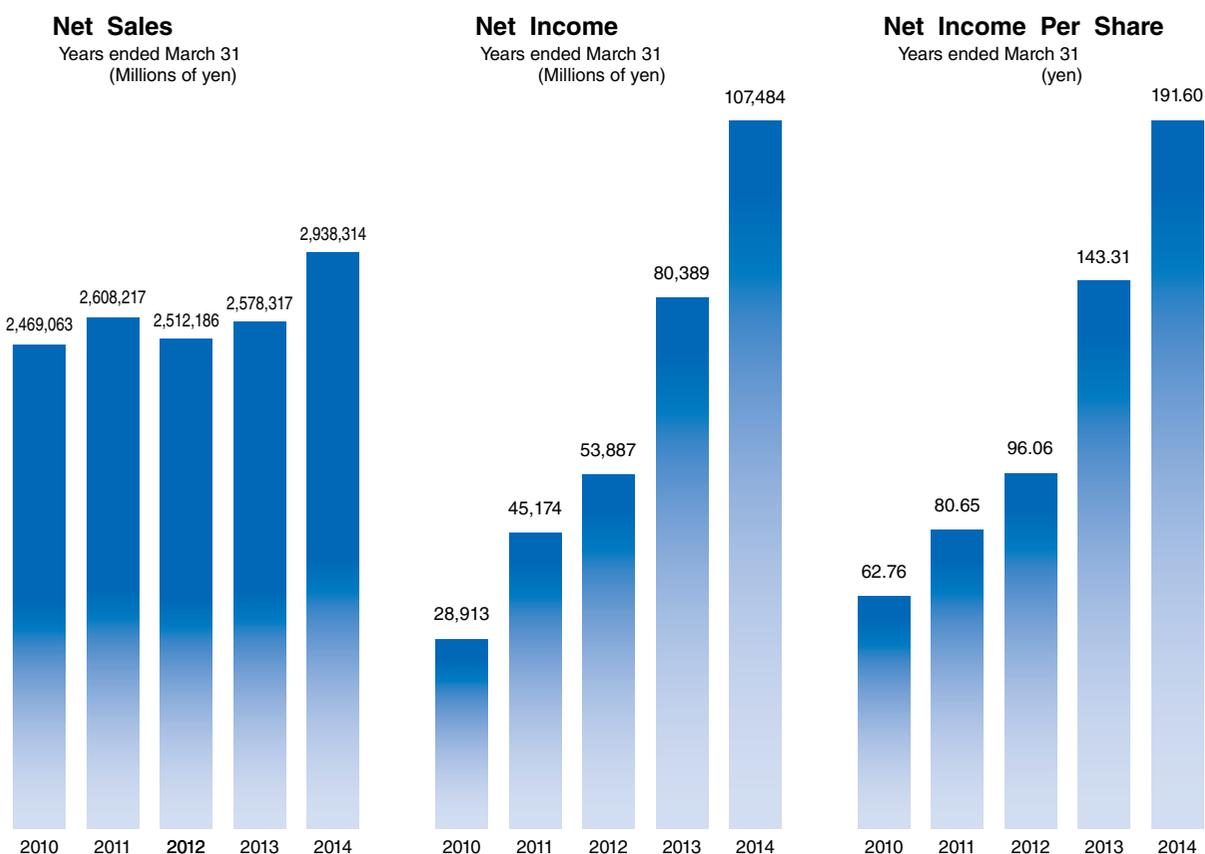
Representative Director and
Executive Vice President
Minoru Tamura

Representative Director and
Executive Vice President
Toshihiro Suzuki

Financial Highlights

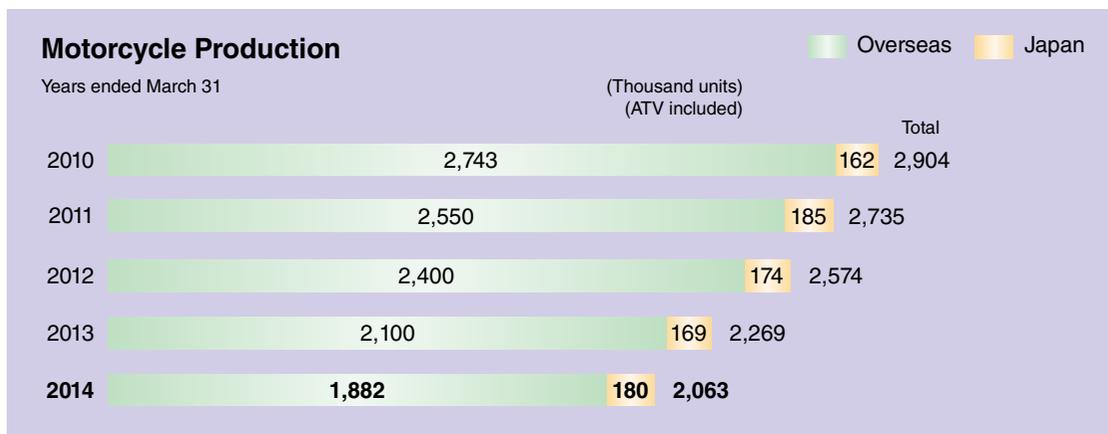
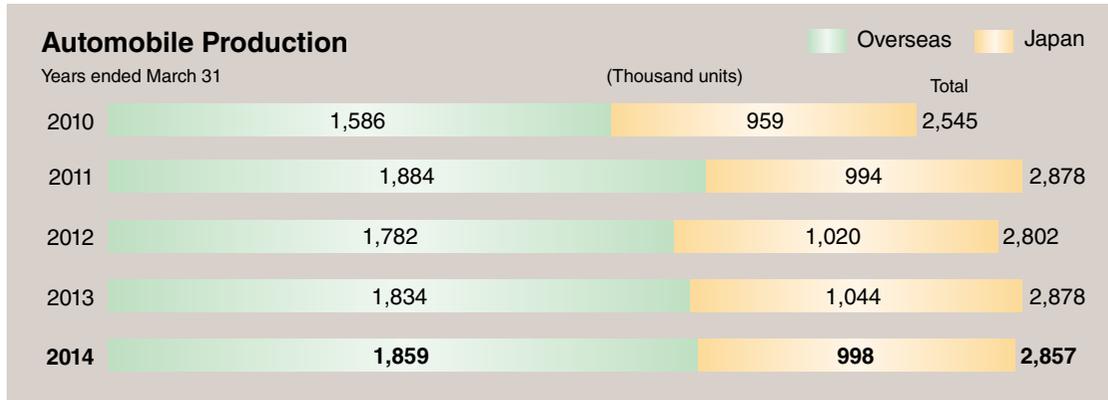
SUZUKI MOTOR CORPORATION AND CONSOLIDATED SUBSIDIARIES Years ended March 31, 2014 and 2013	Millions of yen (except per share amounts)		Thousands of US dollars (except per share amounts)
	2014	2013	2014
Net sales	¥2,938,314	¥2,578,317	\$28,549,496
Net income.....	107,484	80,389	1,044,346
Net income per share:			
Primary	191.60	143.31	1.86
Fully diluted	191.57	131.67	1.86
Cash dividends per share.....	24.00	18.00	0.23
Net assets	1,494,357	1,298,553	\$14,519,602
Total current assets.....	1,790,832	1,560,218	\$17,400,238
Total assets	2,874,074	2,487,635	\$27,925,327
Depreciation and amortization.....	117,188	93,680	\$1,138,639

Note: Yen amounts are translated into US dollars, for convenience only, at ¥102.92=US\$1, the prevailing exchange rate on March 31, 2014.

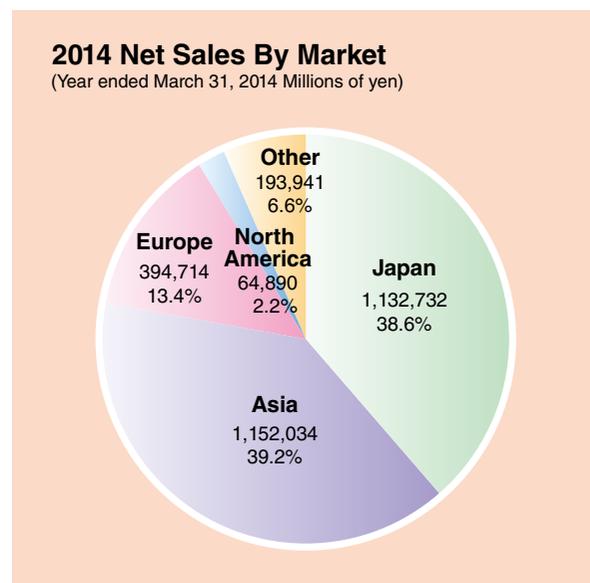
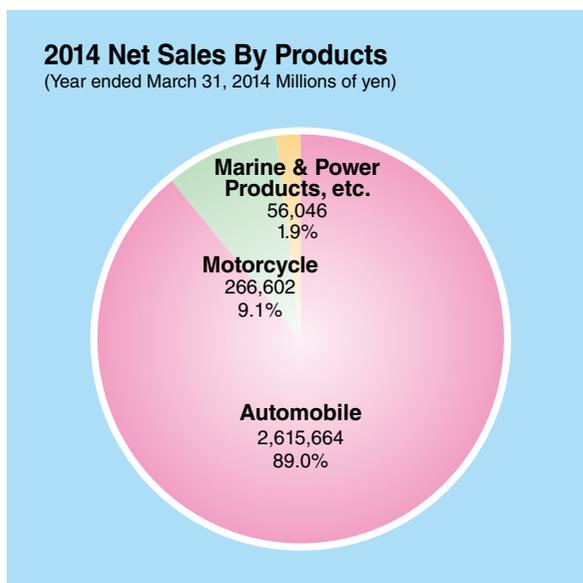


Year in Review

Production



2014 Net Sales



Automobiles

Suzuki's Worldwide Manufacturing and Sales

Total overseas automobile production for fiscal 2013 increased to 1,859,000 units, 101.3% compared to the previous fiscal year. Worldwide production, including Japan, decreased to 2,857,000 units, 99.3% compared to the previous fiscal year.

Sales of automobiles in overseas market decreased to 1,983,000 units, 99.7% compared to the previous fiscal year, while total global sales, including Japan, increased to 2,711,000 units, 101.9% compared to the previous fiscal year.

Operating Results by Segment

In the automobile business, the operating income marked the highest ever, which increased by ¥28.7 billion to ¥179.3 billion year-on-year, mainly owing to improvement in export profit from Japan by the impact of the exchange rate and increase in income in Asia.

The Japanese Market

1. Overview of the Japanese Automobile Market

Total domestic automobile sales volume in fiscal 2013 rose by 9% year-on-year to 5,692,000 units (an increase of 482,000 units). Sales declined in the first half but were boosted greatly in the second half by an economic recovery and by a rush to buy vehicles ahead of a hike in the rate of consumption tax. Sales exceeded five million units for the second fiscal year in a row. Sales of minivehicles showed a marked increase of 15% year-on-year to a record-high 2,262,000 units. Overall sales of registered vehicles rose by 6% year-on-year to 3,430,000 units. They were up on the year for the third fiscal year in a row.

2. Suzuki Sales

Suzuki's domestic automobile sales volume in fiscal 2013 surged by 8% year-on-year to a record-high 728,000 units. One key factor supporting the sales growth was a series of launches of new models throughout the fiscal year. Another was the rush to buy vehicles ahead of the hike in the rate of consumption tax. Suzuki's sales of minivehicles grew by 10% year-on-year to 647,000 units. The Spacia, Carry, Hustler and other new minivehicle models that each represent a clear response to market needs contributed to the growth. Suzuki's sales of registered vehicles declined by 5% year-on-year to 81,000 units. They were down on the year for the first time in four years.



Tall miniwagon Spacia Custom

3. Suzuki Topics in Fiscal 2013

- In June 2013, Suzuki launched the Spacia Custom (a variant of the Spacia). In November 2013, the Spacia won the Car of the Year Japan Small Mobility Award.
- In July 2013, Suzuki made enhancements to the WagonR. The improved model has the best fuel economy (30km/L)* of any miniwagon (a minicar with an overall height of at least 1,550mm) and incorporates advanced safety technologies such as collision-mitigation braking system.
- Also in July 2013, Suzuki enhanced the Swift compact car by adding a grade that includes the newly developed Dualjet engine (a unit that combines great fuel economy with powerful performance) and the Ene-Charge energy regenerative system.
- In September 2013, Suzuki launched the first comprehensively enhanced version of the Carry minitruck in 14 years. The newly improved Carry has a roomier, more comfortable cabin together with the class-leading** load-bed length of its predecessor.
- In January 2014, Suzuki launched the Hustler—a new-genre minivehicle that represents a fusion of a miniwagon and a sport utility vehicle. The Hustler has been a hit with customers across a wide range of ages. Orders are accordingly strong.

* Measured in the JC08 test cycle with a vehicle equipped with two-wheel drive and a continuously variable transmission. Verified by Japan's Ministry of Land, Infrastructure, Transport and Tourism. Measurements made by Suzuki in July 2013 show that some grades of the MR Wagon offer the same level of fuel efficiency.

** Based on Suzuki's research into the minitruck class in August 2013.



Minicar crossover Hustler

Overseas Markets

1. Overview of Suzuki's Main Overseas Automobile Markets

Sales of automobiles (passenger cars and multi-utility vehicles) in India fell by 6% year-on-year to 2,504,000 units. One reason for the decrease was higher fuel prices brought about by a weaker rupee. Another was higher interest rates. Sales in the five key ASEAN countries (Indonesia, Thailand, Vietnam, the Philippines, and Malaysia) fell by 8% year-on-year to 3,364,000 units. A key reason for the decrease was that consumers in Thailand were reluctant to buy vehicles before the government launched a tax incentive scheme. Sales in Europe (the European Union and the European Free Trade Association) rose by 3% year-on-year to 12,593,000 units owing to signs of economic recovery. Sales in China rose by 16% year-on-year to 22,491,000 units.

2. Suzuki Sales

Suzuki's overseas automobile sales volume in fiscal 2013 was roughly flat on the year; it slipped by 0.3% to 1,983,000 units in the midst of uncertain market conditions. Suzuki's sales in India rose by 0.3% year-on-year to 1,054,000 units. Despite a slowdown in the Indian economy, the Company enjoyed firm demand for compact cars including the new Celerio and the Swift. Suzuki's sales in China declined by 8% year-on-year to 233,000 units. The Company launched the SX4 S-CROSS in China at the end of the fiscal year, but overall demand for compact cars was down. Suzuki's sales in the five key ASEAN countries (Indonesia, Thailand, Vietnam, the Philippines, and Malaysia) surged by 19% year-on-year to 225,000 units owing partly to strong sales of the Ertiga and partly to the launch in Indonesia of a model that meets the government's requirements for LCGC (Low-Cost Green Car) scheme. Suzuki's sales in Europe (the European Union and the European Free Trade Association) rose by 7% year-on-year to 160,000 units owing largely to the launch of the SX4 S-CROSS.

3. Suzuki Topics in Fiscal 2013

- In September 2013, Suzuki conducted the Indonesian launch of the WagonR, which meets the government's requirements for LCGC (Low-Cost Green Car) scheme.
- Also in September 2013, Suzuki launched the SX4 S-CROSS. The first market to receive this model was Europe.
- Suzuki announced the establishment in India of the completely Suzuki-owned automobile production subsidiary Suzuki Motor Gujarat. The new subsidiary will enable Suzuki to accommodate growth in the Indian automobile market and increase exports from the country. Production is scheduled to start in 2017.
- In February 2014, Suzuki unveiled a global model called the Celerio. The Celerio for Thailand meets the government's requirements for its eco-car project.
- Maruti Suzuki's sales volume in India exceeded one million units for the fourth fiscal year in a row.



Iwata Plant
(Multi-purpose vehicle and commercial vehicle assembling)



Kosai Plant
(Passenger car and automobile engines assembling)



Sagara Plant
(Passenger car and automobile engines assembling, foundry of engine components, machining)



Three-row compact car Ertiga



C-segment crossover SX4 S-CROSS



Global compact car Celerio

Motorcycles

Suzuki's Worldwide Manufacturing and Sales

Total overseas motorcycle production (including ATVs) in fiscal 2013 decreased to 1,882,000 units, 89.6% compared to the previous fiscal year. Worldwide production, including production in Japan, also decreased to 2,063,000 units, 90.9% compared to the previous fiscal year.

Sales of motorcycles (including ATVs) in overseas market decreased to 1,953,000 units, 87.4% compared to the previous fiscal year, while total global sales, including Japan, also decreased to 2,027,000 units, 87.7% compared to the previous fiscal year.

Operating Results by Segment

In the motorcycle business, the operating loss of ¥11.9 billion in the previous fiscal year became an operating income of ¥100 million, slightly turning into the black for the first time in six fiscal years, mainly owing to improvement in income of large-displacement motorcycles.

The Japanese Market

1. Overview of Japanese Motorcycle Market

The total domestic motorcycle sales (factory shipments) of the four Japanese manufacturers in fiscal 2013 rose by 9% year-on-year to 438,000 units owing partly to a rush to buy motorcycles ahead of a hike in the rate of consumption tax. Sales of models with engine displacements of 126cm³ and higher were up 33% year-on-year at 90,000 units. Sales of models with engine displacements up to 125cm³ were up 4% year-on-year at 348,000 units. The domestic motorcycle market began shrinking after the financial crisis of 2008, but sales of models with engine displacements of 126cm³ and higher are now trending upward; they have grown for three years in a row.

2. Suzuki Sales

Suzuki's domestic sales (factory shipments) of models with engine displacements of 126cm³ and higher surged by 35% year-on-year to 13,000 units owing partly to new products including the GSR250S, the Burgman 200, and the Japan-specification Hayabusa. Sales of models with engine displacements up to 125cm³ declined by 6% year-on-year to 59,000 units owing partly to inventory adjustments that involved a reduction in shipments. Total sales were roughly flat on the year; they were down 1% at 72,000 units. Suzuki's sales of models with engine displacements of 126cm³ and higher have reflected the market trend by growing for three years in a row. The Company plans to treat these highly profitable models as the focus of its sales-promotion efforts.

3. Suzuki Topics in Fiscal 2013

- In January 2014, Suzuki launched the half-faired GSR250S to complement the GSR250, an on-road sportbike that has been popular since its launch in July 2012 owing to its bold styling and rider-friendly engine.
- Suzuki launched the Burgman 200, a light, compact scooter with superior acceleration, in February 2014. The Company had already launched this model overseas.
- Suzuki launched the Japan-specification Hayabusa in February 2014. This motorcycle satisfies Japanese regulations while delivering the same maximum output and torque as the European version. It is the first motorcycle in Japan to have a transponder for electronic toll collection as standard equipment*.

* Based on Suzuki research in January 2014.



Half-faired GSR250S



Light, compact scooter BURGMAN 200



Japan-specification Hayabusa

Overseas Markets

1. Overview of Suzuki's Main Overseas Motorcycle Markets

Sales of motorcycles in Europe in fiscal 2013 were flat on the year at 821,000 units. Sales of motorcycles (including ATVs) in North America rose by 5% year-on-year to 801,000 units. Sales in the six key ASEAN countries (Indonesia, Thailand, Vietnam, the Philippines, Malaysia, and Cambodia) were flat on the year at 13,863,000 units. Sales in China fell by 9% year-on-year to 11,313,000 units. Sales in India grew by 7% year-on-year to 14,805,000 units.



Toyokawa Plant
(Motorcycles and outboard motors assembling)

2. Suzuki Sales

Suzuki's overseas motorcycle sales fell by 12% year-on-year to 1,953,000 units. Suzuki's sales in Europe rose for the first time in six fiscal years; they were up 1% at 48,000 units. Suzuki's sales in North America fell by 7% year-on-year to 41,000 units. Suzuki's sales in the six key ASEAN countries (Indonesia, Thailand, Vietnam, the Philippines, Malaysia, and Cambodia) fell by 6% year-on-year to 611,000 units owing partly to prolonged political turmoil in Thailand. Suzuki's sales fell by 23% year-on-year to 620,000 units in China and by 14% year-on-year to 356,000 units in India.



Sportbike GIXXER (India)



Sport Adventure Tourer V-Strom 1000 ABS



Compact scooter Let's (India)



Light, compact scooter BURGMAN 200

3. Suzuki Topics in Fiscal 2013

- Suzuki announced in Spain in June 2013 that it would be returning to MotoGP in 2015. The Company unveiled the race machine it was developing.
- In September 2013, the Suzuki Endurance Racing Team won the FIM Endurance World Championship for the fourth time in a row and the 13th time in total.
- Also in September 2013, Suzuki unveiled new models in Europe: the V-Strom 1000 ABS and the Burgman 125/200.
- Also in September 2013, Suzuki announced in Bangkok that it planned to launch a number of large-displacement models in the ASEAN market.



Endurance World Championship



MotoGP Prototype



Introduction of large-displacement models in Bangkok

Marine Products

Operating Results by Segment

In the marine and power products, etc. business, the net sales and the operating income increased year-on-year owing to increase in sales of outboard motors in Europe.

Overview of Marine Products

Suzuki's domestic outboard motor sales volume in fiscal 2013 was slightly down by 1% year-on-year. The net sales decreased by 5% year-on-year due to a shift in demand toward smaller models. The export sales volume also declined by 2% year-on-year. On the contrary, the net sales increased by 6% year-on-year due to a shift in demand toward larger models.

Suzuki's four-stroke outboard motors range from the DF2 (the lowest-power model, which delivers 1.49kW/2PS) to the DF300 (the highest-power model, which delivers 220.7kW/300PS). The Company produces small models in Thailand and larger models at the Toyokawa Plant in Japan.

Suzuki Topic in Fiscal 2013

- In September 2013, Suzuki agreed with the French boat builder Bénéteau for an exclusive supply of Suzuki outboard motors to their outboard powered boats sold in four countries in Europe.



DF60AV



DF150TG



DF175TG



DF50AV



DF30A

Others

Environmental Initiatives

As a manufacturer of automobiles, motorcycles, outboard motors, and other items, Suzuki acts in consideration of the environment at all product stages from development to disposal.

In product development, our environmental initiatives include improving fuel economy, reducing exhaust emissions, developing clean-energy vehicles, and reducing noise. In manufacturing, our efforts include reducing environmental risk, reducing energy requirements, and promoting the use of alternative energy sources. In distribution, we focus on improving the operational efficiency and energy efficiency of transportation and on promoting the three Rs (reducing, reusing, and recycling). In marketing, we promote environmental management among our dealers and strive to ensure proper disposal of end-of-life products. We also pursue environmental initiatives that are not directly related to our products. For instance, we promote energy savings and green purchasing in our offices, give our workers environmental education, and support social action programmes in local communities.



SUZUKI ENVIRONMENTAL & SOCIAL REPORT 2013



Swift XS-DJE



Swift RS



Alto Eco



Auto Gear Shift

Suzuki Topics in Fiscal 2013

- Suzuki published “Suzuki Environmental and Social Report 2013”. The Company has published a report about its environmental initiatives every year since fiscal 1999.
- In July 2013, Suzuki launched the Swift in a more eco-friendly form that incorporates fuel-saving technologies including the newly developed Dualjet engine and the Ene-Charge energy regenerative system. This vehicle has plenty of power for dynamic performance and offers the best fuel economy of any petrol-engine car with an engine displacement of at least 1.2L*.
- In December 2013, Suzuki launched a more fuel-efficient form of the Alto Eco minicar. The enhanced Alto Eco became the most fuel-efficient petrol-engine car in Japan**; it delivers fuel economy of 35km/L*** (an improvement of 2km/L) together with nimble performance. Suzuki increased fuel efficiency by complementing the Alto Eco’s existing fuel-saving technologies (for instance, the Ene-Charge energy regenerative system and an Engine Auto Stop Start System) with a higher compression ratio, better fuel combustion, lower frictional resistance, and optimized powertrain control.
- In January 2014, Suzuki announced that it had developed the Auto Gear Shift system, which combines the merits of manual and automatic transmissions. The Auto Gear Shift system is based on a manual transmission, so it offers manual-transmission fuel economy. Optimal computer-controlled gearshifts also contribute to fuel savings.

*Measured in the JC08 test cycle using the XG-DJE, XL-DJE, and XS-DJE variants (each equipped with two-wheel drive and a continuously variable transmission). Verified by Japan’s Ministry of Land, Infrastructure and Transport. Comparison is based on Suzuki research in July 2013 and excludes hybrids.

**Measured in the JC08 test cycle and verified by Japan’s Ministry of Land, Infrastructure and Transport. Comparison is based on Suzuki research in November 2013 and excludes hybrids.

***Measured with a two-wheel-drive vehicle in the JC08 test cycle and verified by Japan’s Ministry of Land, Infrastructure and Transport.

Suzuki’s cooperation with other automobile manufacturers (as of July 2014)

Suzuki has been cooperating with other automobile manufacturers both in and outside Japan.

Suzuki and Nissan have been supplying each other with vehicles in Japan on an original-equipment-manufacturer (OEM) basis since 2002. To Mazda, Suzuki has been supplying vehicles in Japan since 1989 and began supplying vehicles in Indonesia as well in 2013. Suzuki has been also making vehicles’ OEM supply to Mitsubishi in Japan since 2011.

From Fiat, Suzuki has been sourcing its diesel engines for vehicles sold mainly in Europe since 2005. In India, Suzuki has been producing diesel engines at its own factories since 2006 using technologies acquired from Fiat.

In 2013, Suzuki started supplying British manufacturer, Caterham with 660cm³ engines and some drive-train components designed for minivehicles for the installation on its sport cars. The car is sold also in Japan as a British-made minivehicle.

Suzuki continues pursuing opportunities and areas of cooperation with other manufacturers where effective use of companies’ business resources and mutual benefit can be expected.

Alliance with Volkswagen formed in December 2009 by entering into a framework agreement accompanied with a capital relationship did not realize any projects. Suzuki terminated the said agreement for breach of contract by Volkswagen. Currently, Suzuki is engaged in proceedings at the International Court of Arbitration with a view to securing the return of its shares.

Topics

April 2013

Donation for Construction of Sea Wall in Hamamatsu City

Suzuki announced plans to help Hamamatsu City fund the construction of an anti-tsunami sea wall. The Hamamatsu Chamber of Commerce and Industry made an appeal for five billion yen. Suzuki is contributing 500 million yen over five years.

June 2013

Launch of the Feminine Alto Lapin Chocolat

Suzuki launched the Alto Lapin Chocolat—a minicar designed specially for young women. The Alto Lapin Chocolat has cute styling, jewellery-inspired design details, and candy colouring. Plus, it has ultraviolet- and infrared-cutting glass whose functional benefits reflect consideration of female users. In December 2013, the car won the interior and design awards at the Japan Fashion Color Association's 2014 Auto Color Awards.



July 2013

Launch of WagonR in More Fuel-Efficient and 20th-Anniversary Forms

Suzuki enhanced the WagonR and WagonR Stingray to achieve fuel economy of 30km/L* (the best of any minivan in Japan**) and incorporated advanced safety technologies that make these models even more appealing. Suzuki also launched a special model to celebrate the WagonR's 20th anniversary.

*Measured in the JC08 test cycle using a vehicle with two-wheel drive and a continuously variable transmission. Verified by Japan's Ministry of Land, Infrastructure, Transport and Tourism.

**A minivan is a minicar with an overall height of at least 1,550mm. Suzuki made comparisons in July 2013 using measurements taken in the JC08 test cycle and verified by Japan's Ministry of Land, Infrastructure, Transport and Tourism.



Launch of Swift with Dualjet Engine and Ene-Charge System

Suzuki offered SUZUKI GREEN Technology environmental innovations in a compact car for the first time with the launch of the Swift in a form that incorporates the newly developed Dualjet engine and the Ene-Charge energy regenerative system. The Dualjet engine combines high fuel economy with powerful performance by means of measures that include two fuel-injection systems for each cylinder, cooled exhaust-gas recirculation, and a heightened compression ratio. The SUZUKI GREEN Technology-equipped Swift offers fuel economy of 26.4km/L* (the best of any petrol-engine car with an engine displacement of at least 1.2L)** together with an even higher level of the driving enjoyment for which the Swift is known.

*Measured in the JC08 test cycle using the XG-DJE, XL-DJE, and XS-DJE variants (each equipped with two-wheel drive and a continuously variable transmission). Verified by Japan's Ministry of Land, Infrastructure, Transport and Tourism.

**Suzuki made comparisons in July 2013 using measurements (excluding those for hybrids) taken in the JC08 test cycle and verified by Japan's Ministry of Land, Infrastructure, Transport and Tourism.



Selection of Recipients for Suzuki Education and Culture Foundation Scholarships

Suzuki founded the Suzuki Education and Culture Foundation (a juridical foundation) in 2000 to mark its 80th anniversary. The foundation is funded by donations from its chairman, Osamu Suzuki, and the Suzuki group. It gives scholarships to students who would otherwise not be able to focus on their studies for financial reasons. Eligible students include those who attend high schools in Shizuoka Prefecture and those who graduated from high schools in Shizuoka Prefecture and are now at university. In fiscal 2013, the foundation decided to give 20,000 yen a month each to 55 high-school students and 50,000 yen a month each to 13 university students. The foundation held a certification ceremony for the recipients.



August 2013

Announcement of Plans to Build Hamamatsu Plant

Suzuki announced plans to build a production, research, development, and testing complex called the Hamamatsu Plant at the Hamamatsu City Miyakoda Industrial Site. The Hamamatsu Plant will have a northern block and a southern block. The northern block will consist of a factory producing powertrain parts for motorcycles, automobiles, and next-generation eco-cars. The southern block will consist of (a) a factory producing engines for motorcycles and (b) an engineering centre handling research, development, and testing for motorcycles and next-generation eco-cars. Suzuki plans to complete the parts plant at the end of 2016 and the motorcycle engine factory in 2017. In January 2014 the Company held a ceremony for praying safety of Hamamatsu Plant construction.



Unveiling of Comprehensively Enhanced Carry Minitruck

Suzuki unveiled the first comprehensively enhanced version of the Carry minitruck in 14 years. The newly improved Carry has proven popular with customers owing to a roomy, comfortable cabin, a capacious load bed, powerful performance, superior manoeuvrability and fuel economy, and comprehensive anti-rust measures. Plus, it meets a wider range of needs owing to the availability of discharge headlamps, which brightly illuminate the road far ahead. In October 2013, the Carry won a place in the Good Design Best 100 at the 2013 Japan Good Design Awards. The judges recognized it as representing excellence in manufacturing in a mature field.



September 2013

Suzuki Wins 2013 Endurance World Championship Title

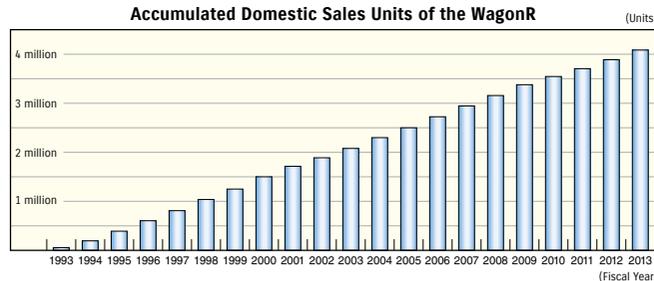
Suzuki Endurance Racing Team (SERT), a racing team supported by Suzuki's French subsidiary, Suzuki France S.A.S., won the World Endurance Championship title for the fourth consecutive year, its 13th all-time title. Suzuki proved the high performance of the GSX-R1000 at the production-based motorcycle endurance race championship. Suzuki is also developing MotoGP machine toward its participation in 2015.



Suzuki Endurance Racing Team (SERT)

Domestic Sales of WagonR Reach Four Million Units

Sales of the WagonR miniwagon in Japan reached four million units* in the month that marked the 20th anniversary of the launch of the WagonR series. Ever since its market debut in first-generation form on September 3, 1993, the WagonR has won fans among customers of both sexes across a wide age range owing to its striking, distinctive styling, the ease with which people can get in and out of its cabin, the ease with which people can drive it, and its roominess. The WagonR created the miniwagon market. Suzuki plans to continue satisfying customers' desires and enhancing the product in terms of safety, eco-friendliness, and other aspects of functionality and performance in order to keep it relevant and popular over the long term.



*Confirmed by Suzuki in September 2013 using data from the Japan Light Motor Vehicle and Motorcycle Association.

Suzuki SX4 S-CROSS Rolls Off the Line in Hungary

Suzuki held a ceremony for its first C-segment crossover SX4 S-CROSS as it rolled off the production line of Suzuki's Hungarian subsidiary, Magyar Suzuki Corporation Ltd. by welcoming Dr. Viktor Orbán, Prime Minister of Hungary. With the initial production and sales volume planned to be 100,000 units for the first year, the SX4 S-CROSS will not only be supplied throughout Europe including Hungary, but will also be exported to markets including Oceania, Asia, the Middle East and Latin America as a world strategic model. The SX4 S-CROSS also received maximum 5-star Euro NCAP overall safety rating, and proved its high safety performance.



Prime Minister Viktor Orbán and Suzuki Chairman and CEO Osamu Suzuki

Exclusive Supply of Outboard Motors to the French Boat Builder Bénéteau

Suzuki agreed with the French boat builder Bénéteau for an exclusive supply of Suzuki outboard motors to their outboard powered boats sold in four countries in Europe. Suzuki and Bénéteau plan to mutually support each other in marketing and product development. Suzuki will seek to strengthen its outboards brand and increase the technology and product strength of outboards while increasing the sales of large outboard motors.



Strengthening Production Structure in Indonesia. Introduction of the Eco-Car WagonR

Suzuki's Indonesian subsidiary PT. Suzuki Indomobil Motor (SIM) revealed a 1.0L fuel-efficient five-seater passenger car Karimun WagonR, a model that meets the government's requirements for LCGC (Low-Cost Green Car) scheme. Its production started in September at SIM's Tambun Plant, and sales started in November. In order to meet the growing automobile market in Indonesia, Suzuki is constructing new engine and transmission plant and new automobile assembly plant within the Greenland International Industrial Center. Production ability in Indonesia is planned to reach 250,000 units in FY2015.



November 2013

Resolution to Install Mega-Solar Power Facility at the Nakazato Industrial Park Located in Makinohara

Suzuki resolved to install mega-solar power facility at 42 hectares of land in the Nakazato Industrial Park located in Makinohara, Shizuoka Prefecture. The generation capacity of the facility is 18 megawatt, which is scheduled to start its generation in the autumn of 2015. Suzuki will contribute to the local community through its power generation business, and strengthen its efforts on environmental problems by promoting local production of the energy for local consumption.

Unveiling of an Enhanced Alto Eco: the Most Fuel-Efficient Petrol Car in Japan

Suzuki unveiled a more fuel-efficient form of the Alto Eco minicar. The enhanced Alto Eco became the most fuel-efficient petrol-engine car in Japan*; it delivers fuel economy of 35km/L** (an improvement of 2km/L) together with nimble performance. Suzuki increased fuel efficiency by complementing the Alto Eco's existing fuel-saving technologies with a higher compression ratio, better fuel combustion, lower frictional resistance, and optimized powertrain control. Also, Suzuki began offering the Alto Eco at a more affordable price.

*Suzuki made comparisons in November 2013 using measurements (excluding those for hybrids) taken in the JC08 test cycle and verified by Japan's Ministry of Land, Infrastructure, Transport and Tourism.

**Measured with a two-wheel-drive vehicle in the JC08 test cycle and verified by Japan's Ministry of Land, Infrastructure and Transport.



Spacia and Spacia Custom Win Car of the Year Japan Small Mobility Award

The Spacia and Spacia Custom won the 2013-2014 Car of the Year Japan Small Mobility Award. The award was established in 2013 to honour the year's best minivehicle. The judges praised the first recipients, the Spacia and Spacia Custom, for exemplifying a new form of small mobility.



December 2013

Unveiling of the New-Genre Hustler Minicar Crossover

Suzuki created a lifestyle-focused new genre—the minicar crossover—by unveiling the Hustler, which represents a fusion of passenger minivan and sport utility vehicle (SUV). The Hustler is packaged for spaciousness and superior rough-terrain performance, has distinctive SUV-inspired looks, and offers outstandingly user-friendly equipment and functionality. SUZUKI GREEN Technology gives it nimble, powerful performance and superior fuel economy. The Hustler with four-wheel drive has functionality that is new to minivehicles*. Plus, the Hustler incorporates advanced safety technologies such as the Radar Brake Support collision-mitigation braking system**.

*The Hustler (except the A grade) with four-wheel drive and a continuously variable transmission has Hill Descent Control and Grip Control functions. Suzuki made comparisons with other vehicles in December 2013.

**The Hustler (except the A grade) with a continuously variable transmission has the advanced safety technologies.



January 2014

Unveiling of Japan-Specification Hayabusa Sportbike

Suzuki unveiled the Japanese version of its flagship sportbike, the Hayabusa. The company launched the Hayabusa in 1999 and has since sold it mainly in Europe and North America. In the past few years, Suzuki has expanded the Hayabusa's availability to other areas including emerging nations such as India; the bike has become popular worldwide. The Japan-specification Hayabusa satisfies Japanese regulations while delivering the same power as the European version. It is the first motorcycle in Japan to have a transponder for electronic toll collection (convenient for touring) as standard equipment*.

*Based on Suzuki research in January 2014.



Development of New Transmission Auto Gear Shift

Auto Gear Shift is an automated manual transmission which makes operations of clutch pedal and gearshift unnecessary. It features smooth shifting of gears and the same creep function as in conventional automatic transmission and continuously variable transmission, while realizing low fuel consumption with its high transmission efficiency. It is equipped on the new compact car Celerio which was launched in February in India.



Resolution to establish automobile manufacturing subsidiary, Suzuki Motor Gujarat in India

Suzuki resolved to establish an automobile manufacturing subsidiary, Suzuki Motor Gujarat Private Limited (SMG) in India. SMG has the purpose to expand production capacity in India for future development of Indian automobile market and to expand exports from India.

SMG will build automobile manufacturing plant in Gujarat, located in western India. Start of production is set to be within 2017. In the initial stage, annual production capacity is scheduled to be 100,000 units, and the capacity will be increased gradually depending on market trend. Contract manufacturing agreement between SMG and Maruti Suzuki India Limited (MSIL) is planned, in which MSIL will become the distributor of vehicles including exports.

February 2014

Launch of More Confidence-Inspiring Mobility Scooters: the Seniorcar ET4D and ET4E

Suzuki enhanced the Seniorcar ET4D and Seniorcar ET4E by incorporating functions that give the user greater peace of mind by making driving easier. New features include indicators and voice warnings that encourage caution when the vehicle encounters a steep slope, when the vehicle is turning or reversing, and when the battery runs low. The Seniorcar ET4D offers even greater comfort and convenience by means of a big basket that is incorporated into a front design that conveys a sense of freshness and stability.



Seniorcar ET4D

Suzuki Foundation announces funding of 27 scientific researches for fiscal 2013

Suzuki Foundation, which was established in March 1980 to mark the 60th anniversary of Suzuki, selected 25 scientific research projects and two proposed scientific research projects for fiscal 2013, and held a presentation ceremony. Thus far, the Foundation has made 1,316 supports including research projects by universities and research institutes in Japan and subsidizing programs in Japan for researchers from overseas. The Foundation does not limit the usage of the funding to researches, but for any other purposes as well including transportation fees. For this reason, the Foundation is valued by many universities and research institutes that the Foundation supported.



Launch of fuel-efficient new compact car Celerio in India. Introduction to Thailand and Europe also announced.

Suzuki unveiled a new compact car Celerio at the India Auto Expo, which was held in India in February. The Celerio adopts a design that surpasses that of conventional A-segment cars, as well as roomy and elegant package. It is a global compact model which realizes low fuel consumption by the combination of new transmission Auto Gear Shift (AGS) to a 1.0L engine, in addition to its lightweight body. Approximately half of the bookings for the first two months are equipped with AGS, which is drawing attention for its advantage in price and fuel-efficiency in India, where manual transmission is the mainstream.

Subsequently in March, the Celerio was exhibited at the Geneva Motor Show (Switzerland) and at the Bangkok International Motor Show (Thailand). Production of the Celerio started in May at Suzuki's Thai subsidiary, Suzuki Motor (Thailand) Co., Ltd. as its second car that meets the eco-car project promoted by the government. It is planned to be distributed in Thailand and its neighboring countries as well as in Europe.



India Auto Expo



Geneva Motor Show

Directors, Officers and Auditors

(as of June 27, 2014)

[Representative Directors]

Representative Director and Chairman & CEO	Osamu Suzuki	
Representative Director and Executive Vice President	Minoru Tamura	Supporting CEO / Domestic Marketing / Executive General Manager, Domestic Marketing
	Osamu Honda	Supporting CEO / Automobile Engineering, R&D, and Quality / Executive General Manager, Automobile Engineering
	Toshihiro Suzuki	Supporting CEO / Global Marketing
	Yasuhiro Harayama	Supporting CEO / Business Development / Executive General Manager, Business Development

[Directors]

Director and Senior Managing Officer	Naoki Aizawa	Manufacturing / Chief Officer, Gujarat Project
	Eiji Mochizuki	Executive General Manager, Motorcycle Operations
Director	Masakazu Iguchi	
	Sakutaro Tanino	

*Mr. Masakazu Iguchi and Mr. Sakutaro Tanino are the outside directors as stipulated in Article 2, Item 15 of Companies Act of Japan.

[Auditors]

Company Auditor	Kunio Nakamura	
	Shunji Matsumoto	
Company Auditor (non full-time)	Shin Ishizuka	
	Masataka Osuka	
	Norio Tanaka	

*Mr. Shin Ishizuka, Mr. Masataka Osuka and Mr. Norio Tanaka are the outside company auditors as stipulated in Article 2, Item 16 of Companies Act of Japan.

[Senior Managing Officers]

Senior Managing Officer	Kenichi Ayukawa	Executive General Manager, India/Africa Automobile Marketing / Managing Director & CEO, Maruti Suzuki India Ltd.
	Ichizo Aoyama	Executive General Manager, R&D/Global IT

[Managing Officers]

Managing Officer	Toshiaki Hasuike	Deputy Executive General Manager, Automobile Engineering / Joint Managing Director, Maruti Suzuki India Ltd. (Engineering, Quality Control, Purchasing and Manufacturing)
	Hiroyasu Uchida	Executive General Manager, Administration / Managing Officer, Human Resources Dept.
	Takashi Iwatsuki	Executive General Manager, Global Marketing Administration & Planning
	Kazuo Hakamata	Executive General Manager, Purchasing
	Hiroaki Matsuura	Executive General Manager, Manufacturing Engineering / General Manager, Manufacturing Engineering Dept.IV
	Seiichi Furusho	President, Suzuki Motor Sales Fukuoka Inc.
	Tadashi Kondo	Associate Officer, Gujarat Project
	Motoo Murakami	Deputy Executive General Manager, Motorcycle Operations
	Masato Kasai	Deputy Executive General Manager, Automobile Engineering
	Izumi Oishi	Executive General Manager, Manufacturing
	Taisuke Toyoda	Executive General Manager, Finance / Managing Officer, Finance Dept.
	Masahiko Nagao	Executive General Manager, Corporate Planning Office
	Tatsuyoshi Okusa	President, Suzuki Motor Sales Hyogo Inc.
	Tomoyoshi Aiso	President, Suzuki Motor Sales Ibaraki Inc.
	Hirofumi Nagao	Managing Director, Pak Suzuki Motor Co., Ltd. (Pakistan)
Keiichi Asai	Based in Chongqing Changan Suzuki Automobile Co., Ltd. (China)	

Management Policy

1. Basic policies for profit distribution

We determine the profit distribution based on the performances, dividend payout ratio, strengthening of the corporate nature and full internal reserve for future business developments from the medium- to long-term viewpoint, with the emphasis on the continuous and stable distribution.

The Group has a structure in which profits are highly dependent on overseas manufacturing plants. They are mainly located in developing countries, and are therefore subject to exchange rate fluctuations. To achieve stable growth, we need to further enhance our corporate structure and prepare for unforeseen circumstances.

In future years, under the foregoing point of view, we will also determine the profit distribution based on the performance of fiscal year.

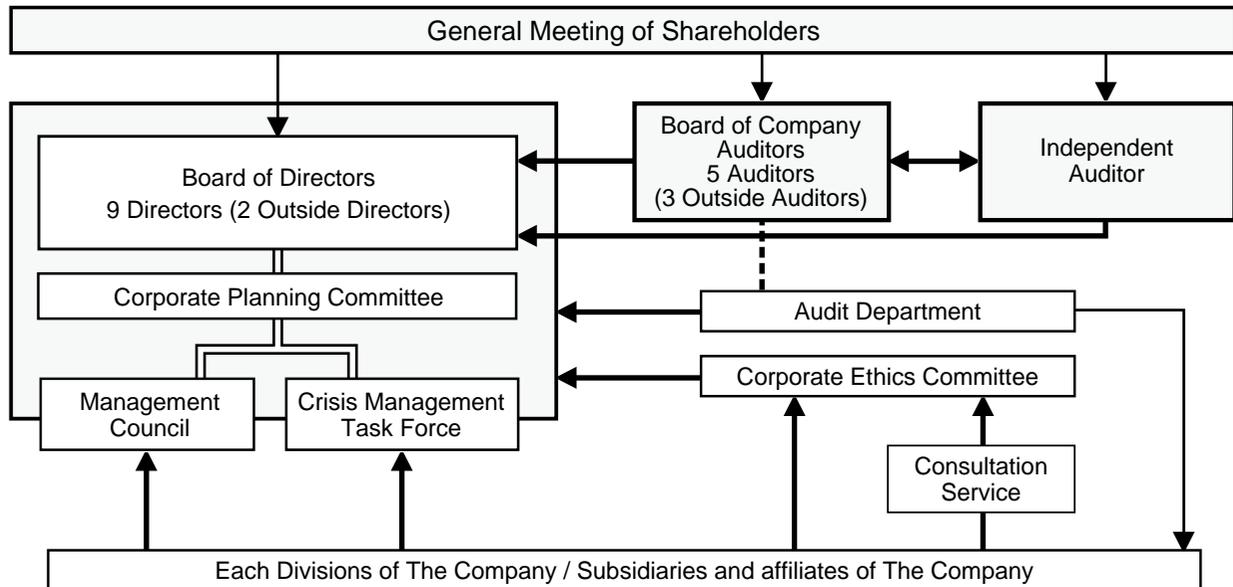
2. Corporate governance issues

(1) Basic concepts regarding corporate governance

Through fair and efficient corporate activities, The Company always intends to be trusted by all our stakeholders including shareholders, customers, partner companies, local communities and employees, and to be a continuously growing company, while making a further contribution to the international community. In order to realize that intention, The Company considers that the enhancement of the corporate governance is one of the most important issues for proper corporate management and is aggressively taking various kinds of measures.

Also, in order to be trusted further by society and stakeholders, we disclose information quickly in fair and accurate manner prescribed in laws and regulations and aggressively disclose information that we concluded is beneficial to understand The Company. We will further enhance the transparency of The Company.

(2) Organization of The Company



(a) Execution of Operation

(Board of Directors)

In addition to the regular meetings of the Board of Directors composed of 9 Directors including 2 Outside Company Directors held every month, Directors hold a special board meeting whenever necessary, and discuss the matters set forth in the Articles of Incorporation and the laws and regulations, and important managerial agenda based on the deliberation criteria, and make decisions on a sufficient discussion, including in terms of regulatory compliance and corporate ethics, and make oversight of business execution.

In addition, all Directors, excluding Chairman & CEO and Outside Directors, also work as leaders for accomplishment of tasks such as Executive General Manager of each division or other functional units to allow for discussion based on site information at board meetings for making proper decisions in line with actual situations of each department.

For the purpose of enabling the agile corporate management and executing operations and clarifying the individual responsibilities, The Company has introduced a Senior Managing Officer and Managing Officer system and reduced the number of Directors. 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.

(Outside Directors)

By electing Outside Directors (2 Directors as of 148th Ordinary General Meeting of Shareholders held on June 27, 2014) who are highly independent of The Company and have no possibility of causing conflict of interest between them and shareholders, The Company enhanced supervision to management further, and is receiving helpful advice and indication based on large stock of experience and professional knowledge regarding execution of operation.

(Corporate Planning Committee)

At the Corporate Planning Committee which is composed of 4 Executive Vice Presidents as a council-system organization, important missions for management at each department are cross-functionally and comprehensively reviewed and basic concepts are adjusted and established. In order to embody the said basic concepts, The Company has the Corporate Planning Office.

(Various meeting on execution of operation)

The Company enhances efficiency of management by sharing important information on execution of operation. To achieve that, The Company takes various measures such as holding management councils to discuss the strategic decision on execution of important management issues. Members of the council include Directors, Executive General Managers and Deputy Executive General Managers. Furthermore, they mutually exchange information through weekly meetings to identify administrative issues early and execute operation appropriately.

(b) Audit and supervision

(Board of Company Auditors)

The Company adopts a Company Auditor system. The Board of Company Auditors composed of 5 members including 3 Outside Company Auditors holds regular meetings every two months and holds a special board meeting whenever necessary.

Company Auditors execute audits on proper management of The Company, in accordance with the Rules of the Board of Company Auditors and audit policies of the corresponding fiscal year, by participating in important meetings such as that of the Board of Directors and management councils, perusing approval documents and various minutes, and receiving reports and explanation from Directors on execution of business, etc.

In addition, majority of Company Auditors are Outside Company Auditors who are highly independent of The Company and have no possibility of causing conflict of interest between them and shareholders. Their wide experiences and knowledge in legal matters, management of enterprises, accounting and other areas enhance the audit function and oversight function from outside The Company.

2 Company Auditors and 1 Outside Company Auditor have large stock of knowledge in finance and accounting due to long experience of being in charge of accounting in The Group as to Company Auditors, and large stock of experience as certified public accountant as to Outside Company Auditor respectively.

(Audit Department)

44 members in Audit department audit The Company and domestic and foreign subsidiaries and affiliates, and periodically check the effectiveness of their internal control system. Results of the checks are reported to management and Company Auditors together with suggestions regarding improvement and correction of problems. The audit department also helps to make rules for enhancement of management structures, conducts guidance and supports for compliance with the laws, regulations and rules and promotes efficiency and standardization of their business.

Company Auditors adjust audit plans and auditing themes of the audit department, attend its audit and receive reports and explanation on all its audits whenever necessary. Company Auditors also execute internal auditing and auditing on subsidiaries as Company Auditors' auditing in cooperation with the audit department.

The audit department and Company Auditors exchange information with organization specialized in internal audit, which consists of legal, finance and IT system department.

(Independent Auditor)

Seimei Audit Corporation is assigned as an Independent Auditor for The Company. The Board of Company Auditors receives explanation from Independent Auditor on audit plans for the corresponding fiscal year, reports on audit on the finance and accounting statements of quarters and fiscal year end, and also reports on audit on subsidiaries. The Board of Company Auditors, audit department and Independent Auditor create a closer connection by exchanging information whenever necessary.

CPA who engaged in the audit	Auditing company CPA belongs to
Designated and engagement partner Satoru Imamura	Seimei Audit Corporation
Designated and engagement partner Koji Sato	Seimei Audit Corporation

Note: The number of other assistant members for audit: 7 certified public accountants and 8 others.

Company Auditors, audit department and Independent Auditor cooperate appropriately and audit concerning compliance with laws, internal control, and management efficiency from three different angles.

(c) Function, role and status of Outside Director

In order to strengthen supervision and audit to management further, The Company adopted Outside Director system at General Meeting of Shareholders held on June 28, 2012 and elected 2 Outside Directors at General Meeting of Shareholders held on June 27, 2014. As to 3 Outside Company Auditors, The Company elected Outside Company Auditors who are more independent of The Company.

The Company elected Mr. Masakazu Iguchi as Outside Director to receive appropriate advice related to the management of The Company in manufacturing industry based on a large stock of expertise as a doctor of engineering. He currently serves as Director of Suzuki Foundation (part-time).

Suzuki Foundation has transactions with The Company and subsidiaries such as endowment which are less than 0.01% of consolidated net sales of The Company. There are no special interest between him and The Company. The Company believes that he is sufficiently independent of the management of The Company.

The Company elected Mr. Sakutarō Tanino as Outside Director to receive appropriate advice related to the management of The Company from the international viewpoints based on a large stock of experience and knowledge as a diplomat. He served as Director of Toshiba Corporation until June 2007, and he has assumed as Director of it in June 2014.

Toshiba Corporation has transactions with The Company which are about 0.06% of consolidated net sales of The Company. There are no special interest between him and The Company. The Company believes that he is sufficiently independent of the management of The Company.

The Company elected Mr. Shin Ishizuka as Outside Company Auditor to appropriately conduct audit of The Company based on his experience and professional knowledge as an attorney-at-law. There are no interest between him and The Company. The Company believes that he is sufficiently independent of the management of The Company.

The Company elected Mr. Masataka Osuka as Outside Company Auditor to appropriately conduct audit of The Company based on a long term experiences and knowledge as a management of enterprises. He currently serves as Chairman of the Board of Hamakyorex Co., Ltd., Director of Kinbutsurex Co., Ltd., (Subsidiary of Hamakyorex Co., Ltd.) (part-time), Director of Suzuki Education & Culture Foundation (part-time), and president of Hamamatsu Chamber of Commerce and Industries. He also served as Director of Chotokan (part-time) until June 2012.

Hamakyorex Co., Ltd. has transactions with subsidiaries of The Company which are less than 0.01% of consolidated net sales of The Company. Kinbutsurex Co., Ltd. (subsidiary of Hamakyorex Co., Ltd.) has transactions with The Company which are less than 0.01% of consolidated net sales of The Company.

Subsidiaries of Hamakyorex Co., Ltd. have transactions with subsidiaries of The Company which are about 0.02% of consolidated net sales of The Company.

Suzuki Education & Culture Foundation has transactions with The Company such as endowment and others which are less than 0.01% of consolidated net sales of The Company.

Hamamatsu Chamber of Commerce and Industries has transactions with The Company and its subsidiaries which are less than 0.01% of consolidated net sales of The Company.

Chotokan has transactions with The Company and its subsidiaries which are less than 0.01% of consolidated net sales of The Company. There are no special interest between him and The Company. The Company believes that he is sufficiently independent of the management of The Company.

The Company elected Mr. Norio Tanaka as Outside Company Auditor to appropriately conduct audit of The Company based on a large stock of the experiences and the professional knowledge as a certified public accountant. There are no interest between him and The Company. The Company believes that he is sufficiently independent of the management of The Company.

The Company concluded that all 5 members of Outside Director/Company Auditor have no possibility of causing conflict of interest between them and shareholders, and filed them as independent director/auditor under the rules of the Tokyo Stock Exchange, Inc.

As to independence from The Company with regard to the election of Outside Director/Company Auditor, The Company judges their independence under "Standard of judgment" set by Tokyo Stock Exchange, Inc.

The Company makes decision on important issue regarding to management through discussion in meeting of board of Directors and management council in which principally all Directors and auditors participate. The Company believes that corporate governance of The Company functions sufficiently.

(3) Development status of internal control system and risk management system

In order to enhance corporate governance, The Company is making efforts to keep everyone informed about compliance and to strengthen internal control system. The basic policy for construction of internal control system and its development status are as follows:

(a) Compliance system for Directors

Directors respect the "Mission Statement" and the "Suzuki Activity Charter" and execute their duties in compliance with the "Rules of the Board of Directors", the "Approval Procedures" and other rules of The Company, and mutually supervise their execution of duties through meetings of the Board of Directors, etc. And The Company established the "Suzuki Rules of Corporate Ethics" which lays out a set of basic points for Directors and employees to act in a fair and faithful manner in compliance with the laws, regulations, social rules and in-company rules. It is revised whenever necessary by "Corporate Ethics Committee" which promotes corporate ethics in The Company. And Company Auditors audit the execution of duties of Directors in accordance with the audit policies and work responsibilities set by the Board of Company Auditors.

(b) Compliance system for employees

In order to ensure that employees execute their duties in compliance with the law and the Articles of Incorporation of The Company, The Company is making effort to keep everyone informed about the “Suzuki Employees’ Activity Charter” which lays out the norms of action of employees, the “Approval Procedures” and the “Job Description” which set up the proceedings of execution of their duties in details, and other rules of The Company. They are revised whenever necessary. Furthermore, in accordance with the “Suzuki Rules of Corporate Ethics”, The Company has developed compliance system for employees including internal report system, and has been educating them through various training and in-house seminars regarding compliance. And, in accordance with the “Rule of Internal Auditing”, the audit department audits on the correctness of various control systems, organizations and rules, and properness of function of internal control, etc.

(c) Crisis management system

“Crisis Management Procedures” are laid down within the “Suzuki Rules of Corporate Ethics” as a countermeasure to crisis that may occur from illegalities and injustices inside/outside The Company, or natural disasters or terrorism, which are impossible for The Company to prevent. When the “Corporate Ethics Committee” finds risks that may cause urgent and serious damages to the corporate management and business operations, the committee immediately sets up a “Crisis Management Task Force” in line with the “Crisis Management Procedures” in order to deal with the crisis. This organization swiftly disucsses and decides on the policies and measures to be taken against the risk occurred and gives instructions to the appropriate departments and divisions which are then able to communicate each other to solve the problem.

(d) System to ensure proper business operation of the corporate group

To ensure a proper business operation of the corporate group which consists of The Company and its subsidiaries, The Company has established the “Rules of Business Control Supervision”. It is revised whenever necessary. The subsidiaries report to The Company on their business operation and consult with The Company on important matters in accordance with those rules, and departments in charge give guidance and advice to them to enhance their management structure. And our audit department helps to make rules for the subsidiaries, conducts guidance, supporting and auditing for their regulatory compliance. It also promotes efficiency and standardization of their business.

(4) Remuneration for Directors and Company Auditors for current fiscal year

(a) Remuneration paid to Directors and Company Auditors is as follows:

(Amount of remuneration: million yen, Number of payees: person)

Classification	Total amount of remuneration	Amount of each type of remuneration			Number of payees
		Basic pay	Stock option	Bonus	
Directors (excluding Outside Directors)	576	305	85	185	10
Company Auditors (excluding Outside Company Auditors)	57	40	-	16	2
Outside Directors/Company Auditors	29	22	-	7	5

- Notes:
1. The amount of remuneration limit for Directors (¥80 million per month) was resolved at the 135th Ordinary General Meeting of Shareholders held on June 28, 2001.
 2. The amount of remuneration limit for Company Auditors (¥8 million per month) was resolved at the 123rd Ordinary General Meeting of Shareholders held on June 29, 1989.
 3. The maximum amount of remuneration for Directors for stock options as compensation (¥170 million per year) was resolved at the 146th Ordinary General Meeting of Shareholders held on June 28, 2012 and 147th Ordinary General Meeting of Shareholders held on June 27, 2013.
 4. The above-mentioned Stock option are recorded as stock options as compensation in current fiscal year as expenses.
 5. The above-mentioned bonuses are recorded as provision for Directors’ bonuses at the end of current fiscal year and treated as expenses of current fiscal year.
 6. The above includes 3 Directors who retired at the end of the 147th Ordinary General Meeting of Shareholders held on June 27, 2013.
 7. In addition to the above, ¥47 million was paid to 2 retired Directors as retirement benefits for Directors under the resolution at the 140th Ordinary General Meeting of Shareholders held on June 29, 2006.
 8. The following information is disclosed in 148th annual securities report
 - Total amount of consolidated remuneration paid to persons who received consolidated remuneration of ¥100 million or more each.

(b) Policy for determination of the amount of remuneration for Directors and Company Auditors

Remuneration for Directors/Company Auditors consists of basic remuneration, bonuses and stock options with respect to Directors, and basic remuneration and bonuses with respect to Company Auditors.

While The Company discontinued its retirement benefits plan for Directors and Company Auditors at the 140th Ordinary General Meeting of Shareholders, held on June 29, 2006, it has introduced the granting of stock options as compensation with a view toward strengthening Directors' connection to The Company's performance and stock price and ensuring that Directors share with shareholders not only the benefits of any increases in the stock price, but also the risks of any declines, pursuant to the approval granted at the 146th Ordinary General Meeting of Shareholders, held on June 28, 2012.

(Director)

As for basic remuneration, the amount of remuneration limit (monthly amount) for all Directors shall be determined by a resolution of a General Meeting of Shareholders, and the amount of remuneration for each Director shall be determined by the representative Director who is authorized by the Board of Directors in consideration of the duties and responsibilities of each Director to enhance the corporate value in each fiscal year and on a mid-and long-term basis.

As for bonuses, the Board of Directors will decide on a proposal regarding bonus payments to Directors/Company Auditors in consideration of the management environment and The Company's performance in each fiscal year, and the representative Director who is authorized by the Board of Directors will decide, pursuant to the approval of a General Meeting of Shareholders concerning the total amount of the bonus, the amount of the bonus for each Director that reflects each Director's achievement of his or her duties and responsibilities.

As for granting stock options as compensation, the Board of Directors will decide, pursuant to the approval of a General Meeting of Shareholders concerning the maximum amount of remuneration, etc. with respect to the stock acquisition rights in each fiscal year, the allocation of stock acquisition rights to each Director (excluding Outside Directors).

(Company Auditor)

As for basic remuneration, the amount of remuneration limit (monthly amount) for all Company Auditors shall be determined by a resolution of a General Meeting of Shareholders. As for bonuses, the total amount of bonuses shall be determined through the approval of a General Meeting of Shareholders in each fiscal year.

The amount of the basic remuneration and bonus for each Company Auditor shall be determined through consultations among Company Auditors in proportion to each Company Auditor's duty and responsibility.

(5) Remuneration for Independent Auditor for current fiscal year

(a) The remuneration amount to be paid by The Company to Independent Auditors is ¥84 million.

(b) The remuneration amount to be paid by The Group to Independent Auditors is ¥87 million.

*The amounts shown in (a) and (b) were all paid for audit certification.

Because the remuneration amount for the audit under Companies Act of Japan and for the audit under Financial Instrument and Exchange Act of Japan is not divided in the Auditing Agreement between The Company and Independent Auditor and is not be able to be actually divided, the amount described in the above specifies the total of these remuneration amounts.

(Reference)**Internal Control Report System under the Financial Instruments and Exchange Act of Japan**

Effective from the fiscal year ended March 31, 2009, Internal Control Report System has been applied under the Financial Instruments and Exchange Act of Japan. The Company has established a project team to enhance the system for assessment of the effectiveness of internal controls over the financial reporting.

Our management executive assessed the effectiveness of internal control over financial reporting as of March 31, 2014 in accordance with "On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" published by the Business Accounting Council of Financial Services Agency, The Japanese government. Based on that assessment, our management executive concluded that our Group's internal control over financial reporting was effective as of March 31, 2014.

Seimei Audit Corporation, The Company's Independent Auditor, has audited the Internal Control Report made by our management executive, and expressed an unqualified opinion regarding effectiveness of The Group's internal control over financial reporting as of March 31, 2014.

Risks in Operations

Risks that may affect the management results, stock price and financial situation of The Group include the followings. Forward-looking statements in this section are based on our conclusions as of March 31, 2014.

Risk relating to markets

(1) Change in economic situations, demand fluctuation in the markets

The long term economic slowdown, world economic deterioration and financial crisis, and the reduced buying motivation of the consumers may lead to a substantially reduced demand for the products of The Group including motorcycles, automobiles and outboard motors. They may also affect the performance and financial conditions of The Group.

In addition, we conduct businesses around the world, and our dependency on the overseas manufacturing plants especially in the developing countries of the Asian regions has been increasing over the years. The unexpected situation in these markets such as the rapid change in the economic situations may affect the performance and financial conditions of The Group. Further, unexpected change or new application of tax systems in each country may also affect the performance and financial conditions of The Group.

(2) Severer competitions with other companies

We are facing competitions with rival companies in every global market where we conduct our businesses. As the automobiles and motorcycles industries in the world are globalized further, competitions may get harder. Competitions with other companies include various aspects such as product quality, safety, price, environmental performance, as well as efficiency of product development and manufacturing system, establishment of sales and service systems and sales finance.

We will make further efforts for maintaining and improving our competitive edges, but there may be risks that impede our competitive advantages.

Risk relating to business

(1) New product development and launching abilities

It is very important for an automobile and motorcycle manufacturer to correctly understand customer needs and to develop and launch to the market new attractive products that satisfy the customers in a timely manner. It has become more important than ever to understand customer needs that rapidly change, such as the reduced demands caused by domestic and overseas economic slowdown and the increased interest in the environmental performance.

In addition, launching of new products will require specific product development abilities as well as abilities to continually manufacture products in addition to appropriately understanding customer needs.

However, even if we are able to appropriately understand the customer needs, we may not be able to develop new products matching the customer needs in a timely manner on account of technical abilities, procurement of parts, production capabilities and other factors. If we are unable to launch products matching the customer needs to the market in a timely manner, the sales share and sales may be reduced, which may adversely affect the performance and financial conditions of The Group.

(2) Change in product prices and purchase prices, dependence on specific suppliers

Various factors including insufficient supply or price rise of specific parts and raw materials, unstable economic conditions, revisions of import regulations and harder price competition may rapidly change the product prices and purchase prices of The Group. There is no guarantee that such rapid price change does not last long or such change does not occur in the markets where there have not been such changes so far. Rapid changes in product prices and purchase prices may adversely affect the performance and financial positions of The Group in any market where we conduct our businesses.

In addition, the procurement of some of the parts has been limited to specific suppliers on account of technical abilities, quality, and price competitiveness. If we are unable to obtain the parts continuously and stably on account of unforeseeable accidents of the suppliers, it may adversely affect the performance and financial conditions of The Group.

(3) Business development in various countries in the world

We have been conducting our businesses in various countries in the world, and in some of the countries, we conduct joint ventures with local companies in accordance with local laws or other requirements. These businesses are restricted by various legal and other regulations in each country (including those related to tax, tariff, overseas investment and fund transfer to the home country). Any changes to such regulations, or management policies or management environment of the joint venture partners may adversely affect the performance and financial conditions of The Group.

(4) Fluctuations of exchange rates and interest rates

We export motorcycles, automobiles, outboard motors and related parts to various countries in the world from Japan. In addition, we export those products and parts from the overseas manufacturing plants to multiple other countries. Fluctuations of exchange rates may adversely affect the performance and financial conditions of The Group as well as our competitiveness.

Further, the exchange fluctuations will affect the price setting of the products sold by The Company in foreign currencies as well as the price of the raw materials purchased. The ratio of the overseas sales has reached about 60 percent of consolidated sales for the current consolidated fiscal year, and transactions in foreign currencies account for significant part. We take hedging measures such as forward exchange contracts to reduce the risks of exchange-rates and interest-rates fluctuations, but it is impossible to hedge every risk, and the yen appreciation against other currencies may adversely affect the performance and financial conditions of The Group. On the contrary, the yen depreciation may result in opportunity losses.

(5) Government regulations

Various legal regulations are applied to the motorcycle, automobile and outboard motor industries in relation to the emission level of emission gas, mileage, noises, safety and contaminated material emission level from the manufacturing plants. These regulations may be revised, in many cases strengthened. Expenses to comply with these regulations may largely affect the performance of The Group.

In addition, many governments determine the imposition of tariffs, price control regulations and exchange control regulations. The Group is paying expenses to comply with these regulations and will expect to continue bearing them. We may pay more expenses depending on the establishment of new laws or changes of existing laws. Further, unexpected changes or new application of tax systems and economic measures of each country may adversely affect the performance and financial conditions of The Group.

(6) Quality assurance

We place the top priority on the product safety and make efforts to establish the quality assurance system from development to sales. We buy insurance for the product liability, but there are risks not covered by insurance. The occurrence of large expenses for a large-scale recall to ensure safety of the customers may adversely affect the performance and financial conditions of The Group.

(7) Alliance with other companies

We conduct various alliance activities with automobile manufacturer around the world and other companies such as for research and development, manufacturing, sales and finance, but factors that cannot be controlled by The Group such as situations inherent to the alliance partners may adversely affect the performance and financial conditions of The Group.

(8) Legal proceedings

We may become a party to lawsuits and other legal proceedings in the course of our business activities. In the case where any judgments disadvantageous to us are made in such legal proceedings, they may adversely affect the performance and financial conditions of The Group.

(9) Influences of natural disasters, wars, terrorism and strikes, etc.

The major manufacturing plants of The Group in Japan conduct manufacturing activities, located mainly in the Tokai region. In addition, the head office and other facilities of The Company are also concentrated in the Tokai region. Any occurrences of Tokai and Tonankai Earthquake may adversely affect the performance and financial condition of The Group largely. We have taken various preventive measures such as quake-resistant measures for buildings and facilities, fire preventive measures, establishment of BCP (Business Continuity Plan), purchases of earthquake insurances to minimize the influences of damage by such disasters.

We also conduct businesses around the world and are subject to number of risks relating to our overseas operations. Such risks include political or social instability and difficulties, natural disasters, diseases, wars, terrorism and strikes. These unexpected events may delay or suspend the purchase of raw materials and parts, manufacturing, sales of products, and provision of logistics and services. If such delay or suspension caused by any of these factors occur or prolong, they may adversely affect the performance and financial conditions of The Group.

Further, there are various risks other than those mentioned above, and what have been stated in this section do not represent all the risks of The Group.

The Status of the Corporate Group

The outline of the corporate group

The corporate group of the Company consists of subsidiaries of 134 companies and affiliates of 37. The main businesses are manufacturing and marketing of motorcycles, automobiles, marine & power products, motorized wheelchairs, electro senior vehicles and houses, further developing the businesses of logistics and other services related to the respective operations.

The position of the group companies in relation to the segmentation is as follows.

Motorcycle

Motorcycles are manufactured by the Company as well as in overseas, by a subsidiary Thai Suzuki Motor Co., Ltd. and an affiliate, Jinan Qingqi Suzuki Motorcycle Co., Ltd. and others. Some of parts are manufactured by a subsidiary, Suzuki Auto Parts Mfg. Co., Ltd. and others, and those parts are purchased by the Company.

The marketing of the motorcycles is conducted in the domestic market by a subsidiary, Suzuki Motorcycle Sales Inc. and other marketing companies, and in overseas markets through a subsidiary, Suzuki International Europe GmbH and other marketing companies and manufacturing & marketing companies.

Automobile

Automobiles are manufactured by the Company as well as in overseas, by subsidiaries, Magyar Suzuki Corporation Ltd., Maruti Suzuki India Limited and by an affiliate, Chongqing Changan Suzuki Automobile Co., Ltd. and others. Some of parts are manufactured by Suzuki Auto Parts Mfg. Co., Ltd. and others, and they are purchased by the Company.

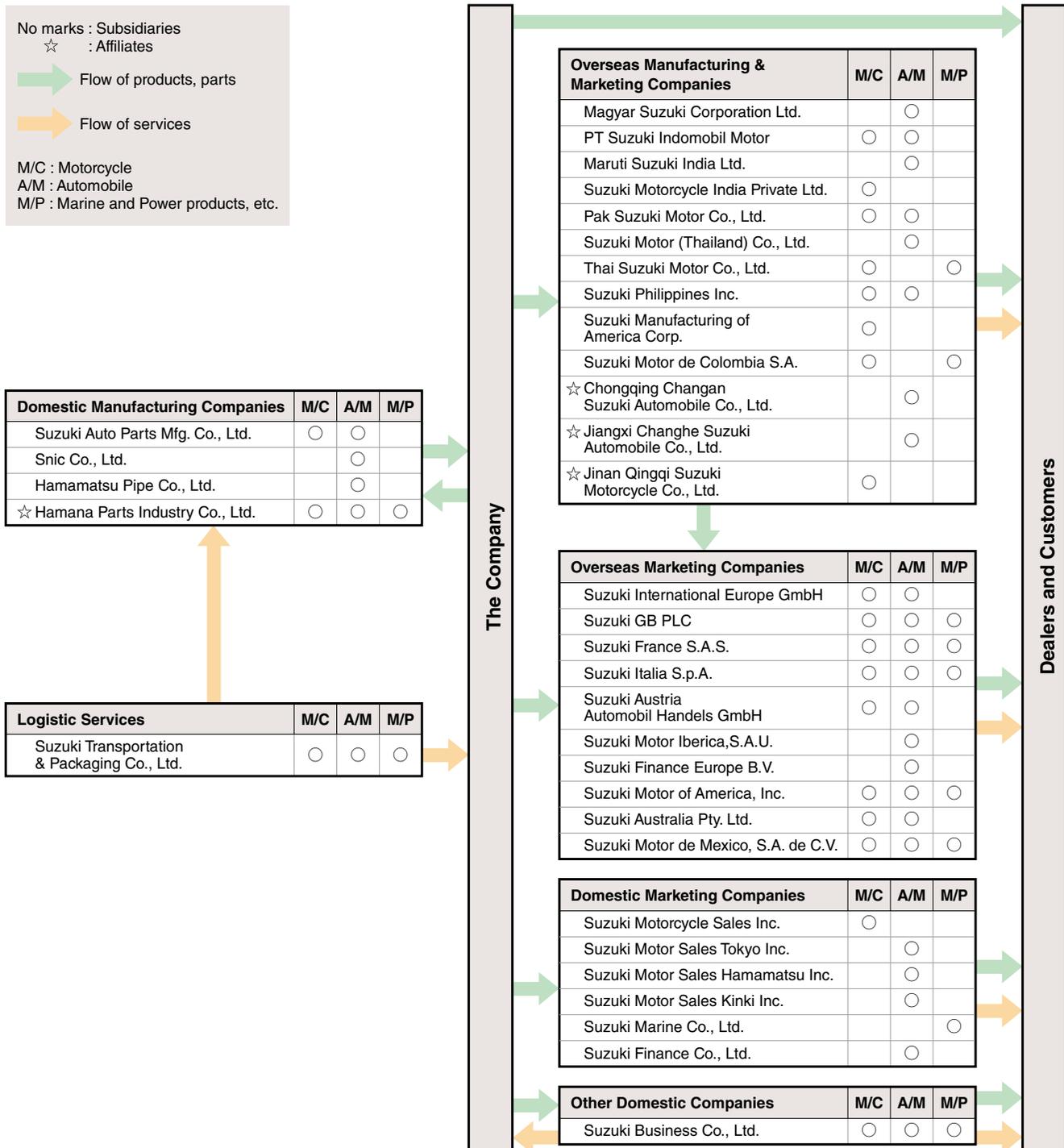
The marketing of automobiles is carried out in the domestic market by a subsidiary, Suzuki Motor Sales Kinki Inc. and other marketing companies throughout the market, and in overseas markets, by a subsidiary, Suzuki International Europe GmbH and other marketing companies and manufacturing & marketing companies. The business of logistics services is conducted by a subsidiary, Suzuki Transportation & Packing Co., Ltd.

Marine and Power products, etc.

Outboard motors are manufactured mainly by the Company and marketed by a subsidiary, Suzuki Marine Co., Ltd. and others. In the domestic market, the marketing of motorized wheelchairs and electro senior vehicles are conducted by a subsidiary, Suzuki Motor Sales Kinki Inc. and others, and the marketing of houses is conducted by a subsidiary, Suzuki Business Co., Ltd.

Operation Flow Chart

Operation flow chart is as follows (Major companies only)





Way of Life!

SUZUKI MOTOR CORPORATION

300 Takatsuka-Cho,
Minami-Ku, Hamamatsu-shi,
Shizuoka, Japan 432-8611
<http://www.globalsuzuki.com>