This document was prepared based on the Company's Annual Securities Report in Japanese submitted to the Director-General of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' Network ("EDINET") on June 27, 2025, pursuant to the Financial Instruments and Exchange Act of Japan. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The accompanying consolidated financial statements are audited by Seimei Audit Corporation.

In this document, "FY2024" refers to the year ended March 31, 2025. All information contained in this document is as of March 31, 2025 or for FY2024, unless otherwise indicated. This document does not contain or constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on this document.

Annual Securities Report

The 159th Business Term

From April 1, 2024
To March 31, 2025

SUZUKI MOTOR CORPORATION

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[Applicable Law]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
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[Fiscal Year]	The 159th Fiscal Year (April 1, 2024 to March 31, 2025)
[Company Name]	Suzuki Kabushiki Kaisha
[Company Name in English]	SUZUKI MOTOR CORPORATION
[Name and Position of Representative]	Toshihiro Suzuki, Representative Director and President
[Address of Registered Head Office]	300, Takatsuka-cho, Chuo-ku, Hamamatsu-shi, Shizuoka, Japan
[Telephone Number]	+81-53-440-2032
[Administrative Contact]	Ryo Kawamura, Managing Officer and Executive General Manager of Finance
[Nearest Contact Location]	Tokyo Branch Office 2-8, Higashi-Shimbashi 2-chome, Minato-ku, Tokyo, Japan
[Telephone Number]	+81-3-5425-2158
[Administrative Contact]	Aritaka Okajima, Director & Senior Managing Officer and Branch Manager of Tokyo Branch
[Location for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

Part I Company Information

I. Overview of Company

1. Key Financial Data

(1) Consolidated financial data, etc.

Fiscal year		International Financial Reporting Standards		
		Transition date	FY2023	FY2024
Year ended		As of April 1, 2023	March 31, 2024	March 31, 2025
Revenue	(Millions of yen)	–	5,357,523	5,825,161
Profit before tax	(Millions of yen)	–	591,713	730,220
Profit attributable to owners of parent	(Millions of yen)	–	317,017	416,050
Comprehensive income attributable to owners of parent	(Millions of yen)	–	566,519	330,639
Equity attributable to owners of parent	(Millions of yen)	2,294,186	2,719,773	2,970,660
Total assets	(Millions of yen)	4,861,513	5,757,656	5,993,657
Equity attributable to owners of parent per share	(Yen)	1,180.06	1,409.83	1,539.78
Earnings per share attributable to owners of parent, Basic	(Yen)	–	163.88	215.66
Earnings per share attributable to owners of parent, Diluted	(Yen)	–	163.88	215.65
Ratio of equity attributable to owners of parent to total assets	(%)	47.2	47.2	49.6
Ratio of profit to equity attributable to owners of parent	(%)	–	12.6	14.6
Price earnings ratio	(Times)	–	10.6	8.4
Cash flows from operating activities	(Millions of yen)	–	501,786	669,784
Cash flows from investing activities	(Millions of yen)	–	(477,399)	(475,605)
Cash flows from financing activities	(Millions of yen)	–	(92,898)	(185,978)
Cash and cash equivalents at end of period	(Millions of yen)	868,911	840,020	842,710
Number of employees [Average number of temporary employees]	(Persons)	70,012 [44,891]	72,372 [46,696]	74,077 [50,043]

Notes: 1. As of FY2024, the consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS).

2. The Company conducted a four-for-one stock split of its common stock as of April 1, 2024. “Equity attributable to owners of parent per share,” and “Earnings per share attributable to owners of parent, Basic and Diluted” are calculated on the assumption that the stock split was conducted at the beginning of FY2023.

Fiscal year		Japanese GAAP				
		FY2020	FY2021	FY2022	FY2023	FY2024
Year ended		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Net sales	(Millions of yen)	3,178,209	3,568,380	4,641,644	5,374,255	5,843,087
Ordinary profit	(Millions of yen)	248,255	262,917	382,807	488,525	622,089
Profit attributable to owners of parent	(Millions of yen)	146,421	160,345	221,107	267,717	390,166
Comprehensive income	(Millions of yen)	295,287	289,176	309,945	722,062	381,925
Net assets	(Millions of yen)	2,031,964	2,263,672	2,508,620	3,138,397	3,407,147
Total assets	(Millions of yen)	4,036,360	4,155,153	4,577,713	5,385,618	5,585,683
Net assets per share	(Yen)	868.83	966.92	1,068.87	1,291.25	1,404.09
Profit per share	(Yen)	75.41	82.55	113.80	138.40	202.24
Profit per share, Diluted	(Yen)	75.40	82.54	113.80	138.39	202.23
Equity capital ratio	(%)	41.8	45.2	45.4	46.3	48.5
Return on equity	(%)	9.2	9.0	11.2	11.7	15.0
Price earnings ratio	(Times)	16.7	12.8	10.6	12.6	8.9
Cash flows from operating activities	(Millions of yen)	415,439	221,259	286,626	446,045	596,949
Cash flows from investing activities	(Millions of yen)	(232,985)	(153,515)	(302,674)	(433,855)	(419,630)
Cash flows from financing activities	(Millions of yen)	302,633	(154,624)	31,568	(81,225)	(171,108)
Cash and cash equivalents at end of period	(Millions of yen)	924,392	857,996	882,146	853,637	855,140
Number of employees [Average number of temporary employees]	(Persons)	68,739 [35,152]	69,193 [40,502]	70,012 [44,891]	72,372 [46,696]	74,077 [50,043]

Notes: 1. Figures for FY2024 have not been audited pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

2. The Company has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) from the beginning of FY2021. Key financial data for FY2021 onward are adjusted in accordance with this change.

3. The Company conducted a four-for-one stock split of its common stock as of April 1, 2024. “Net assets per share,” “Profit per share,” and “Profit per share, Diluted” are calculated on the assumption that the stock split was conducted at the beginning of FY2020.

(2) Financial data, etc. of the reporting company

Fiscal year		FY2020	FY2021	FY2022	FY2023	FY2024
Year ended		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Net sales	(Millions of yen)	1,707,133	1,690,761	2,217,163	2,604,849	2,627,921
Ordinary profit	(Millions of yen)	88,291	93,071	169,821	257,228	238,975
Profit	(Millions of yen)	80,431	82,953	145,307	203,112	231,123
Share capital	(Millions of yen)	138,262	138,318	138,370	138,370	138,370
Total number of shares issued	(Shares)	491,098,300	491,122,300	491,146,600	491,146,600	1,964,586,400
Net assets	(Millions of yen)	766,257	834,410	932,882	1,146,488	1,236,257
Total assets	(Millions of yen)	2,273,758	2,222,479	2,392,415	2,595,577	2,627,846
Net assets per share	(Yen)	394.40	429.46	479.74	594.16	640.65
Dividend per share [of which, interim dividend per share]	(Yen)	90.00 [37.00]	91.00 [45.00]	100.00 [50.00]	122.00 [55.00]	41.00 [20.00]
Profit per share	(Yen)	41.42	42.70	74.78	104.98	119.78
Profit per share, Diluted	(Yen)	41.41	42.70	74.77	104.97	119.77
Equity capital ratio	(%)	33.7	37.5	39.0	44.2	47.0
Return on equity	(%)	11.0	10.4	16.4	19.5	19.4
Price earnings ratio	(Times)	30.3	24.7	16.1	16.6	15.1
Dividend payout ratio	(%)	54.3	53.3	33.4	29.1	34.2
Number of employees [Average number of temporary employees]	(Persons)	16,073 [1,930]	16,267 [2,178]	16,550 [2,730]	16,955 [3,242]	17,414 [3,109]
Total shareholder return	(%)	197.9	170.0	196.7	284.7	302.1
[TOPIX Net Total Return Index]	(%)	[142.1]	[145.0]	[153.4]	[216.8]	[213.4]
Highest share price	(Yen)	5,816.0	5,520.0	5,672.0	1,836.7 [7,347.0]	2,014.5
Lowest share price	(Yen)	2,444.0	3,516.0	3,593.0	1,131.5 [4,526.0]	1,300.0

Notes: 1. The highest and lowest share prices are those on the First Section of the Tokyo Stock Exchange before April 3, 2022 and those on the Prime Market of the Tokyo Stock Exchange from April 4, 2022 onward. For the fiscal year ended March 31, 2024, the highest and lowest share prices after the stock split are shown, and the highest and lowest prices before the stock split are shown in brackets. In addition, "Dividend per share" for FY2020 to FY2023 is based on the amount before the stock split.

2. The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of FY2021, and key financial data, etc. for FY2021 onwards represent figures after applying this standard.

3. The Company conducted a four-for-one stock split of its common stock as of April 1, 2024. "Net assets per share," "Profit per share," and "Profit per share, Diluted" are calculated on the assumption that the stock split was conducted at the beginning of FY2020. In addition, the total shareholder return is calculated taking into account the impact of the stock split.

2. History

Month and year	Event
October 1909	Michio Suzuki founds Suzuki Loom Works in Hamamatsu-shi, Shizuoka, and begins manufacturing foot-operated looms based on his patented invention.
March 1920	Suzuki Loom Works is reorganized and established as Suzuki Loom Manufacturing Co.
September 1939	Takatsuka Plant is built in Takatsuka, Kami-mura, Hamana-gun, Shizuoka (currently Takatsuka-cho, Chuo-ku, Hamamatsu-shi, Shizuoka)
May 1949	Suzuki lists its shares on the First Section of the Tokyo, Osaka and Nagoya stock exchanges. (Delisted from the Osaka and Nagoya stock exchanges in March 2003.)
June 1952	Suzuki enters the motor-vehicle field.
May 1954	Suzuki lists its shares on the Fukuoka Stock Exchange. (Delisted in August 2002.)
June 1954	Company changes its name to Suzuki Motor Co., Ltd.
October 1955	Mini vehicle debuts (helping to usher in Japan’s mini vehicle age).
April 1961	Suzuki Loom Works Co. is established by separation of the loom division from the motor works.
September 1961	Suzuki builds Toyokawa Plant in Toyokawa-shi, Aichi, Japan, and starts production of lightweight trucks there.
August 1963	U.S. Suzuki Motor Corp. (American Suzuki Motor Corp.; liquidated in March 2013) is established as a direct sales subsidiary in Los Angeles, California.
April 1965	Suzuki enters the outboard motor field.
March 1967	Thai Suzuki Motor Co., Ltd. is established in Thailand as a joint venture company.
August 1967	Iwata Plant is built for automobiles in Iwata-shi, Shizuoka, Japan.
January 1970	Osuka Plant is built for foundry operations in Osuka-cho (currently Kakegawa), Ogasa-gun, Shizuoka, Japan.
April 1970	4x4 mini vehicle debuts.
October 1970	Kosai Plant is built for automobiles in Kosai-shi, Shizuoka, Japan.
October 1971	Suzuki builds a plant for production of medium-size and large motorcycles in Toyokawa-shi, Aichi, Japan. (Transferred to Hamamatsu Plant in September 2018.)
April 1974	Suzuki enters the medical equipment field with the launch of a motorized wheelchair.
August 1974	Suzuki enters the housing field.
May 1975	Suzuki begins its first overseas car production (Pakistan).
May 1979	4-cycle multipurpose mini vehicle debuts.
March 1980	Machine Industry Fostering and Promoting Foundation (currently Suzuki Foundation) is established.
April 1980	Suzuki enters the general-purpose engine field.
August 1981	Suzuki enters capital and business tie-ups with US automaker General Motors Corp. (GM) (with GM purchasing a 5.3% stake in Suzuki).
April 1982	Suzuki and the Indian government sign a basic agreement on joint production of Suzuki cars. (Production starts in December 1983.)
August 1983	Kosai Second Plant is built for compact vehicles in Kosai-shi, Shizuoka, Japan. Vehicles debut in October 1983.
March 1987	Suzuki lists its shares on the Amsterdam Stock Exchange. (Delisted in May 1999.)
October 1990	Company changes its name to Suzuki Motor Corporation.
April 1991	Suzuki establishes Magyar Suzuki Corporation Ltd. as a joint venture in Esztergom, Hungary.
May 1992	Full-scale production begins at the Sagara Plant (engine plant) in Sagara-cho (currently Makinohara), Haibara-gun, Shizuoka, Japan.
April 1993	Suzuki signs a joint venture contract for production of passenger cars and motorcycles in China. (The Company’s investment in the joint venture is transferred in November 2018.)
September 2000	Suzuki signs a new strategic alliance agreement with General Motors Corp. (General Motors Corp.’s equity stake is 20%.) (Capital alliance is dissolved in November 2008.)
September 2000	Suzuki signs MOU regarding a business tie-up with Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION).
October 2000	Suzuki establishes the Suzuki Education and Culture Foundation (currently Suzuki Education & Culture Foundation).
May 2002	Suzuki makes Maruti Udyog Ltd. (currently Maruti Suzuki India Ltd.) a subsidiary.

Month and year	Event
November 2002	Suzuki makes PT Indomobil Suzuki International in Indonesia (currently PT Suzuki Indomobil Motor) a subsidiary.
July 2003	Suzuki lists Maruti Udyog Ltd. in India (currently Maruti Suzuki India Ltd.) on the Mumbai Stock Exchange (currently the Bombay Stock Exchange) and the National Stock Exchange of India.
July 2008	Suzuki builds Sagara Plant for automobiles in Makinohara-shi, Shizuoka, Japan.
December 2009	Suzuki signs Framework Agreement for capital and business tie-ups with Volkswagen Aktiengesellschaft.
November 2011	Suzuki terminates the Framework Agreement with Volkswagen Aktiengesellschaft in accordance with the terms of that agreement.
November 2012	US subsidiary American Suzuki Motor Corp. winds down its automobile marketing business. (The company is liquidated in March 2013.)
March 2014	Suzuki establishes Suzuki Motor Gujarat Private Ltd. in Ahmedabad, Gujarat, India. (Suzuki makes the company a sub-subsidiary in November 2023.)
February 2017	Suzuki signs MOU for a business tie-up with Toyota Motor Corporation. (Enters capital alliance agreement in August 2019.)
August 2017	Suzuki establishes Automotive Electronics Power Private Ltd. in India (currently TDS Lithium-Ion Battery Gujarat Private Ltd.).
September 2018	Hamamatsu Plant is built in Kita-ku, Hamamatsu-shi (currently Hamana-ku, Hamamatsu-shi), Shizuoka, Japan, and begins motorcycle production.
March 2020	Suzuki celebrates its 100th Anniversary.
April 2022	Suzuki transfers its listing to the Prime Market following a review of the Tokyo Stock Exchange's market divisions.
August 2022	Suzuki establishes Suzuki R&D Center India Private Ltd. in India.
October 2022	Suzuki establishes Suzuki Global Ventures, L.P. in the US.
July 2024	Suzuki announces its technology strategy for the next 10 years.
February 2025	Suzuki announces its Mid-Term Management Plan (FY2025-FY2030) "By Your Side."

3. Description of Business

The Group consists of the Company, 122 subsidiaries and 35 associates, and is engaged in the manufacturing and sale of automobiles, motorcycles, outboard motors, motorized wheelchairs, etc. in addition to the logistics services associated to these businesses and other service businesses.

The positioning of the Group's businesses and their relationships with reportable segments are as follows. The classifications shown below are the same as those described in "V. Financial Information, Notes to Consolidated Financial Statements 6. Segment information."

(Automobile Business)

The manufacture of automobiles is carried out by the Company, and overseas by its subsidiaries Magyar Suzuki Corporation Ltd. and Maruti Suzuki India Ltd., and others. In addition, the manufacture of some parts is conducted in Japan by Suzuki Auto Parts Mfg. Co., Ltd. and others, and overseas by Krishna Maruti Ltd., an associate, and others.

Sales are conducted domestically through sales distributors nationwide, including Suzuki Motor Sales Kinki Inc., a subsidiary, and overseas through sales distributors and manufacturing/sales companies, including Suzuki Italia S.p.A., a subsidiary. In addition, logistics services are provided by Suzuki Transportation & Packing Co., Ltd., a subsidiary.

(Motorcycle Business)

The manufacture of motorcycles is carried out by the Company, and overseas by Suzuki Motorcycle India Private Ltd., a subsidiary, and others. In addition, the manufacture of some parts is conducted by Suzuki Auto Parts Mfg. Co., Ltd., a subsidiary, and others.

Sales are conducted domestically through sales distributors, including Suzuki Motorcycle Sales Inc., a subsidiary, and overseas through sales distributors and manufacturing/sales companies, including Suzuki Motor USA, LLC, a subsidiary, and others.

(Marine Business)

The manufacture of outboard motors is carried out by the Company, and overseas by Thai Suzuki Motor Co., Ltd., a subsidiary. Sales are conducted domestically through Suzuki Marine Co., Ltd., a subsidiary, and overseas through Suzuki Marine USA, LLC, another subsidiary, and other sales distributors and manufacturing/sales companies.

(Other Business)

In Japan, motorized wheelchairs are sold through Suzuki Motor Sales Kinki Inc., a subsidiary, and other sales distributors, and real estate sales are conducted by Suzuki Business Co., Ltd., a subsidiary.

The business structure is as follows: (only main companies and businesses are listed)

Automobile: Automobile bisiness
Motorcycle: Motorcycle business
Marine: Marine business
Other: Other business

The Company

Dealer and customer

Auto-mobile	Motor-cycle	Marine	Other	Domestic manufacturing company
○	○	○		Suzuki Auto Parts Mfg. Co., Ltd.
○				Snic Co., Ltd.
○	○			Suzuki Toyama Auto Parts Mfg. Co., Ltd.
○	○	○		☆Hamana Parts Industry Co., Ltd.

Auto-mobile	Motor-cycle	Marine	Other	Logistics service
○	○			Suzuki Transportation & Packing Co., Ltd.

Auto-mobile	Motor-cycle	Marine	Other	Overseas manufacturing and Sales company
○				Magyar Suzuki Corporation Ltd.
○				Maruti Suzuki India Ltd.
○				Suzuki Motor Gujarat Private Ltd.
	○			Suzuki Motorcycle India Private Ltd.
○	○			Pak Suzuki Motor Co.,Ltd.
○	○			PT Suzuki Indomobil Motor
○				Suzuki Motor (Thailand) Co.,Ltd.
	○	○		Thai Suzuki Motor Co.,Ltd.
○	○			Suzuki Philippines Inc.
	○			Suzuki Manufacturing of America Corp.
	○			☆Changzhou Haojue Suzuki Motorcycle Co., Ltd.
	○			☆Jinan Qingqi Suzuki Motorcycle Co., Ltd.

Auto-mobile	Motor-cycle	Marine	Other	Overseas manufacturing company
○				TDS Lithium-Ion Battery Gujarat Private Ltd.
○				☆Krishna Maruti Ltd.

Auto-mobile	Motor-cycle	Marine	Other	Overseas Sales company
○	○	○		Suzuki Italia S.p.A.
○	○	○		Suzuki GB PLC
○	○	○		Suzuki Deutschland GmbH
○	○	○		Suzuki France S.A.S.
○	○	○		Suzuki Motor Poland Ltd.
	○			Suzuki Motor USA, LLC
		○		Suzuki Marine USA, LLC
○	○	○		Suzuki Australia Pty.Ltd.
○	○	○		Suzuki Motor de Mexico,S.A.de C.V.
○	○	○		Suzuki Auto South Africa (Pty) Ltd.

Auto-mobile	Motor-cycle	Marine	Other	Domestic Sales company
○			○	Suzuki Motor Sales Tokyo Inc.
○			○	Suzuki Motor Sales Hamamatsu Inc.
○			○	Suzuki Motor Sales Kinki Inc.
	○			Suzuki Motorcycle Sales Inc.
		○		Suzuki Marine Co.,Ltd.
○				Suzuki Finance Co., Ltd.

Auto-mobile	Motor-cycle	Marine	Other	Other domestic company
○	○	○	○	Suzuki Business Co., Ltd.

Unmarked: Consolidated subsidiary
☆: Company accounted for using equity method
Flow of products and parts
Flow of service

4. Subsidiaries and Other Affiliated Entities

(Consolidated subsidiaries)

Company name	Location	Capital or investment (Millions of yen)	Principal business	Ownership ratio of voting rights (%)	Description of relationship
Suzuki Auto Parts Mfg. Co., Ltd.	Hamana-ku, Hamamatsu-shi, Shizuoka	110	Automobile business Motorcycle business Marine business	100.0	・Manufacture of parts for products of the Company, Supervision of manufacturing subsidiaries ・Lease of land and buildings
Snic Co., Ltd.	Iwata-shi, Shizuoka	110	Automobile business	100.0	・Manufacture of parts for products of the Company ・Lease of land and buildings
Suzuki Toyama Auto Parts Mfg. Co., Ltd.	Oyabe-shi, Toyama	50	Automobile business Motorcycle business	100.0	・Manufacture of parts for products of the Company
Suzuki Motor Sales Tokyo Inc.	Suginami-ku, Tokyo	50	Automobile business Other business (motorized wheelchairs)	100.0	・Sale of products of the Company ・Lease of land and buildings
Suzuki Motor Sales Hamamatsu Inc.	Chuo-ku, Hamamatsu-shi, Shizuoka	50	Automobile business Other business (motorized wheelchairs)	100.0	・Sale of products of the Company ・Lease of land and buildings
Suzuki Motor Sales Kinki Inc.	Naniwa-ku, Osaka-shi, Osaka	50	Automobile business Other business (motorized wheelchairs)	100.0	・Sale of products of the Company ・Lease of land and buildings
Suzuki Motorcycle Sales Inc.	Chuo-ku, Hamamatsu-shi, Shizuoka	50	Motorcycle business	100.0	・Sale of products of the Company ・Lease of land and buildings
Suzuki Marine Co., Ltd.	Chuo-ku, Hamamatsu-shi, Shizuoka	50	Marine business	100.0	・Sale of products of the Company ・Lease of land and buildings
Suzuki Finance Co., Ltd.	Chuo-ku, Hamamatsu-shi, Shizuoka	99	Automobile business	95.9	・Financial services related to sale of products of the Company ・Loan transactions ・Lease of land and buildings
Suzuki Transportation & Packing Co., Ltd.	Chuo-ku, Hamamatsu-shi, Shizuoka	110	Automobile business Motorcycle business	100.0	・Transportation & packing of products of the Company ・Lease of land and buildings
Suzuki Business Co., Ltd.	Chuo-ku, Hamamatsu-shi, Shizuoka	110	Automobile business Motorcycle business Marine business Other business (real estate)	100.0	・Real estate brokerage, insurance agency, sale of oils and fats, sale of products of the Company ・Lease of land and buildings
Other domestic consolidated subsidiaries: 57 companies					
Total domestic consolidated subsidiaries: 68 companies					

Company name	Location	Capital or investment	Principal business	Ownership ratio of voting rights (%)	Description of relationship
Magyar Suzuki Corporation Ltd. *1	Esztergom, Hungary	EUR 212,828 thousand	Automobile business	97.5	・Manufacture and sale of products of the Company
Suzuki Italia S.p.A.	Torino, Italy	EUR 10,811 thousand	Automobile business Motorcycle business Marine business	100.0	・Sale of products of the Company ・Loan transactions
Suzuki GB PLC	Milton Keynes, United Kingdom	GBP 12,000 thousand	Automobile business Motorcycle business Marine business	100.0	・Sale of products of the Company
Suzuki Deutschland GmbH	Bensheim, Germany	EUR 50,000 thousand	Automobile business Motorcycle business Marine business	100.0	・Sale of products of the Company
Suzuki France S.A.S.	Trappes, France	EUR 20,000 thousand	Automobile business Motorcycle business Marine business	100.0	・Sale of products of the Company ・Loan transactions
Suzuki Motor Poland Ltd.	Warsaw, Poland	PLN 21,000 thousand	Automobile business Motorcycle business Marine business	100.0 (2.9)	・Sale of products of the Company
Maruti Suzuki India Ltd. *1, 2	New Delhi, India	INR 1,572,012 thousand	Automobile business	58.3	・Manufacture and sale of products of the Company ・Concurrent post of Directors/Company auditors: 1
Suzuki Motor Gujarat Private Ltd. *1	Ahmedabad, Gujarat, India	INR 128,411,075 thousand	Automobile business	100.0 (100.0)	・Manufacture of products of the Company ・Concurrent post of Directors/Company auditors: 1
TDS Lithium-Ion Battery Gujarat Private Ltd. *3, 4	Ahmedabad, Gujarat, India	INR 1,163,000 thousand	Automobile business	50.0	・Manufacture of products of the Company ・Loan transactions
Suzuki Motorcycle India Private Ltd. *1	New Delhi, India	INR 17,815,532 thousand	Motorcycle business	100.0 (0.0)	・Manufacture and sale of products of the Company
Suzuki R&D Center India Private Ltd. *1	New Delhi, India	INR 23,999,000 thousand	Automobile business	100.0	・Development of products of the Company
Pak Suzuki Motor Co., Ltd.	Karachi, Pakistan	PKR 822,998 thousand	Automobile business Motorcycle business	99.0	・Manufacture and sale of products of the Company
PT Suzuki Indomobil Motor	Jakarta, Indonesia	USD 89,000 thousand	Automobile business Motorcycle business	94.9	・Manufacture and sale of products of the Company ・Concurrent post of Directors/Company auditors: 1
PT Suzuki Finance Indonesia *1	Jakarta, Indonesia	IDR 3,035,000,000 thousand	Automobile business Motorcycle business	93.0 (56.0)	・Financial services related to sale of products of the Company
Suzuki Motor (Thailand) Co., Ltd. *1	Pluakdaeng, Rayong, Thailand	THB 12,681,870 thousand	Automobile business	100.0	・Manufacture and sale of products of the Company
Thai Suzuki Motor Co., Ltd.	Thanyaburi, Pathumthani, Thailand	THB 607,350 thousand	Motorcycle business Marine business	97.5	・Manufacture and sale of products of the Company ・Concurrent post of Directors/Company auditors: 1

Company name	Location	Capital or investment	Principal business	Ownership ratio of voting rights (%)	Description of relationship
Suzuki Philippines Inc.	Calamba, Philippines	PHP 3,838,550 thousand	Automobile business Motorcycle business	100.0	・Manufacture and sale of products of the Company
Suzuki Motor USA, LLC	Brea, California, United States	USD 51,761 thousand	Motorcycle business	100.0 (100.0)	・Sale of products of the Company
Suzuki Marine USA, LLC	Tampa, Florida, United States	USD 56,224 thousand	Marine business	100.0 (100.0)	・Sale of products of the Company
Suzuki Manufacturing of America Corp.	Rome, Georgia, United States	USD 30,000 thousand	Motorcycle business	100.0 (100.0)	・Manufacture and sale of products of the Company
Suzuki Australia Pty. Ltd.	Laverton North, Victoria, Australia	AUD 22,400 thousand	Automobile business Motorcycle business Marine business	100.0	・Sale of products of the Company
Suzuki Motor de Mexico, S.A.de C.V.	Cuautitlán Izcalli, Mexico	MXN 1,001,079 thousand	Automobile business Motorcycle business Marine business	100.0 (0.0)	・Sale of products of the Company
Suzuki Auto South Africa (Pty) Ltd.	Sandton, South Africa	ZAR 676,000 thousand	Automobile business Motorcycle business Marine business	100.0	・Sale of products of the Company
Other overseas consolidated subsidiaries: 31 companies					
Total overseas consolidated subsidiaries: 54 companies					
Total consolidated subsidiaries: 122 companies					

(Companies accounted for using equity method)

Company name	Location	Capital or investment	Principal business	Ownership ratio of voting rights (%)	Description of relationship
Hamana Parts Industry Co., Ltd.	Kosai-shi, Shizuoka	JPY 198 million	Automobile business Motorcycle business Marine business	48.3	・Manufacture of parts for products of the Company
Krishna Maruti Ltd.	Gurugram, India	INR 42,410 thousand	Automobile business	45.0 (15.8)	・Manufacture of parts for products of the Company
Changzhou Haojue Suzuki Motorcycle Co., Ltd.	Changzhou, Jiangsu, China	CNY 880,000 thousand	Motorcycle business	40.0	・Manufacture and sale of products of the Company
Jinan Qingqi Suzuki Motorcycle Co., Ltd.	Jinan, Shandong, China	USD 24,000 thousand	Motorcycle business	50.0	・Manufacture and sale of products of the Company
Other companies accounted for using equity method: 31 companies *4					
Total companies accounted for using equity method: 35 companies					

Notes: 1. The “Principal business” column lists the names of businesses stated in Segment information. In the case of other businesses, the main products and services are indicated in parentheses to clarify the principal business.
2. *1 refers to specified subsidiaries.
3. None of the companies has filed a Securities Registration Statement or Annual Securities Report.
4. In the “Ownership ratio of voting rights (%)” column, figures in parentheses indicate the ratio of indirect voting rights held, included within the total.
5. *2 For Maruti Suzuki India Ltd., the ratio of revenue (excluding intercompany transactions between consolidated companies) to consolidated revenue exceeds 10%. For that company’s key information on profit or loss, please refer to “V. Financial Information, Notes to Consolidated Financial Statements 37. Major subsidiaries (2) Summarized financial information and other information about subsidiaries with material non-controlling interests.”
6. *3 Although the “Ownership ratio of voting rights (%)” is 50 % or less, the entity is considered a subsidiary as it has power through the ability to direct business activities and financial control.
7. *4 As a result of adopting IFRS from the current fiscal year, Suzuki Global Ventures, L.P. and TDS Lithium-Ion Battery Gujarat Private Ltd., which were specified subsidiaries under Japanese GAAP, are no longer specified subsidiaries.

5. Employees

(1) Consolidated companies

As of March 31, 2025

Segment name	Number of employees (persons)
Automobile business	64,149 (45,106)
Motorcycle business	7,121 (4,319)
Marine business	1,460 (192)
Other business	351 (301)
Common	996 (125)
Total	74,077 (50,043)

Notes: 1. The number of employees is the number of employed persons (excluding those on leave of absence or seconded outside the Group). The number of temporary employees (fixed-term contract employees, employees dispatched from human resource agencies, part-time employees, etc.) is the annual average number of employees and is shown in parentheses.
2. Employees stated as “Common” are those persons assigned to the administrative section which cannot be divided into any specific segment.

(2) Reporting company

As of March 31, 2025

Number of employees (persons)	Average age	Average years of employment	Average annual salary (Yen)
17,414 (3,109)	41 years 5 months	18 years 5 months	7,849,435

Segment name	Number of employees (persons)
Automobile business	14,083 (2,645)
Motorcycle business	1,725 (257)
Marine business	587 (79)
Other business	23 (3)
Common	996 (125)
Total	17,414 (3,109)

Notes: 1. The number of employees is the number of employed persons (excluding those on leave of absence or seconded to other companies). The number of temporary employees (fixed-term contract employees, employees dispatched from human resource agencies, part-time employees, etc.) is the annual average number of employees and is shown in parentheses.
2. The average annual salary includes bonuses and extra wages.
3. Employees stated as “Common” are those persons assigned to the administrative section which cannot be divided into any specific segment.

(3) Labor unions

Labor-management relations are stable, and there are no significant matters to report.

(4) Percentage of female workers in managerial positions, percentage of male workers taking childcare leave, and differences in wages between male and female workers

1) Reporting company

Fiscal year ended March 31, 2025				
Percentage of female workers in managerial positions (%) (Note 1)	Percentage of male workers taking childcare leave (%) (Note 2)	Differences in wages between male and female workers (%) (Note 1)		
		All workers	Regular workers	Part-time and temporary employees
2.2	65.7	64.5	65.1	55.3

Notes: 1. Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. In accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), the percentage of workers who took childcare leave, etc. is calculated pursuant to Article 71-6, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991).

2) Consolidated subsidiaries

Fiscal year ended March 31, 2025					
Name of subsidiary	Percentage of female workers in managerial positions (%) (Note 1)	Percentage of male workers taking childcare leave (%) (Note 2)	Differences in wages between male and female workers (%) (Note 1)		
			All workers	Regular workers	Part-time and temporary employees
Suzuki Auto Parts Mfg. Co., Ltd.	–	50.0	74.5	74.0	80.2
Snic Co., Ltd.	–	71.4	76.1	77.2	76.5
Suzuki Akita Auto Parts Mfg. Co., Ltd.	–	100.0	72.8	74.7	64.5
Suzuki Toyama Auto Parts Mfg. Co., Ltd.	–	100.0	82.3	79.3	102.4
Suzuki Transportation & Packing Co., Ltd.	–	100.0	75.6	80.0	57.8
Suzuki Delivery and Maintenance Center Co., Ltd.	–	50.0	81.0	83.6	57.8
Suzuki Business Co., Ltd.	–	100.0	51.4	65.7	45.9
Suzuki Engineering Co., Ltd.	–	100.0	84.0	87.5	—
Suzuki Finance Co., Ltd.	–	33.3	67.5	72.4	37.8
Suzuki Marine Co., Ltd.	–	–	78.1	82.1	53.8
Suzuki Motor Sales Hokkaido Inc.	3.1	16.7	62.4	72.8	32.0
Asahikawa Suzuki Motor Sales Inc.	–	–	74.6	75.1	71.2
Suzuki Motor Sales Aomori Inc.	–	–	70.7	74.7	68.4
Suzuki Motor Sales Touhoku Akita Inc.	–	–	76.9	80.0	–
Suzuki Motor Sales Iwate Inc.	–	–	77.4	75.9	–
Suzuki Motor Sales Yamagata Inc.	10.0	60.0	82.6	78.8	110.4
Suzuki Motor Sales Miyagi Inc.	–	23.1	86.2	87.2	51.4
Suzuki Motor Sales Fukushima Inc.	5.0	42.9	75.8	81.5	59.9
Suzuki Motor Sales Ibaraki Inc.	–	55.6	69.9	80.5	19.1

Fiscal year ended March 31, 2025					
Name of subsidiary	Percentage of female workers in managerial positions (%) (Note 1)	Percentage of male workers taking childcare leave (%) (Note 2)	Differences in wages between male and female workers (%) (Note 1)		
			All workers	Regular workers	Part-time and temporary employees
Suzuki Motor Sales Tochigi Inc.	–	66.7	68.9	79.7	33.1
Suzuki Motor Sales Gunma Inc.	–	–	68.3	72.6	57.7
Suzuki Motor Sales Saitama Inc.	3.7	25.0	70.2	82.2	46.0
Suzuki Motor Sales Kanto Inc.	6.3	100.0	53.6	70.8	46.6
Suzuki Motor Sales Nishisaitama Inc.	–	25.0	68.5	76.5	67.7
Suzuki Motor Sales Chiba Inc.	–	100.0	65.7	73.9	45.1
Suzuki Motor Sales Keiyo Inc.	–	33.3	73.0	72.3	55.8
Suzuki Motor Sales Tokyo Inc.	2.9	50.0	69.4	98.6	23.1
Suzuki Motor Sales Minami Tokyo Inc.	3.4	50.0	80.4	81.5	55.8
Suzuki Motor Sales Kanagawa Inc.	–	20.0	79.6	80.1	43.7
Suzuki Motor Sales Syonan Inc.	5.7	33.3	72.3	71.5	15.6
Suzuki Motor Sales Niigata Inc.	–	14.3	59.4	75.0	64.3
Suzuki Motor Sales Shizuoka Inc.	5.9	11.1	78.7	75.6	113.6
Suzuki Motor Sales Hamamatsu Inc.	3.7	37.5	78.4	78.7	41.7
Suzuki Motor Sales Chubu Inc.	2.0	25.0	71.8	74.5	31.7
Suzuki Motor Sales Tokai Inc.	–	25.0	69.8	69.3	51.8
Suzuki Motor Sales Mie Inc.	3.3	100.0	68.2	71.8	38.3
Suzuki Motor Sales Nagano Inc.	–	6.3	62.7	67.9	44.5
Suzuki Motor Sales Nanshin Inc.	9.1	100.0	82.2	86.0	59.5
Suzuki Motor Sales Toyama Inc.	5.0	66.7	71.6	71.3	71.7
Suzuki Motor Sales Hokuriku Inc.	4.5	33.3	77.8	73.9	80.1
Suzuki Motor Sales Shiga Inc.	–	22.2	67.7	67.5	64.4
Suzuki Motor Sales Kyoto Inc.	5.6	14.3	70.4	73.9	40.4
Suzuki Motor Sales Kinki Inc.	1.9	16.7	71.8	74.1	28.9
Suzuki Motor Sales Kansai Inc.	–	28.6	75.4	75.5	35.0
Suzuki Motor Sales Hyogo Inc.	8.0	–	80.0	79.8	73.0
Suzuki Motor Sales Nara Inc.	–	66.7	57.6	67.4	49.9
Suzuki Motor Sales Wakayama Inc.	–	25.0	31.4	73.5	23.8
Suzuki Motor Sales Kagawa Inc.	11.1	16.7	73.1	78.1	42.9
Suzuki Motor Sales Tokushima Inc.	5.9	22.2	81.8	80.1	60.8

Fiscal year ended March 31, 2025					
Name of subsidiary	Percentage of female workers in managerial positions (%) (Note 1)	Percentage of male workers taking childcare leave (%) (Note 2)	Differences in wages between male and female workers (%) (Note 1)		
			All workers	Regular workers	Part-time and temporary employees
Suzuki Motor Sales Matsuyama Inc.	–	21.4	63.8	65.7	46.2
Suzuki Motor Sales Kochi Inc.	6.7	50.0	69.6	78.0	34.8
Suzuki Motor Sales Tottori Inc.	–	25.0	86.8	88.2	22.0
Suzuki Motor Sales Shimane Inc.	–	20.0	80.1	79.4	63.2
Suzuki Okayama Motor Sales Inc.	5.3	100.0	77.1	74.6	75.0
Suzuki Motor Sales Hiroshima Inc.	–	80.0	77.1	78.0	38.2
Suzuki Motor Sales Yamaguchi Inc.	11.8	–	73.6	80.9	50.5
Suzuki Motor Sales Fukuoka Inc.	5.0	75.0	69.5	70.8	69.3
Suzuki Motor Sales Saga Inc.	–	–	73.1	70.4	76.8
Suzuki Motor Sales Nagasaki Inc.	4.5	–	74.7	76.9	55.9
Suzuki Motor Sales Kumamoto Inc.	5.7	14.3	70.0	73.6	61.1
Suzuki Motor Sales Ohita Inc.	–	14.3	70.9	73.6	61.6
Suzuki Motor Sales Miyazaki Inc.	–	77.8	69.5	67.8	79.9
Suzuki Motor Sales Kagoshima Inc.	7.1	77.8	73.0	70.6	88.3
Suzuki Motor Sales Okinawa Inc.	–	21.7	75.8	79.6	49.7
Suzuki Motorcycle Sales Inc.	–	–	67.0	84.0	32.5

Notes: 1. Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. In accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), the percentage of workers who took childcare leave, etc. is calculated pursuant to Article 71-6, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991).

II. Overview of Business

1. Management Policy, Business Environment, Issues to Address

Forward-looking statements in this document are determined by the Group as of the end of the current consolidated fiscal year. These statements have been appropriately considered by internal bodies such as the Board of Directors, based on reasonable grounds. Actual results may differ from these statements, and their achievement is not guaranteed.

Major Initiatives for FY2030

<Consolidated revenue target>

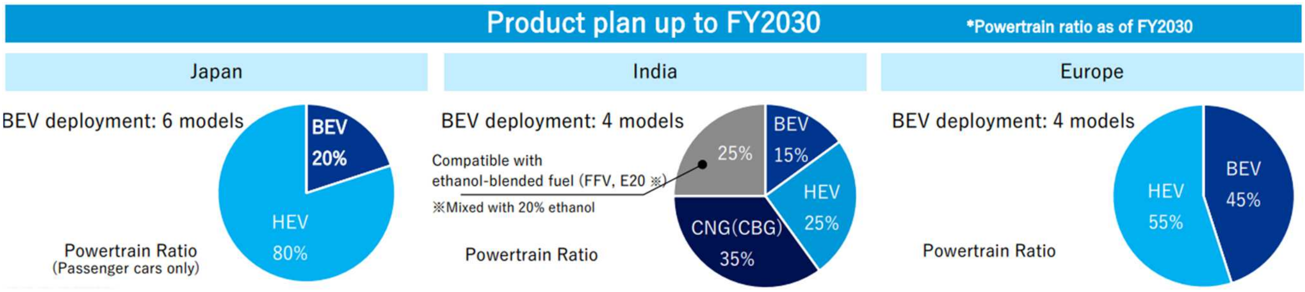
Our management targets are set at ¥8 trillion in revenue, ¥800 billion in operating profit with an operating profit margin of 10%, and an ROE of 13% by FY2030. Despite the increasing BEV ratio, rising labor costs, and soaring raw material prices, with a view toward achieving an ROE of 15% in the first half of the 2030s, we will carry out the necessary investments.

<Businesses>

〇Automobile Business

We will introduce appropriate BEV models to comply with regulations in each country.

Additionally, considering the energy circumstances and other factors in each country and region, we will offer products such as compressed natural gas (CNG) and compressed biomethane gas (CBG) vehicles and vehicles compatible with ethanol-blend fuels—flexible fuel vehicles (FFVs) and 20% ethanol-blended gasoline (E20)—, allowing customers to choose products that best suit their needs.



Note: CNG: Compressed Natural Gas; CBG: Compressed Biomethane Gas; FFV: Flexible Fuel Vehicles; E20: 20% ethanol-blended gasoline

Japan

Japan is still a growth market for Suzuki. We plan to increase sales of compact vehicles and enhance profitability.

Aiming to become a company needed by customers and society, we continue to support the daily lives of customers who use mini vehicles as their primary mode of transportation. Team Suzuki will carefully communicate the passion and dedication we put into our products, enhancing brand value and selling our products at fair prices that reflect their value. Through sales activities that stay close to our customers, we will increase profits by acquiring new customers, boosting replacements, and increasing service sales, growing together with our customers.

India

In India, our most critical market that continues to grow, we aim to achieve a 50% market share as a leading automobile company and become the number one in BEV production, sales, and exports. We will strengthen our product offerings in the SUV segment and the MPV segment. The Company will also focus on enhancing entry-level models to ensure that the increasingly growing middleclass customers choose Suzuki for their first car purchase.

We will offer customers options such as BEVs, HEVs, CNG, CBG, and FFVs, tailored to the specific circumstances across different regions in India. To achieve this, we will enhance the product planning and development capabilities of Maruti Suzuki in India, which is physically close to our customers, to provide products that align with Indian customer preferences in a timely manner.

Regarding sales, we will further refine our two channels by clearly defining the roles of NEXA for premium customers and ARENA for a broader customer base.

Europe

Europe is a market with extremely high performance demands and advanced environmental and safety regulations. By supplying the vehicles that people need in Europe, we will continue to refine Suzuki's technologies and products.

We will utilize models produced in India to ensure a comprehensive product lineup and maintain our sales and service networks. Additionally, we will strengthen our sales activities by leveraging digital tools.

Middle East and Africa

The Middle East and Africa markets hold significant growth potential. Given the geographical proximity to India and the similarity of customer needs such as road conditions, we will leverage Indian-made models to expand our presence and increase sales and profits. In countries where there is high demand for compact cars, which is Suzuki's specialty, we aim to increase sales by improving customer satisfaction.

Asia (excluding India)

We will restructure our ASEAN operations, focusing on Indonesia, to increase sales volumes. We will enhance the production and sales volume in Indonesia and establish a system to supply highly competitive products from Indonesia to other ASEAN countries.

Pakistan is a crucial market where Suzuki boasts a high market share of 45%. We are committed to further expanding our business scale there. Given the acceptance of Japanese mini vehicles, we will enhance our product lineup as a global hub for mini vehicles and leverage Suzuki's strong sales network to expand our market presence.

Latin America and Oceania

In Latin America, we will further expand the sales of compact SUVs. We plan to expand our lineup of Indian-made products to enhance our competitiveness in the market.

In Oceania, we will expand our range of fuel-efficient products. Considering the trends in fuel efficiency regulations in various countries, we will promote Suzuki's "compact and fuel-efficient" models to enhance our presence in the region.

○Motorcycle Business

We are committed to providing "valuable products" that meet customer needs through uncompromising product development, and continue to earn the trust of our customers by conveying the passion of our creators. We will strengthen our product development, sales, and service activities by segmenting our offerings into those used for leisure, primarily in Europe and the United States, and those used for daily transportation and work in growing markets like India.

〇Marine Business

We will continue to provide durable and reliable products to customers worldwide, striving to be a dependable partner that supports both “pleasure” and “work” on the water. We will segment our product development, sales, and service activities to cater to customers who use our products for “pleasure” and those who use them for “work.”

We will also focus on activities that improve the environment of waterfront areas, which are important to our marine customers, such as implementing microplastic collection devices.

In terms of technology, we are committed to working towards carbon neutrality. Additionally, we will advance the development and commercialization of technologies for operational support, providing higher value that meets customer demands.

〇New Business

We aim to leverage the strengths of our existing businesses to launch new ventures in service mobility and energy, targeting expansion of business scale and the realization of profitable business. We will actively collaborate with other companies to acquire the technologies and expertise we lack.

Leveraging Suzuki’s strengths, we are engaged in a biogas initiative aimed at solving social issues in India and fostering mutual growth. This initiative involves collecting cow dung, which emits methane, and refining it into biomethane and CBG. The refined CBG is then used for daily living and cooking in India’s rural areas, where energy resources are scarce. Additionally, we promote the use of CBG as fuel for Suzuki’s CNG vehicles, providing mobility solutions.

<Technology Strategies>

Suzuki will realize a “technology that minimizes energy consumption” from manufacturing to recycling, and aim for a carbon-neutral world while providing the joy of transportation to people all over the world.

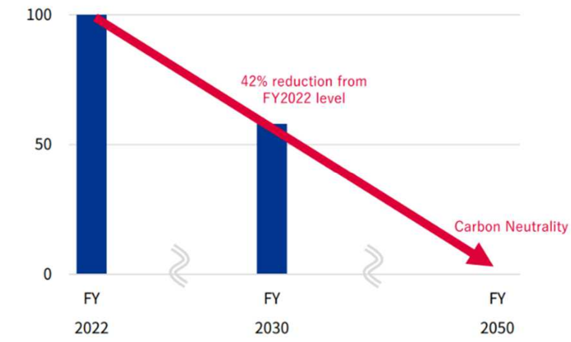
The technical strategies to achieve this goal are as follows: “Light-weight and safety body” that supports the whole as the basis of everything, “Lean-Battery EV and HEV” with optimal materials in optimal place for the customer’s demand, “Combination of high-efficiency ICE[*1] with CNF[*2],” “SDV[*3] right” that creates value with affordable system, “Easy recyclability and disassembly design” for the circular economy. These are the five strategies of our technological development.

Notes:
1. ICEs: Internal-combustion engines, which use gasoline or other types of fuel
2. CNF (carbon-neutral fuel): A technology to allow efficient burning of carbon-neutral fuels (e.g., bioethanol and CBG) in small amounts
3. SDV (for “software defined vehicle”): A type of vehicles that allow for increasing/replacing functions, even after sales, by adding or updating software

<Carbon Neutrality>

With regard to CO_2 emissions from our business activities (Scopes 1 and 2), we aim to realize carbon neutrality globally (including India) by 2050. We are transitioning to targets aligned with the 1.5°C level of the Paris Agreement, with an interim goal of reducing total emissions by 42% by FY2030 compared to FY2022.

[Scope1,2] Global CN target



Global reduction target in [Scope1,2] total
(adopting targets aligned with the Paris Agreement's 1.5°C goal)

<Research and development expenses, capital expenditures>

We aim to improve profitability and efficiency, secure maximum investment funds, and proactively carry out growth investments. To maximize corporate value, we will flexibly allocate the right management resources at the right places according to external conditions. Growth investment will be undertaken primarily in increasing production capacity to meet growing demand in India and technology development towards the minimization of energy consumption.

Specifically, for growth investment, we plan to invest ¥2 trillion for capital expenditures and ¥2 trillion for research and development by FY2030, for a total of ¥4 trillion. ¥1.2 trillion of the capital expenditures will be related to India, and ¥1.35 trillion of the research and development expenses will be for energy minimization.

2. Sustainability Policy and Initiatives

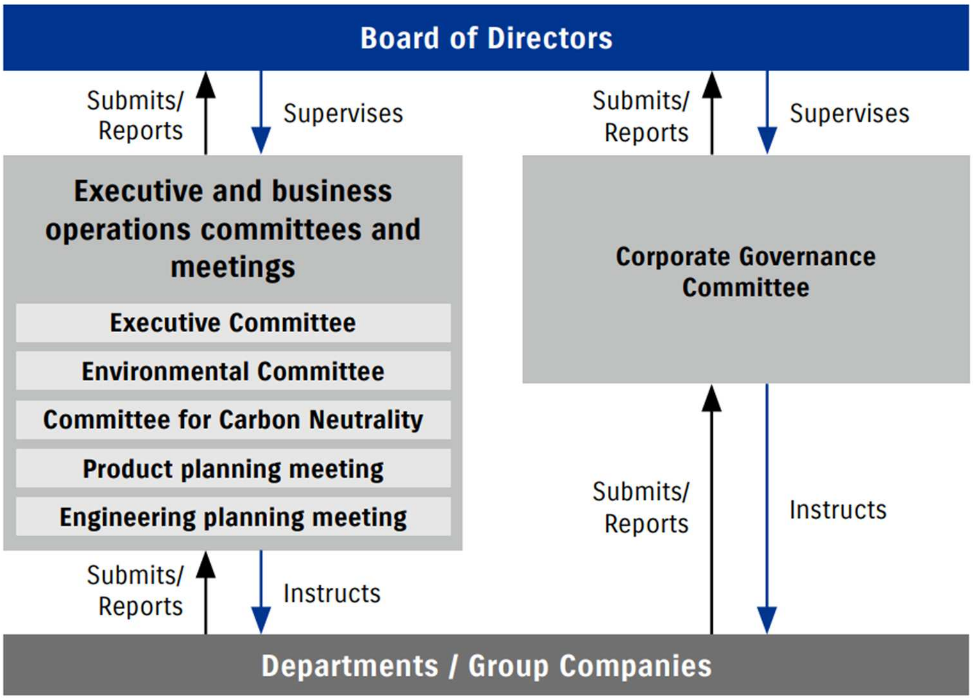
Forward-looking statements in this document are determined by the Group as of the end of the current consolidated fiscal year. These statements have been appropriately considered by internal bodies such as the Board of Directors, based on reasonable grounds. Actual results may differ from these statements, and their achievement is not guaranteed.

(1) General policy on sustainability

1) Governance

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

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



2) Risk management

The Corporate Governance Committee deliberates on issues that arise or are recognized in each department and identifies and ascertains potential risks. For environment-related risks in particular, either the Committee for Carbon Neutrality or the Environmental Committee conducts intensive examination depending on the theme, and instructs or manages departments.

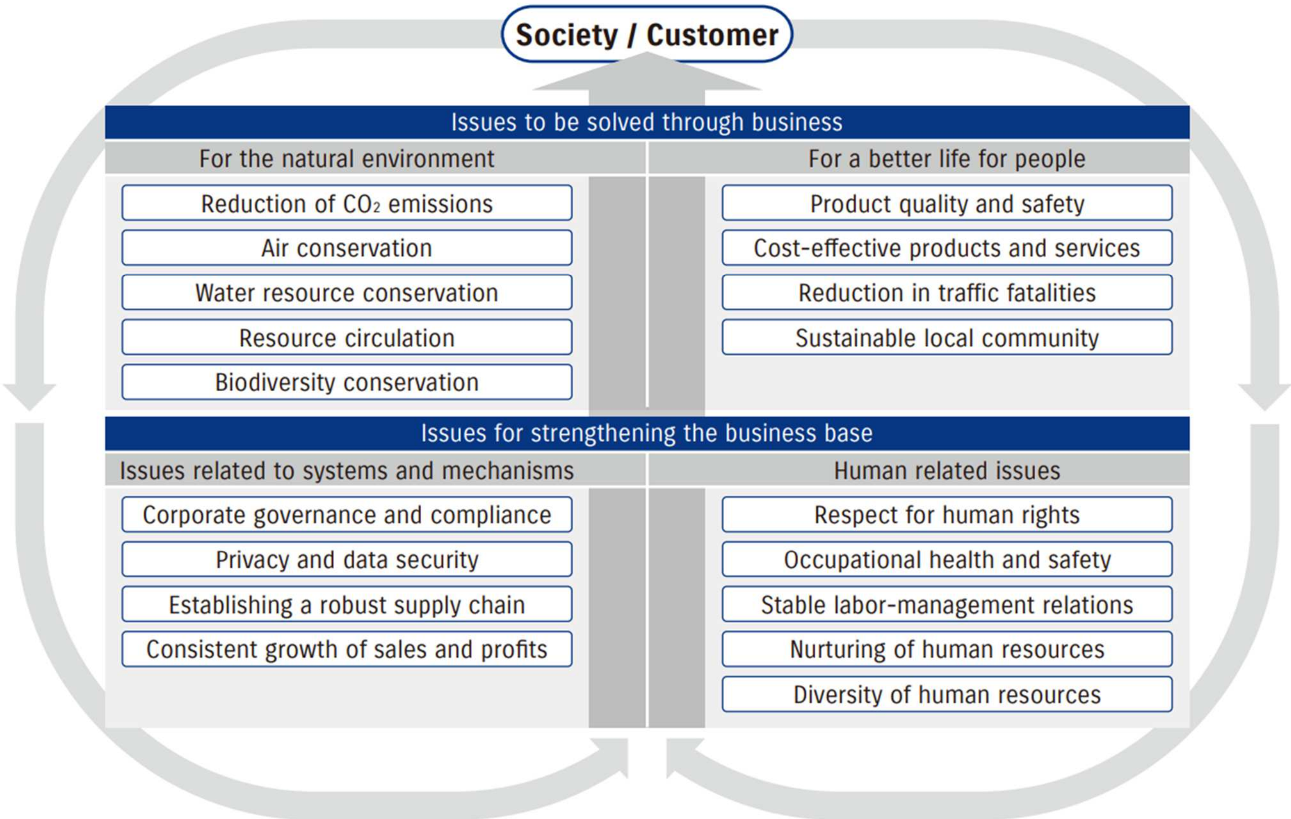
For details, please refer to “(2) Response to climate change 3) Risk management,” “(3) Initiatives related to human capital 3) Risk management,” and “3. Risks to Business, etc.”

3) Strategy

a. Defining materiality (key issues)

We have identified the Company's materiality (key issues) while "focusing on the customer" as stated in our Mission Statement and remaining mindful of how to contribute to society and customers by solving issues, and have broadly categorized these issues into issues to be solved through business and issues for strengthening the business base.

We are promoting our initiatives by using the newly identified and verified materiality as the basis of the Company's sustainability policy. Following the formulation of our Mid-Term Management Plan announced in February 2025, we are currently reviewing our materiality in light of changes in the surrounding business environment.



b. Sustainability strategy

In February 2025, we announced the Mid-Term Management Plan "By Your Side." As part of efforts to strengthen our management foundation, we will proactively work on carbon neutrality, human capital development, and other issues. We will work on tackling various social issues by creating solutions unique to Suzuki based on our Mission Statement and Philosophy of Conduct, and grow along with the operating countries and regions by developing products and services focused on the customer.

For details, please refer to "1. Management Policy, Business Environment, and Outstanding Issues."

(2) Response to climate change

1) Governance

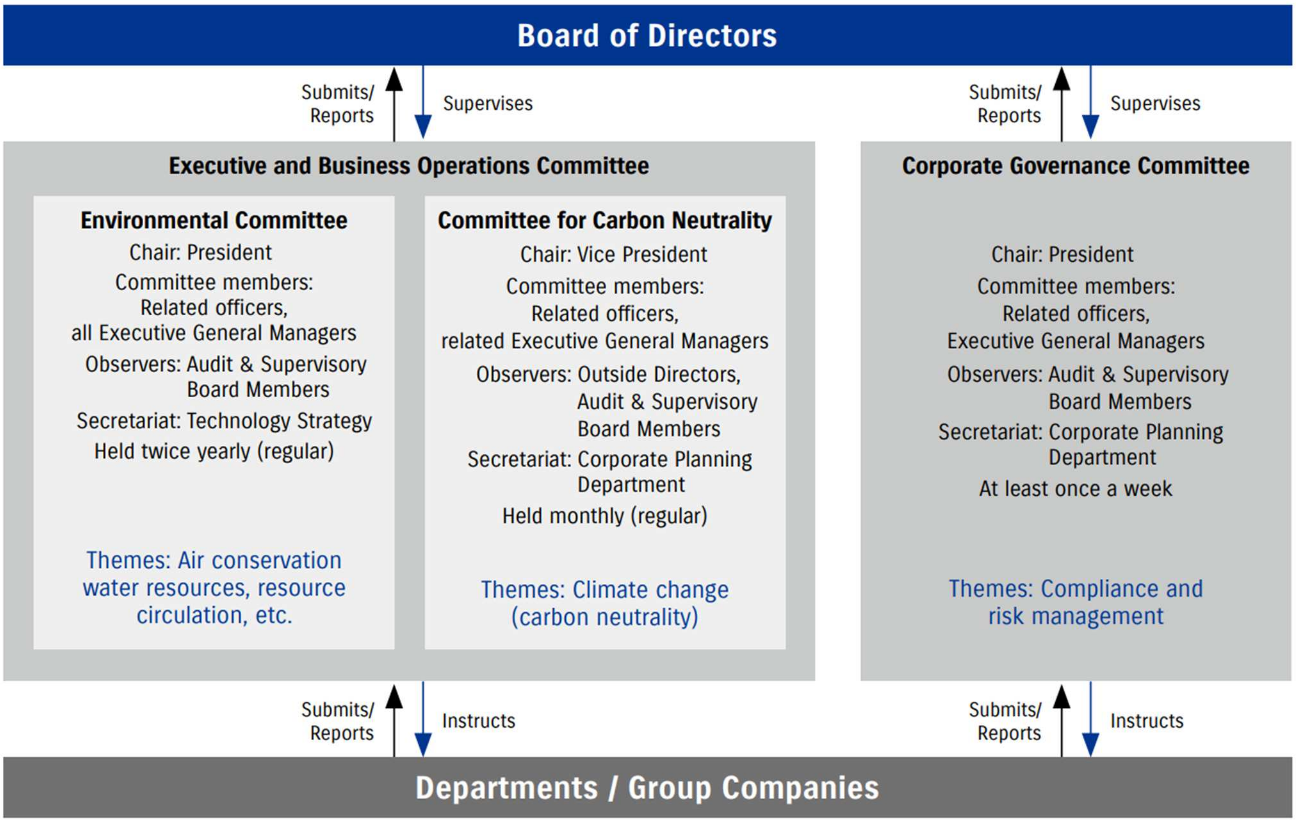
Suzuki has established the Committee for Carbon Neutrality and the Environmental Committee, which are executive and business operations committees, and the Corporate Governance Committee under the Board of Directors for the purpose of the Group's overall environmental management.

The Board of Directors instructs and supervises the Committee for Carbon Neutrality, Environmental Committee, and Corporate Governance Committee, and receives reports from the three committees and is the ultimate decision-making body.

The Committee for Carbon Neutrality focuses on the theme of climate change (carbon neutrality) and holds intensive monthly deliberations on decarbonization so the committee can operate more flexibly. The Environmental Committee meets twice yearly and discusses environment-related themes other than carbon neutrality, such as air conservation, water resources and resource circulation.

The Corporate Governance Committee considers matters related to comprehensive compliance and risk management, etc. and promotes measures and countermeasures for cross-organizational issues while coordinating with related divisions.

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



2) Strategy

a. Alignment with the TCFD's recommendations

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

b. Climate-related risks and opportunities, scenario analysis

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

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

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

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

Key risks (examples of anticipated impact) *Underlined items represent particularly significant risks			Differences in impact	
			4°C scenario	1.5°C/2°C scenario
Transition risks	Policies, regulations, and technologies	**(1) More stringent CO_2 and fuel efficiency standards for automobiles** (Payment of fines, loss of sales opportunities, etc.)	No change ➡	Increase ↗
		(2) Implementation or reinforcement of carbon tax and other systems (Increase in operating costs, etc.)	No change ➡	Increase ↗
	Reputation	(3) Changes in consumer preference and investor behavior (Decline in corporate value, etc.)	No change ➡	Increase ↗
Physical risks	Chronic	(4) Rise in the average temperature (Increase in energy costs, etc.)	Increase ↗	No change ➡
		(5) Changes in water resource risk (Disruptions in the supply chain, increase in production costs, etc.)	Increase ↗	No change ➡
	Acute	**(6) More frequent and intensifying natural disasters** (Business sites sustaining disaster damage, suspension of business activities, etc.)	Increase ↗	No change ➡

c. Climate-related risks and opportunities for Suzuki

As more stringent laws and regulations, including emission gas, CO_2, and fuel efficiency regulations, are being adopted as mitigation measures against climate change, the resulting increase in development expenses needed to comply with these regulations may greatly impact Suzuki's business performance. On the other hand, small cars, which are a strength of Suzuki, require less materials and energy to produce and emit less CO_2 while in use. We believe that we can create opportunities by leveraging such a unique strength of Suzuki and by handling risks appropriately.

Moreover, from FY2023, we have started financial impact analysis based on the scenario analysis related to climate change that we have disclosed. The purpose of this is to reduce and avoid natural disaster risks and enable us to continue our business through assessments of the impact of natural disaster risks such as typhoons, floods, and high tides caused by global warming. We carried out our initial impact assessment on Company sites in Japan and India in addition to domestic primary suppliers.

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

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

	Risks	Opportunities	Status of Suzuki's response
(1) More stringent CO_2 and fuel efficiency standards for automobiles	● Loss of market share due to being slow in adopting carbon-neutral technologies (electrification and other) and increasing costs ● Increase in investment in development of carbon-neutral technologies ● Increase in investment in production facilities for carbon-neutral technologies (batteries, etc.) ● Payment of fines and loss of sales opportunities due to regulatory non-conformance	● Maintaining and reinforcing competitiveness and enhancing corporate value through small cars that emit less CO_2 throughout their life cycle ● Capturing sales opportunities by developing electrified vehicles and carbon-neutral fuel compatible vehicles at affordable prices ● Contributing to sustainable economic development by leading electrification and carbon-neutral fuel compatibility in India and emerging countries	● Intensively developing electrification technologies, increasing the number of models equipped with a hybrid system, and promoting development of mini and compact EVs ● Promoting electrification in India (releasing electrified vehicles, investing in a battery plant, etc.) ● Deepening alliance with Toyota Motor Corporation ● Launching a biogas demonstration project in India Regarding establishment of a biogas production plant, there has been agreement between NDDB, Banas Dairy and Suzuki (SRDI). The plan is to establish four biogas production plants in succession starting in 2025.
(2) Implementation or reinforcement of carbon tax and other systems	● Increase in investment in production facilities that implement carbon-neutral technologies ● Increase in operating costs due to carbon tax, emissions trading, Carbon Border Adjustment Mechanism, etc.	● Offering energy-saving technologies that leverage the benefits of "Sho-Sho-Kei-Tan-Bi" to Group companies and business partners ● Contributing to sustainable economic development by leading the use of renewable energy in India and emerging countries	● Promoting ongoing CO_2 reduction measures ● Producing carbon-neutral energy ● Procuring renewable energy-derived electricity in India ● Head office and all plants, etc. in Shizuoka Prefecture use Shizuoka Green Denki, CO_2-free electricity derived from renewable energies. (All Suzuki sites in Shizuoka Prefecture use electricity free of CO_2 and have zero CO_2 emissions from electricity use)
(6) More frequent and severe natural disasters	● Business activities halted at business sites due to disaster ● Parts procurement disrupted due to business partner's disaster	● Increased demand for electrified vehicles due to their use as a lifeline at a time of disaster	● Start financial impact analysis based on the scenario analysis related to climate change First, conduct an impact assessment on Company sites in Japan and India, and for domestic primary suppliers (Assessed the impact on a global basis of natural disaster risks due to rising temperatures such as typhoons, floods and high tides to mitigate or avoid risks and continue business) Based on the results of the impact assessment, sites with high risk are quantitatively evaluated with respect to their fixed assets ● Review water damage measures based on the assumed flooding depth Review relocation plans and business continuity planning based on the assumed flooding depth, calculated based on the impact assessment, and start taking countermeasures, including installing water barriers

3) Risk management

a. Risk management system

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

Themes handled by respective meeting bodies

● Corporate Governance Committee

Ascertains risks arising or recognized in each department, deliberates and issues instructions to the department to resolve the issue.

● Committee for Carbon Neutrality

Of environment-related risks, deliberates the risks and opportunities related to climate change (carbon neutrality) and resolves and promotes them.

● Environmental Committee

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

b. Envisaged risks related to climate change

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

For details of risk, please refer to the list of the Company's climate-related risks in "2) Strategy b. Climate-related risks and opportunities, scenario analysis."

4) Metrics and targets

a. Environmental targets

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

Suzuki has for a long time continued to make products with lower CO_2 emissions during manufacture and during use in line with the philosophy of "Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty)," and to achieve the so-called 1.5 °C target, it has set reduction targets aligned with climate science and promotes efforts with the awareness of the issue requiring a need to further reduce CO_2 emissions.

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

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

Indicators have been set for such matters as CO_2 emissions, climate change and related energy, air conservation and water resource conservation. Indicators have been set in three broad areas related to targets, and we aim to achieve each of these goals.

Three major indicators have been set according to their timeframe, and we aim to achieve each target.

- Long-term: Suzuki Environmental Vision 2050
- Medium-term: Milestone 2030
Growth Strategy for FY2030
- Short-term: Suzuki Environmental Plan 2025

■ Suzuki's environmental targets

■ Suzuki's environmental targets

Theme			Short-term target	Medium-term target	Long-term target
Climate change	Carbon Neutral (Suzuki's Growth Strategy for FY2030)	Products	First launch of battery EVs (Automobiles) First launch in Japan in FY2023, then first launches in Europe and India in FY2024 (Motorcycles) First launch for small and mid-sized motorcycles in FY2024 (Outboard motors) First launch in FY2024	Introduce multiple battery EVs (Automobiles) Expand to six models in Japan, five models in Europe and six models in India by FY2030 (Motorcycles) Expand to eight models by FY2030 (Outboard motors) Expand to five models by FY2030	Achieve carbon neutrality · Achieve by 2050 in Japan, Europe · Achieve by 2070 in India
		Manufacturing	Reduce CO_2 emitted from the painting plant of Kosai Plant by 30% compared to FY2016 by FY2025	Carbon neutrality of plants · Achieve at Hamamatsu Plant by FY2027 · Achieve in domestic plants by FY2035	
			Suzuki Environmental Plan 2025	Milestone 2030	Suzuki Environmental Vision 2050
	Product CO_2		CO_2 emitted from products (Automobiles) Reduce by 30% compared to FY2010 (Motorcycles) Reduce by 15% compared to FY2010 (Outboard motors) Reduce by 15% compared to FY2010	· Reduce CO_2 emitted from new automobiles by 40% on a Well-to-Wheel basis compared to FY2010 by 2030	· Reduce CO_2 emitted from new automobiles by 90% on a Well-to-Wheel basis compared to FY2010 by 2050
	CO_2 emitted from business activities		Reduce CO_2 from business activities (Production activities) Reduce by 25% compared to FY2016 (Logistics activities, etc.) Reduce CO_2 emission per sales unit by 9% compared to FY2016, etc.	· Reduce CO_2 from business activities per sales unit by 45% compared to FY2016 by 2030	· Reduce CO_2 from business activities per sales unit by 80% compared to FY2016 by 2050
Air conservation			· Controlling air pollution (Automobiles, Motorcycles, Outboard motors) Contribute to the improvement of air quality through the introduction and diffusion of clean products suited to each country and region's situation · Reducing VOCs (Production activities) Reduce VOC emissions per painted area by 50% or more compared to FY2000, etc.	· By 2030: – Reduce use of fossil fuels in business activities and expand use of renewable energies – Contribute to improving air pollution in each country/region by promoting development of clean products – Reduce volatile organic compounds (VOCs) from production and products	· Minimize air-polluting substances emitted from business activities and products by 2050
Water resource conservation			Water resource conservation (Production activities) · (Water consumption) Reduce water consumption per unit of global automobile production by 10% compared to FY2016 · (Water quality) Continue to manage wastewater using voluntary standards that are more stringent than regulatory requirements	· Implement reduction of water withdrawal and purification of discharged water at all production sites through specifying water risks surrounding Suzuki by 2030	· Realize sustainable use of water resources through minimizing load on water environment by 2050
Resource circulation			· Promotion of environmentally conscious design · Promotion of automobile recycling · Promotion of 3Rs (reduce, reuse, and recycle) for batteries · Waste reduction · Reduction of plastic packaging materials · Reduce plastic used in outboard motor-related materials by 12 tons compared to FY2020, etc.	· By 2030: – Globally expand automobile recycling system – Promote recycling, rebuilding, and reusing of secondary (rechargeable) batteries used for propulsion of electrified vehicles – Mitigate waste generation volume at global production sites – Reduce plastic packaging materials	· Promote reducing, recycling, and proper treatment of wastes from production activities and products through globally expanding recycling technologies and systems developed in Japan by 2050

b. Disclosure of GHG emissions in the entire value chain

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

GHG emissions generated through the entire value chain during FY2023 stood at 108.71 million t-CO_2, of which the emissions falling under Scope 3 (indirect emissions from other activities) were 107.75 million t-CO_2 that include 85.58 million t-CO_2 classified into Category 11 (Use of products sold by Suzuki) accounting for 78.7% of the total emissions through the overall value chain.

Recognizing that it is very important to reduce the CO_2 emissions released through the use of our products for reducing the total GHG emissions in the entire value chain, we will make continuous efforts to emphasize the improvement of fuel efficiency during product development and improvement.

■ GHG emissions in the entire value chain

Scope 1, 2, and 3 (10,000 t-CO_2)

	FY2021	FY2022	FY2023
Entire value chain (total of Scope 1, 2, and 3)	9,207	10,370	10,871
Direct emissions from corporate activities (Scope 1*1)	40	42	41
Domestic	15	15	15
Overseas	25	27	26
Indirect emissions from energies (Scope 2*1)	71	72	54
Domestic	26	28	11
Overseas	45	45	43
Emissions from corporate activities (total of Scope 1 and 2)	111	114	95
Emissions from use of products by users (Scope 3: Category 11)*2	7,532	8,270	8,558
Other emissions (other than Scope 3: Category 11)	1,564	1,986	2,217
Other indirect emissions (total of Scope 3)	9,096	10,256	10,775

*1 <Scope 1 and 2>

● Calculation range

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

—Overseas: 32 overseas manufacturing and non-manufacturing subsidiaries

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

● Emission coefficients

—Electricity: The most recent adjusted emission coefficient by electricity provider for Japan, and IEA Emissions Factors 2022 for overseas

—Fuel: Emission coefficients under Japan's Mandatory Greenhouse Gas Accounting and Reporting System were used in Japan, and IPCC Guidelines 2006 were used overseas.
Unit calorific values for city gas are those released by suppliers.

*2 <Scope 3 Category 11>

● Calculation range: Suzuki Group

● Products subject to calculation: Automobiles, motorcycles, outboard motors, motorized wheelchairs, and other Suzuki products

● Outline of calculation method

—Calculated by multiplying the estimated lifetime running distance of products sold in the fiscal year under review by the emissions intensity for each model.

—Annual running distance and years of use are based on published information, primarily the IEA SMP Model.

—Emissions intensity for each model is based on the certified values prescribed by the regulations of each country and converted to WTW (Well-to-Wheel).

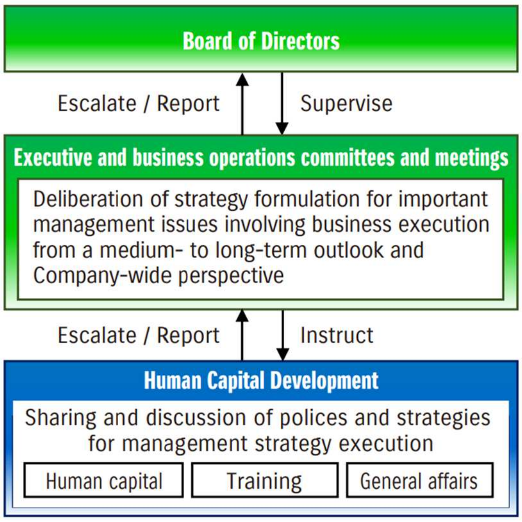
For details, please refer to "Sustainability" on the Company's website.

(3) Initiatives related to human capital

1) Governance

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

The Human Capital Department reports regularly to the President, and conducts activities in close proximity to top management.



2) Strategy

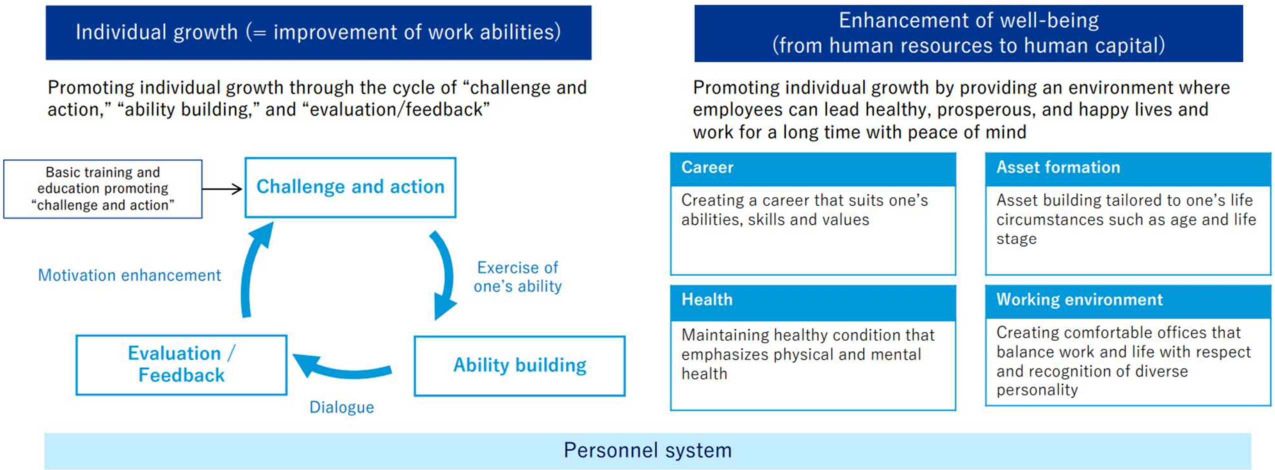
<Basic operations>

In accordance with our Mission Statement and Philosophy of Conduct: “Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty),” “Genba, Genbutsu, Genjitsu (Actual place, Actual thing, Actual situation)” and “YARAMAIKA (Entrepreneurial Spirit),” we will encourage employees to demonstrate their potential and create value based on our human capital development policy and in-house environment creation policy. We will strive to be “an infrastructure company closely connected with people’s lives,” aiming to play a necessary role for people and society.

<New Mid-Term Management Plan (FY2025-FY2030)＞

Efforts to strengthen the management foundation: human capital development

To enhance employees' professional capabilities, foster individual growth, and promote well-being, we introduced a new personnel system in April 2024. We will continue to update our initiatives and systems as needed, creating an environment where each employee can practice our Mission Statement and Philosophy of Conduct while focusing on their individual growth.

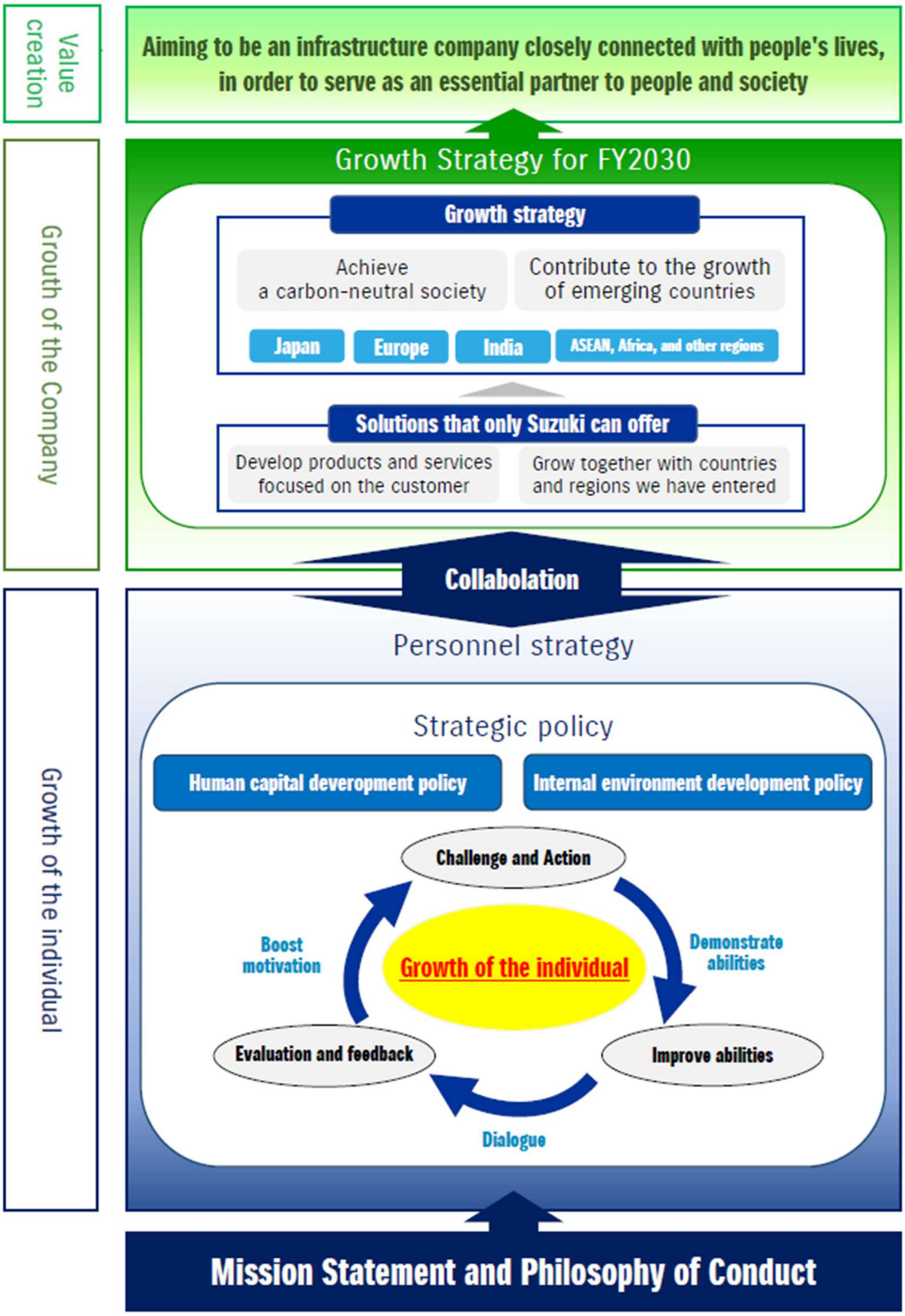


<Human capital development policy>

Our Mission Statement sets three goals for all employees of the Suzuki Group to understand and strive for: 1) a goal toward carrying out a company's social missions (product development), 2) a goal for the corporate organization that they belong to (building the Company), and 3) a goal for themselves (developing human capital), respectively. Based on the spirit of the Mission Statement and the Philosophy of Conduct for putting it into practice, the President is standing on the front line and leading various reforms related to human capital development in keeping with the belief that human capital development is the top priority of a company. In October 2022, the organizational structure was reshaped with the reorganization of the Human Capital/General Affairs into the Human Capital Development. The Company is focused on developing people unique to Suzuki who embody the Mission Statement and Philosophy of Conduct. Moreover, we seek to overcome major changes that cannot be fully dealt with in the form of a conventional automobile manufacturer, such as responding to a once-in-a-century major transformation for automobiles known as CASE and realizing a carbon-neutral society, which is the Company's social mission. To do so, we will strive to recruit and develop diverse human capital who will look beyond our conventional operations and approaches and resolutely take on new challenges, who have diverse experiences and values for generating new ideas, who have a high degree of professional expertise, and who are able to work in a global context.

<Internal environment development policy>

Suzuki is working to build a company in which employees with unique personalities can demonstrate their abilities in working toward common goals, create outcomes of even higher added value, and continue to work vigorously while feeling job satisfaction and purpose. This will be accomplished by encouraging staff to take on the challenge of achieving high goals and fostering a culture that values individual effort in line with the spirit of the Mission Statement. Going forward, Suzuki will continue to listen to the voices of employees more closely than ever, conduct thoughtful dialogue between labor and management, and advance reforms through various personnel and general affairs measures, such as drastic changes in the personnel system, bold revision and abolition of operations, workstyle reforms, improvements in working conditions, and the creation of a better work environment. Through these efforts, Suzuki aims to transform itself into a company that every employee is happy to work for.



a. Human capital development

In order to strengthen our management foundation, we have set the goals of strengthening “individual growth” and “individual earning capacity.” We are working on company-wide human capital development by fostering an environment and culture that encourages self-growth and by encouraging and supporting employees’ independent learning.

Promoting the Mission Statement and Philosophy of Conduct

To ensure continued customer satisfaction and trust in Suzuki, we encourage all employees to reaffirm our founding spirit and manufacturing spirit, and to always practice our Mission Statement and Philosophy of Conduct, which are Suzuki's Operating System (OS), in their work. We do this through rank-specific training for all employees, from new recruits to employees with job titles, and through practical work at each worksite.

Improvement of rank-based work abilities

We provide group training for employees for each occupational qualification taught by internal and external instructors, so that employees across all departments can acquire the basic skills and occupational ability necessary for their occupational qualifications. We are working to ensure that each employee is aware of and acquires the necessary ability required to execute their work.

Improvement of division-based work abilities

We strive to acquire specialized knowledge and skills through On the Job Training (OJT) under the guidance of supervisors and senior employees in the workplace and Off the Job Training (OFF-JT) through internal training and external seminars. In addition, the technology and production technology departments support the creation of career plans and reskilling for each employee by visualizing all the skills required in the department (skill map) and publishing this.

Learning support

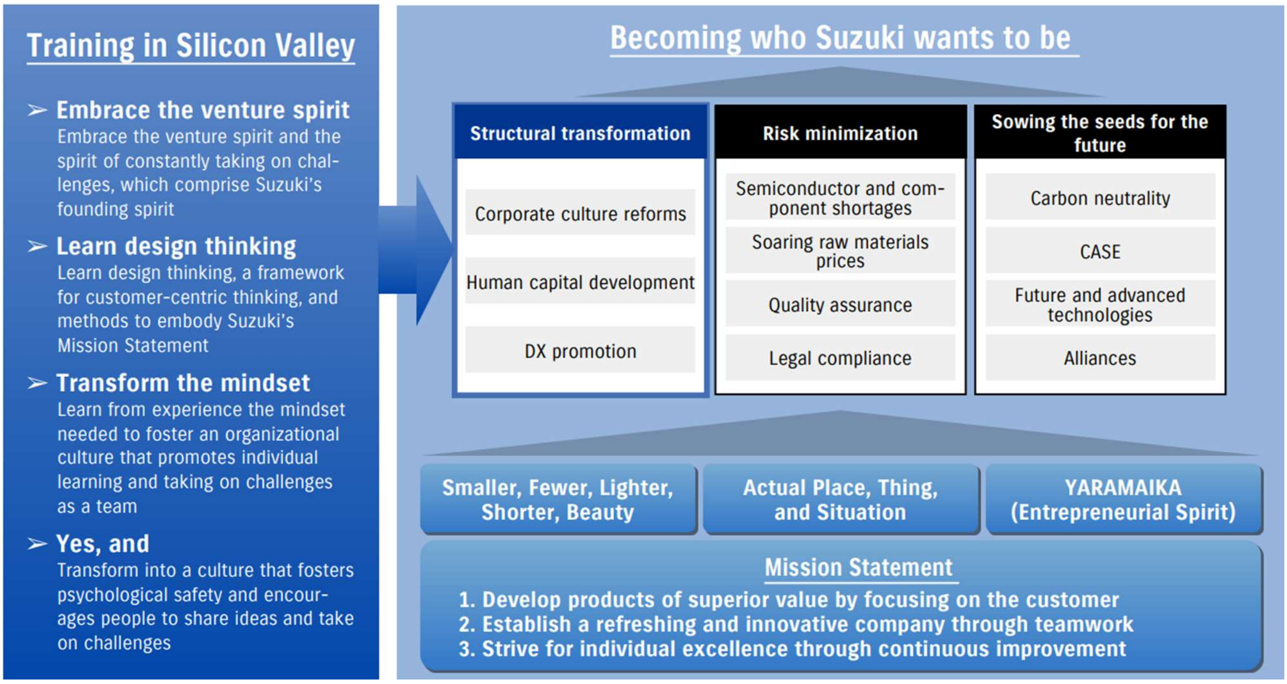
We support employees in improving their job skills, acquiring specialized knowledge, and relearning independently through the introduction of a system (seminar library) that allows employees to take various e-learning training content on demand, and through a welfare system (cafeteria plan) that provides a certain amount of subsidy for the purchase of self-development books and language school fees.

Dispatching young employees to startups

Suzuki dispatches young employees to startups regardless of industry or company size, with the aim of reaffirming its basic principle of fostering an entrepreneurial spirit to tackle difficulties and pioneer a way forward, expanding horizons and knowledge, and enhancing each employee's awareness of trends outside the Company. In Japan, Suzuki has been dispatching employees to m2labo.inc. since 2020 to work on the joint development of the "Mobile Mover," integrating Suzuki's expertise in mobility development with m2labo.inc.'s experience in solving agricultural and regional issues, as part of the creation of new business models. Additionally, since August 2022, Suzuki has been dispatching employees to SkyDrive Inc. to sow and nurture "flying cars" into one of Suzuki's new mobility businesses to follow automobiles, motorcycles and marine products. Overseas, the Suzuki Innovation Center (SIC) was established in November 2022 at the Indian Institute of Technology, where digitalization is evolving rapidly. Suzuki has dispatched young employees from various internal divisions to SIC, where they are working with Indian Institute of Technology students to start contributing ideas, develop IT products and carry out innovation generation activities that will lead to social contribution, with the goal of solving issues that people face in their daily lives. Starting in November 2024, we launched an intensive training program at the Indian Institute of Management Ahmedabad to foster employees who can learn from the Indian philosophy of Jugaad (creative problem-solving using existing resources) and DPCA (a mindset of "just give it a try") and collaborate effectively with the people of India. The program includes lectures on society and the economy from professors at the institute, which is India's leading business school, as well as visits to rural areas and startups to experience the Indian workplace and develop a passion for growing with India beyond mobility. The program was held twice in 2024 and 2025, with the participation of a total of 25 employees from divisions across the Company.

Training in Silicon Valley

Suzuki began dispatching staff to Silicon Valley in September 2017 to gain exposure to the venture spirit of taking on challenges without fear of failure, and learn design thinking, which is a problem-solving method. So far, Suzuki has dispatched a total of 192 people, representing a wide range of both male and female personnel from executives to young staff, to Silicon Valley on 19 occasions to learn from local startups that embody a "focus on the customer," which is a major element of Suzuki's Mission Statement. Even during the COVID-19 pandemic, Suzuki trained a total of 146 people on 15 additional occasions, including online training and domestic assignments. This training was also attended by a diverse mix of male and female personnel, ranging from executives to young staff. These employees have applied the things they have learned locally, such as design thinking and the mindset of taking on challenges without fear of failure, to daily operations and human capital development.

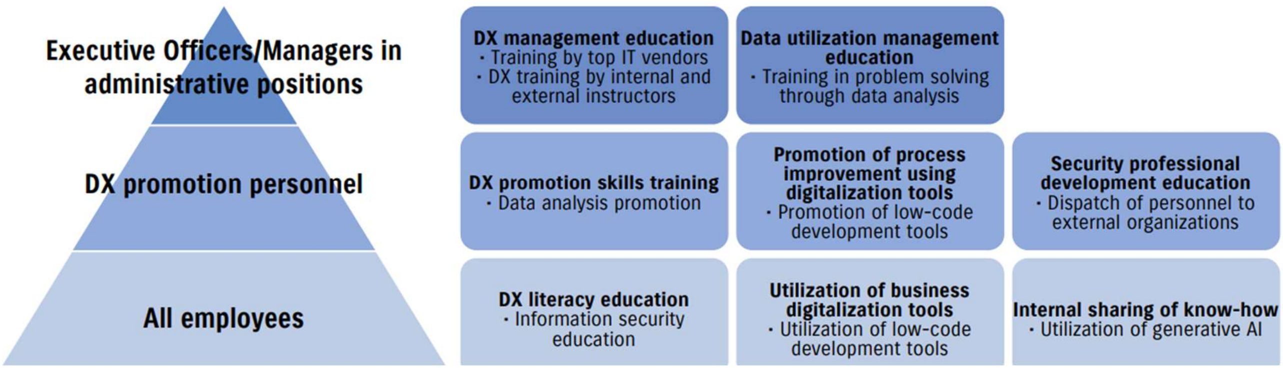


Digital education

We provide digital education at three levels: for all employees, for DX promotion personnel, and for executives and managers in administrative positions. For all employees, we provide DX literacy education with the aim of improving operational efficiency, creating added value, and promoting the active use of digital tools in each department.

For DX promotion personnel, we provide DX promotion skills training for them to acquire more advanced data analysis skills, introduce digital tools, and deploy them internally. In this way, we have established a system in which DX promotion personnel take the lead in digitalization within the company.

For executives and managers, we provide DX management education to ensure our competitive advantage and transformation through the use of digital technology.



Category	Content	All employees	DX promotion personnel				Executive Officers/ Managers in administrative positions
			Data analysis personnel	Process improvement personnel	Security personnel	Software development personnel	
DX literacy education	Microsoft 365 basic skills acquisition	○					
	Information security education	○					
	Education on data utilization concepts	○					
Utilization of business digitalization tools	Utilization of cloud storage	○					
	Utilization of robotic process automation (RPA) tools	○					
	Utilization of low-code development tools	○					
	Utilization of business intelligence (BI) tools	○					
	Utilization of generative AI	○					
Internal sharing of know-how	Generative AI, data utilization, etc.	○					
DX promotion skills training	Education to enhance data analysis skills		○				
	Promotion of data analysis using BI tools		○				
Promotion of process improvement using digi-talization tools	Promotion of process improvement using RPA tools			○			
	Promotion of process improvement using low-code development tools			○			
Security professional development education	Education for information security personnel in each department				○		
	Security core personnel development education (dis-patch to external organizations)				○		
Software personnel development	Nurturing of in-house development personnel					○	
	Nurturing of global talent (engineer exchange with Maruti Suzuki, joint research with Indian Institutes of Technology)					○	
DX management education	Training by top IT vendors						○
	DX training by internal and external instructors						○
Data utilization manage-ment education	Training in problem solving through data analysis						○

Main educational activities

- DX management training

  Based on the recognition that DX is a management issue, management has adopted the slogan, "Executive Officers and Executive General Managers form the No. 1 digital team in the industry," and has exchange meetings with top IT vendors that are actively promoting DX, as well as DX training by internal and external instructors. This training is designed to provide officers and Executive General Managers with hands-on experience and an understanding of principles and guidelines for fields such as software, networking, and security. In FY2024, the third year of the training, six hands-on sessions were held with the themes of generative AI, data utilization, and security. The same content on generative AI and data utilization was also provided to approximately 200 department-level managers. Furthermore, the generative AI content was also made available to all employees as an e-learning program, with 3,500 employees having completed the program as of the end of March 2025.

- Fostering and supporting citizen developers

  We aim for all employees to be proficient in using digital tools and to solve problems in their own departments independently. To achieve this, we are fostering citizen developers in low-code development and BI. At the same time, to avoid suboptimization within individual departments, we are promoting company-wide digital optimization by operating internal communities that facilitate the sharing of know-how and deliverables, and working on optimal digitalization for the entire company.

  1. Providing skill enhancement opportunities through hands-on support
     We conducted training on low-code development tools and workshops aimed at solving issues within individual departments. In FY2024, 100 employees from 19 divisions participated. The citizen developers who acquired skills through these sessions are now also serving as advocates, playing a key role in promoting citizen development within their own departments.
  2. Operation of a community for citizen developers
     (Community Team participants: Low-code development: 846 persons, BI: 967 persons)
     - Sharing development methods and procedures, and self-study materials
     - Posting and sharing chat-based technical Q&A
     - Online technical consultations, face-to-face and group development support
     - Cataloging developed apps and sharing information

3. Development status

	Number of developed apps			Number of developers		
	March 2024	March 2025	Year-on-Year comparison	March 2024	March 2025	Year-on-Year comparison
Low-code development	162	880	543%	145	780	537%
BI	950	1,143	120%	850	1,094	128%

- Data analysis and utilization education

We conducted conceptual education to build a basic understanding of data utilization, management education to foster decision-making skills in data utilization, and education to enhance data analysis skills. We offered three courses that provide education to enhance data analysis skills: Basic, Applied, and Practical. As of FY2024, the number of participants was 12,057 for conceptual education (71% of all employees), 736 for management education, and 1,398 for education to enhance analysis. In addition to training, we also offer a "Data Utilization Quiz" to create an environment in which all employees can have fun while improving themselves and developing their skills at any time, thereby improving and solidifying their understanding of data analysis.

i. Education on data utilization concepts (Target: 80% of all employees)

Enable employees to visualize what they will be able to achieve through data analysis.

ii. Education to enhance data analysis skills (Target: 80% of DX promotion and data analyst personnel)

Basic course: Learn to predict events based on data trends and characteristics

Applied course: Learn to examine analysis results and assess their validity

Learn to identify key takeaways from analysis failures that can be applied to future analyses

Practical course: Lower the barriers to using AI and learn to apply it in one's own work

- Construction and utilization of a platform for generative AI use

We introduced a generative AI large language model (LLM) on March 21, 2023, ahead of other companies in our industry. Currently, nearly 10 in-house apps are in operation. As at the end of March 2025, 8,787 employees are using generative AI. By utilizing generative AI, we are accelerating the internal development of applications while maintaining an environment where employees can independently enhance their productivity.

Going forward, we plan to further expand the range of use of generative AI technology and work on improving operational efficiency and creating new value.

i. In-house development of applications using generative AI

In addition to general uses of generative AI, such as summarizing long texts, generating sentences, and creating code, we have developed an application that enables the creation of chatbots capable of referencing in-house know-how (documents and internally shared websites) to provide answers. In addition, we have also implemented an AI agent function that can utilize these chatbots as tools to generate responses. By introducing chatbots covering over 900 internal business operations, we have improved business efficiency.

ii. Expanding the range of use of generative AI technology

We provide an internal API so that employees can incorporate AI-generated data into their own business processes and applications. This enables us to provide an environment where anyone can work on development, even without specialized knowledge.

b. Engagement

President’s workplace dialogue

To facilitate communication between managers and their team as well as among colleagues and departments, and to create an environment in which it is easy to report, communicate, and consult their managers, the President has conducted workplace dialogues for all divisions, on a workplace-by-workplace basis, since 2021 (29 divisions, 40 workplaces). During these workplace dialogues, the President personally conveys his thoughts directly to employees, and employees express their daily concerns and opinions in the course of engaging in dialogue. This is an opportunity, particularly for younger and mid-career employees, to directly convey their thoughts to the President in their own words. In addition, sharing the contents of these workplace dialogues (excerpts) with all employees on the Company intranet helps further stimulate workplace dialogues, boost employee motivation, and align employees toward a common direction.

Personnel system

In April 2024, Suzuki fully reformed its personnel system. Suzuki will foster individual growth to ensure that all of its diverse employees can implement the Mission Statement and Philosophy of Conduct. By developing each individual’s occupational ability—the abilities necessary to fulfill their individual duties—, the earning capacity of each individual will be improved, leading to the Company’s sustained growth. At the same time, through the value creation of each individual employee, Suzuki will contribute to society by aiming to be an infrastructure company closely connected with people’s lives, in order to serve as an essential partner to people and society. Each of our diverse employees will implement Challenge and Action with strong motivation, while managers and their team members engage in discussions about the results of the abilities they demonstrated, providing evaluations and feedback. This process will further boost motivation, leading to employees implementing additional Challenge and Action and working toward further enhancing their capabilities. Suzuki will foster individual growth by consistently implementing this human capital development cycle. Employees understand basic principles, proactively acquire the knowledge and skills needed for their duties, inherit expertise from supervisors and senior employees, and gain first-hand frontline experience. Through this process, Suzuki is working to enhance their occupational ability.

- Job system and ability qualification

  Suzuki has revised ability qualifications in each occupation and rank, and introduced an ability qualification system, which clearly defines the roles, abilities, and activity requirements needed to fulfill job duties. The Company has clearly defined the knowledge, skills, know-how, and experience necessary for work in each division and simultaneously organized the work content required for each occupation, enabling both managers and their team members to engage in their duties through a shared understanding based on mutual communication. As a result, Suzuki will effectively enhance occupational ability.

- Evaluation

  Previously, performance evaluations and ability evaluations were conducted together. However, Suzuki has decided to separate these evaluations, with short-term performance reflected in bonuses, and occupational ability reflected in salary raises and promotions. This change enables us to accurately assess the abilities required for each occupation and rank, and fosters an environment that encourages further Challenge and Action. In addition to the existing Goal Challenge System, in which targets are set for each half-year period and performance evaluations are determined based on the degree of achievement, Suzuki has also introduced the Professional Development System. Based on the evaluation items (ability criteria) defined for each qualification, we evaluate how employees have demonstrated and improved their abilities over the course of a year, and are promoting a human capital development cycle that encourages individual growth through mutual communication between managers and their team members.

- Wages

  Suzuki has revised the wage structure and wage grade to foster Challenge and Action according to each occupational qualification, while accurately reflecting the demonstration and improvement of individual abilities in wages. The Company provides training for each occupational ability and offers pay raises based on required roles and abilities, rather than on years of service. By doing so, Suzuki will foster further growth of the individual. In addition, we have expanded various benefits, including the childcare support allowance, domestic unaccompanied assignment allowance, and homecoming travel allowance for domestic unaccompanied assigned employees, to enable employees to focus on their work with peace of mind and a high level of motivation.

- Re-employment system

  Suzuki has revised the re-employment system to allow employees who wish to continue working after the age of 60 to maintain the same duties as full-time employees, as well as the same level of pay they received at the age of 60. The new system aims to support these employees in pursuing Challenge and Action, regardless of age. In addition, Suzuki has realized personnel assignments optimized to match individual work abilities through Company-wide human capital matching and retraining, thereby creating an environment where personnel can work vibrantly.

c. Workforce mobility

In a social climate where the mobility of human capital and labor shortages are accelerating, we strive to create a company and workplace environment where people feel that working for Suzuki is both attractive and conducive to personal growth.

<u>Mid-career recruitment</u>

To secure a diverse range of human capital, Suzuki has been focusing on mid-career recruitment in recent years in addition to new graduate recruitment. In FY2024, the Company hired 262 people (a 145% (181 person) increase over the previous year). Furthermore, Suzuki has established a new employment format that is not limited to the existing personnel system for certain human capital who possess knowledge and experience in new fields that have not been accumulated within the Company. This new employment format was implemented beginning in June 2023.

<u>Alumni recruitment</u>

We are actively pursuing alumni recruitment to rehire former Suzuki employees. We believe that they will be able to utilize the knowledge gained while working at Suzuki and combine it with knowledge and experience gained outside in order to once again become an immediate asset to Suzuki as a familiar workplace environment. We also expect them to contribute to the Company’s further growth by recognizing its strengths and weaknesses, further developing the strengths, and addressing the weaknesses.

<u>Referral recruitment</u>

We are engaged in referral recruitment in which we encourage current Suzuki employees to introduce their friends and acquaintances to the Company. By having our employees provide detailed explanations about Suzuki beforehand, applicants can gain a deeper understanding of the Company. We believe this will help them become familiar with Suzuki before joining, thereby enhancing employee retention.

Recruitment of digital professionals for next-generation technology development

Securing digital professionals necessary for the development of next-generation technologies, including CASE, has become an urgent priority. Amid the shortage of digital professionals in Japan, we have been focusing on India, which has produced a large number of talent in this field, and have been recruiting directly from the Indian Institutes of Technology Hyderabad since 2018. (A cumulative total of 26 employees has been hired as of May 2024.) In the Indian market, which is one of Suzuki's strengths, we are working together with our subsidiary Maruti Suzuki India Ltd. to improve our competitiveness through the exchange of human capital.

Visualizing human capital

By breaking down tasks by individual division, visualizing the workflow and skills required, and linking the skills needed by each employee, the tasks that are dependent on specific individuals will become clear. This allows for an understanding of the allocation of human capital in one's own department, clarifying plans for supplementing or training of staff in anticipation of any personnel vacancies. Through dialogue between supervisors and their team members during target challenges and skill development interviews, personal development plans, career paths and achievements are continuously shared, encouraging and evaluating individual growth and contributing to the growth of and reinforcing teams and the Company. In the future, a "task breakdown chart (skill map)" created by each department will be incorporated as human capital data in the human resource base system and utilized in understanding the state of human capital and for recruiting and assignment, reskilling, talent management and so on.

Succession plan

The Company is working to develop a succession plan for next-generation leaders (officers, Executive General Managers, Division Managers) with the goal of maintaining continued corporate growth. In conjunction with human resource system reforms carried out in April 2024, we defined the competencies, personal and behavioral attributes required of each position, clarifying the roles of employees with job titles. In addition, we have established a talent pool of those at the executive and managerial levels, allowing for flexible assignment of these individuals in key management positions within the organization. Position promotions are determined at meetings of the Executive Committee, where the President and other executives exchange opinions based not only on recommendations from supervisors but also on a list of successor candidates drawn up by the Human Capital Department. In addition, we will conduct multi-faceted evaluations of managers to assess their suitability as leaders from every perspective, and will work to engage in appropriate placement of personnel and human capital development.

Departments with human resources function

To respond more accurately and promptly to on-site issues closer to the field, a new department-specific human capital function, independent of the Human Capital Development Division, was established within the Automobile Engineering and Manufacturing fields in 2023. Gathering feedback from the field, we work together to solve individual employee concerns and issues, reporting issues that cannot be resolved within the department to the Human Capital Development Division to drive workplace improvements and problem solving. These efforts aim to boost employee motivation so that employees can work vibrantly, leading to an increase in retention rates.

d. Diversity

Suzuki respects the individuality and will of each employee, regardless of gender, age, nationality, human rights, religion, or disability, and is committed to creating an environment and culture in which every employee can fully realize their potential and enhance their abilities through diverse work styles, while maintaining a balance between work and life.

Promoting participation by women

To further create workplaces where women can work successfully, since FY2020, the Company has set a target to triple the number of female employees with job titles in FY2025 compared with the number in FY2015, and it is working to increase the number of female employees with job titles who are managers in administrative positions or candidates. As a result of these efforts, this target was achieved ahead of schedule, with the number of female employees with job titles reaching 223 in FY2024, which was 4.2 times more than in FY2015.

Meanwhile, the number of female managers was 31 as of the end of FY2024 (ratio of female managers: 2.18%). In order to bring the ratio of female managers to the same level as the ratio of female employees in the future, we will first aim to increase the ratio of female managers to 5.0% by FY2030 and will work not only to support a good work-life balance but also career development. Furthermore, Suzuki considers the low ratio of women in the automobile industry to be an issue. Suzuki is striving to achieve ease of work so that everyone, regardless of gender, age, nationality, race, religion, or disability, can work comfortably in all its workplaces, including production plants. To that end, the Company will take steps such as fundamentally improving work environments in all workplaces through production technology innovation and the upgrade of various facilities.

System for supporting work and family balancing

We are creating a working environment where employees with motivation and ability can continue working through a system that enables employees to choose from various working styles. We are enhancing awareness of work and family balancing in the entire workplace and promoting an employee-friendly working atmosphere.

- Short working hours system (childcare and family-care shortened working hours)

  We have adopted a system to shorten daily working hours to six or seven hours based on applications by employees raising children who are elementary school-aged or younger, or employees with family members in need of nursing care. In FY2024, 394 employees used this system.

- Leave/Leave of absence (childcare and family-care leave)

  Many employees, both men and women, who need to concentrate on childcare or nursing care can use the leave of absence system. In FY2024, 372 employees used this system. From April 2022, to create an atmosphere in which it is easier for men to take part in child-raising, the newly established “Parental Leave” of up to five days can be taken within eight weeks of the birth of a child, in addition to the existing two days of “Paternal Childcare Leave.” In FY2024, 267 male employees took childcare leave (65.7%), reflecting steady progress in fostering a supportive corporate atmosphere.

- Life (livelihood) support leave

  Employees can carry over up to 40 days of paid leave beyond the two-year validity period after it is granted. We have also introduced the Life Support Leave system, which allows employees to take leave for injury or illness, nursing care of parents or children, infertility treatment, and bone marrow donation.

- Acquired 2024 Platinum Kurumin accreditation

  In accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children, Suzuki has received Platinum Kurumin certification as a company that supports child raising. Platinum Kurumin is a certification that can be received by Kurumin certified companies that meet certain standards, such as introducing and utilizing the childcare support system and continuing to implement advanced initiatives. Suzuki was awarded Kurumin certification in 2022, and was recognized for its efforts to encourage paternal childcare leave and promote women’s continued employment and active participation in the workforce.

・ Information sharing seminar for parents

The information sharing seminar for parents is intended for employees taking childcare leave and their spouses. It is held to create a system that allows employees to return to the workplace smoothly without feeling anxious, and to easily seek consultation after they are reinstated by sharing the experiences of employees who have returned to work from childcare leave and exchanging information among employees. The seminar is also held to give married couples a deeper understanding of childcare in dual-income households.

・ Online consultation service for pediatrics and obstetrics-gynecology

Suzuki has introduced a service that allows users to easily consult specialists on issues related to pregnancy, infertility, childbirth, childcare, and women's health online from their smartphones anytime, anywhere. With this service, Suzuki aims to create an environment in which employees and their families in Japan, as well as personnel stationed overseas and their accompanying family members, can find solutions to issues and work with even greater peace of mind.

LGBTQ

In addition to prohibiting harassment and discriminatory language and behavior related to sexual orientation and gender identity in our employment regulations, we are working to foster a culture of understanding and acceptance of sexual diversity among our employees, including addressing the issue of outing someone in the Compliance Handbook distributed to all employees to raise awareness. In addition, we have standardized uniforms for men and women and added gender-neutral restrooms.

Employment of people with disabilities

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

Suzuki Support Co., Ltd., a special subsidiary company established in February 2005, has been conducting business activities for 21 years. As of the end of March 2025, 89 employees with disabilities, including those with severe disabilities, are performing janitorial services at Suzuki's head office, employee dormitories and related facilities and stationery management services, as well as farm work at Suzuki's farm together with supervisors. Their sincere and cheerful attitude toward work greatly encourages all the people in Suzuki. Suzuki will, through Suzuki Support, continue to actively employ people with disabilities for them to feel happiness through working and to grow as people through social participation in line with the philosophy behind the establishment of Suzuki Support, which is to contribute to society.

e. Health and safety

Health management:

Health Declaration

Guided by the catchphrase, "Happy customers are created by happy employees!" the Company has taken on health initiatives as Team Suzuki to ensure that all employees who work at the Suzuki Group can implement the Mission Statement and work positively and energetically in excellent mental and physical health, and as a result, provide products that delight customers. Through these ongoing initiatives, Suzuki has been certified as a Health and Productivity Management Outstanding Organization every year since 2021, and in 2025 was recognized as a "KENKO Investment for Health" White 500 corporation. We will continue to engage in health management initiatives in order to continue ensuring happy customers and happy employees.

Initiatives for in-house dissemination

With the health management catchphrase of "Happy customers are created by happy employees!" the President sent a message to all employees stating, "Let's work together as Team Suzuki to promote health management!" In addition, each month we publish the "Health & Management News" to provide employees with information on health management activities and as an effort to solicit ideas and opinions regarding these activities.

Initiatives to enhance health literacy

We regularly hold informal discussions on health management topics between members of management, including the President, and employees. Videos of the discussions are distributed throughout the Company in an effort to enhance employee health literacy. In addition, the medical office monthly newsletter "Hanaemi" is published under the concept of "Information when you need it, even if that time is not now."

2025 Hamamatsu Wellness Award

In recognition of our contribution to promoting the Hamamatsu Wellness Project, aimed at realizing a preventive and health-focused city by the city of Hamamatsu, and as a model project and initiative for other companies and organizations, Suzuki received the Excellence Award in the health management category at the 2025 Hamamatsu Wellness Awards.

Mental health measures

As part of our mental health measures, in addition to providing various level-specific education, self-care education and line-care education, each workplace independently provides its own self-care education and line-care education. In terms of support systems, we operate an internal medical office and Mental Health Consultation Room (where employees can receive free counselling from external psychiatrists and clinical psychologists), and have also introduced an external Employee Assistance Program (EAP) service that allows employees to seek advice not only about work-related stress but also about concerns in their private lives, creating an environment that can be used not only by employees but also by their families.

Initiatives to promote habitual exercise

Suzuki Athlete Club members devised and created Suzuki Original Calisthenics, which are simple movements with a high level of exercise effort. As part of efforts to promote Suzuki Original Calisthenics throughout the Company, Athlete Club members visit office floors during working hours to provide instruction. In addition, in collaboration with Hamamatsu City, Suzuki has introduced the city's health management app, Hamamatsu Health Club, to its employees. The app is open to anyone, and provides a visual record of daily health maintenance, including monthly step counts, calorie consumption management, and step count rankings.

Safety and health:

Basic Safety Concept

- Make safety the first priority. (Safety First)
  The basis of corporate activities is "people." The first priority must always be given to safety that protects "people."

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

- Safety is everyone's responsibility.
  While the Company conducts what it should do, every single person must take responsible actions to protect themselves. Let's make a culture where everyone follows the rules and mutually warns each other in the workplace.

Risk assessment activities

At Suzuki, we conduct risk assessments as part of safety-driven activities centered on prevention. By identifying risks in operations and implementing countermeasures, we are working to improve safety. Risk assessments were first introduced in 2001 for near misses, and we have been conducting risk assessments for regular work since 2013 and risk assessments on chemical substances since 2016. In 2017, we revised our risk assessment evaluation methods, re-evaluated particularly high-risk tasks, and have been working to reduce risks even further.

f. Labor practices

Respect for human rights:

Compliance with laws, regulations, and international norms concerning human rights

The Suzuki Group will respect the human rights stipulated in international norms (freedom of association, approval of collective bargaining rights, prohibition of forced labor, prohibition of child labor, elimination of discrimination, safe and healthy working environments, etc.), such as The Universal Declaration of Human Rights (UDHR); International Covenant on Economic, Social and Cultural Rights (ICESCR); International Covenant on Civil and Political Rights (ICCPR); and The ILO Declaration on Fundamental Principles and Rights at Work (ILO Core Labor Standards). The Suzuki Group will work to implement respect for human rights, referring to guidelines such as the Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the OECD Due Diligence Guidance for Responsible Business Conduct, and Japan's Guidelines on Respect for Human Rights in Responsible Supply Chains. Furthermore, the Suzuki Group will comply with local laws and regulations regarding human rights in every country and region where it conducts business. If there are discrepancies between international norms on human rights and the laws and regulations of each country or region, the Suzuki Group will strive to respect the higher standard of human rights, and where there is a conflict, we will seek to uphold internationally recognized human rights principles to the greatest extent possible.

Remediation and remedy

If it is found that the Suzuki Group's corporate activities have caused or contributed to any adverse human rights impacts, we will take appropriate steps to correct and remediate such impacts. Furthermore, if the Suzuki Group's business, products, or services are directly related to adverse human rights impacts, the Suzuki Group will work with its business partners to remedy such impacts. As part of these efforts, the Suzuki Group will establish a hotline and provide consultation services that can be used by all Suzuki Group executives and employees, business partners, contractors, and other external parties who have been affected by adverse human rights impacts.

Welfare and benefits:

Employee stock purchase plan

The employee stock purchase plan is a program where a certain amount of money is deducted from monthly pay to buy Company stock regularly. Employees can acquire stock easily in proportion to their monthly contribution and the Company also provides an incentive for the contribution to support employees' asset building. Employees hold stock in their own company, so when the Company's results improve, the stock price goes up and as a result their own asset value increases. For this reason, the program can be expected to raise employee motivation and also foster an awareness of participating in management.

Also, Suzuki has raised the incentive grant rate for its employee shareholders' association from the previous 5.6% to 100% (maximum incentive of ¥10,000) as part of its human capital investment initiatives since April 2023. By making the program attractive and easy to join, even more employees are participating in the stock ownership association, which supports asset formation and raises their sense of participation in management.

Selective welfare system

- Cafeteria plan

  To ensure benefits are received fairly by employees regardless of worksite or environment and to broadly support the preferences of individual employees in their diversity, employees can freely select from a benefits menu set up by the Company (work-life balance support, health support, skill level support, leisure time support, and lifestyle support, etc.) and can receive this assistance up to the number of points that have been received (cafeteria points).

- Benefit station

  The Company has established a menu of services (travel, leisure, fine dining, sports, shopping, educational courses, etc.) that can be used without limit at preferred member prices. Moreover, points from the menu recognized under the cafeteria plan can be combined with this service and used together.

Employee cafeteria and food truck

During lunch hours, in addition to the employee cafeteria, we operate a food truck on the head office premises on certain days of the week. As well as a café menu featuring drinks and sweets like crepes and shaved ice, the food truck also offers a lunch menu that includes hamburgers, plate lunches and soup. On fine days, employees can enjoy their meals on benches in the lawn area. On January 15, 2024, we began providing vegetarian Indian food at our employee cafeteria at the head office. The food is prepared by a company offering restaurant business in Hamamatsu City, and the flavors were co-developed by Suzuki's employees from India to align with Indian tastes. At sites other than the head office, the food is available by reservation. Due to the many requests to operate food trucks from outside the head office, we are expanding openings to other sites such as plants.

Labor-management relations:

Transformation in the negotiation style from 2022 onwards

Labor-management negotiations had primarily been held once a year in the spring, the Shunto labor-management wage negotiation. The main topic at Shunto was largely on salary raises and bonuses; however, information exchange and discussion about other issues between employees and management were limited, and the exchange of opinions was only a formality. Given this situation, to enliven communication between managers and their teammates at each workplace, the core site of labor-management trust, we tried holding debates at each level, and at the 2022 spring management-labor negotiations, we conducted measures to realize this. These efforts will continue from 2023 as well.

Activities during Shunto labor-management wage negotiations

Suzuki made negotiations "a place of dialogue," in which the Company conveys its initiatives for the future and shares issues with the union, with management and labor aligning their positions while discussing ways to reach solutions. Based on the belief that it would be effective for not only union members, but also managers to work together on labor-management negotiations, a message to managers from the President was also issued at the same timing as the negotiations, and information on the content of the dialogue, including this message, was made available to all members of labor and management.

Continuous activities after labor-management negotiations

Communication is enhanced by holding regular informal labor-management gatherings at the division level to enable them to address issues of their own workplace by themselves first. Issues that are difficult to solve by the workplace alone are discussed continuously in District Labor-Management Consultation and Central Labor-Management Consultation meetings held monthly until the Shunto labor-management wage negotiations in March. This process aims to make the annual spring wage negotiations the capstone of labor-management dialogue.

g. Compliance

Status of measures to prevent recurrence of improper conduct

Reflecting on the improper sampling inspection of fuel efficiency and exhaust gas in 2016 and the improper conduct regarding final vehicle inspection in 2018, and to ensure that these incidents are never forgotten and are passed to future generations, we have designated May 18 every year as a day for all employees to review the laws and regulations that apply to their own departments and to reaffirm their compliance with them. This initiative began in 2017 with the technology department, and since 2018, it has been implemented across all departments in the company, with each department conducting a review and inventory of the laws and regulations related to their operations.

Compliance Handbook

Based on the Code of Conduct, in 2020, Suzuki created and distributed the Compliance Handbook to all employees in Japan. This handbook specifically summarizes what people working in the Suzuki Group must and must not do from the perspective of compliance. Along with a Japanese version, Suzuki also created English and Portuguese versions of the handbook to enable employees to confirm and review their conduct at any time in their daily work, regardless of nationality. In FY2023, the content was revised and the updated second edition was redistributed.

Daily compliance quiz

To foster a culture of everyday awareness of compliance, an e-learning program in which employees and executives answer one compliance-related quiz question each day that is displayed when they start up their computers has been running daily since June 2017.

3) Risk management

Stated in “II. Business Overview, 3. Risks to Business, etc. (1) Business-related risks 5) Human capital recruitment and development.”

4) Indicators and targets

Indicators		FY2022	FY2023	FY2024	Target
Number of new graduate recruits (persons)		719	734	723	–
Number of mid-career recruits (persons)		105	181	262	–
Number of part-time and fixed-term contract recruits (persons)		140	164	180	–
Employment rate of people with disabilities (%)		2.44	2.35	2.45	2.5
Number of direct recruits of digital professionals in India (persons)		4	6	10	–
Rate of paid leave taken (%)		81	81	81	–
Number (persons) and ratio (%) of female managers		21 1.61	25 1.85	31 2.18	5.0% by 2030
Number (persons) and ratio (%) of female employees with job titles		156 3.09	182 3.49	223 3.98	–
Ratio of male employees taking childcare leave (%)		43.5	63.1	65.7	–
Gender wage gap (%)	All workers	64.4	64.5	64.5	–
	Full-time employees	64.0	64.4	65.1	–
	Part-time and fixed-term contract employees	67.5	61.2	55.3	–
Number of persons using childcare shortened working hours (persons)		323	346	394	–
Number of persons taking childcare leave (persons)		299	390	368	–
Number of persons using family-care shortened working hours (persons)		9	9	10	–
Number of persons taking family-care leave (persons)		3	5	4	–
Percentage of employees receiving regular health checkups (%)		100	100	–	100
Percentage of employees undergoing a thorough examination after a regular health check (%)		59	57.6	–	100
Specific health check implementation rate (%)		99.5	99.0	–	100
Specific health guidance implementation rate (%)		57.8	59.0	–	60
Training expense (Thousands of yen)		433,512	643,291	690,758	–

Regarding indicators related to policies on human capital development, including ensuring diverse human capital, and policies on improving the internal work environment, although the Company implements data management of the relevant indicators and specific initiatives, such initiatives are not being carried out by all companies in the consolidated group. Therefore, it is difficult to provide a description covering the entire consolidated group. As a result, the results for the above indicators are those of the reporting company that operates the core businesses within the consolidated group.

3. Business Risks

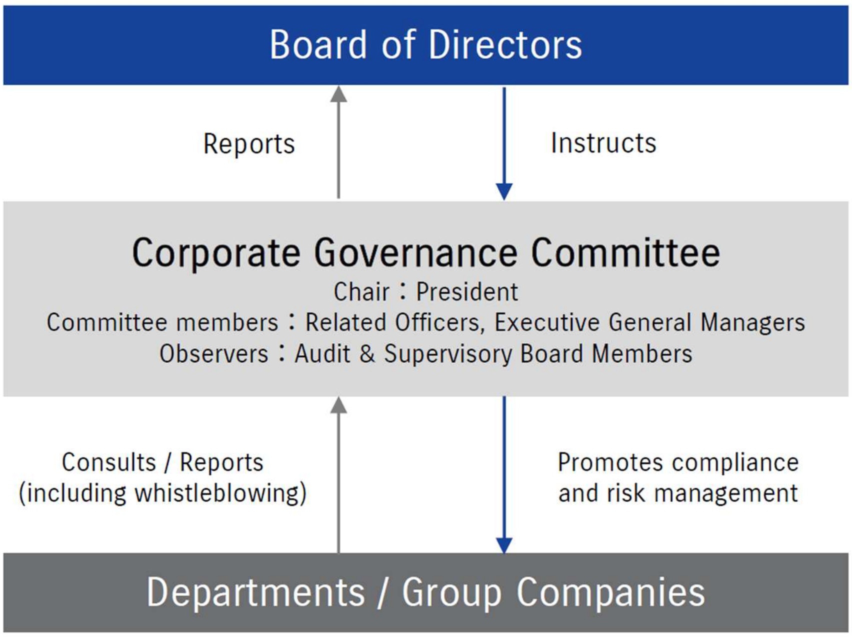
The following are the main risks to business, etc. that may affect the Group’s business performance, financial position, cash flows, etc., and may have a significant impact on investor decisions.

Forward-looking statements in this document are determined by the Group as of the end of the current consolidated fiscal year.

<Risk management system>

A Corporate Governance Committee has been established under the Board of Directors. The Corporate Governance Committee deploys measures for advancing thorough compliance and risk management and promotes efforts to address cross-organizational challenges in coordination with the relevant divisions.

For details, please refer to “IV. Information on the Reporting Company 4. Corporate Governance, etc.”



<Risks to business, etc.>

(1) Business-related risks

1) Climate change and the transition to a decarbonized society

Climate change risks have been receiving increasing attention for their social and political implications, including regulatory measures, in Japan and other countries and regions worldwide. These risks include those associated with the transition to a low-carbon society and physical risks caused by climate change.

Among the risks associated with the transition to a low-carbon society, the Suzuki Group recognizes that risks of particular importance are the imposition of fines and lost sales opportunities due to increasingly stringent CO_2 and fuel efficiency standards for automobiles, the growing burden of research and development expenses to ensure regulatory compliance, and the increase in operating costs, etc. due to implementation or reinforcement of carbon tax and other systems. These risks may have a negative impact on the Suzuki Group’s business performance and financial position. In addition, there is a possibility that corporate value may decline due to changes in customer preferences and investor behavior.

The physical risks from climate change include both the long-term impacts of climate change, such as increases in energy costs due to rising average temperatures and supply chain stagnation and higher production costs due to changes in water resource risks, as well as the impacts of sudden weather changes, such as damage to business locations and the suspension of business activities due to the increasing frequency and severity of natural disasters. In order to respond to sudden weather changes, we are working to formulate a BCP that focuses on flood disasters, but the physical risks from climate change may have an adverse effect on the business performance and financial position of the Suzuki Group.

For details, please refer to “II. Business Overview 2. Sustainability Policy and Initiatives (2) Response to climate change.”

2) Product development and introduction capabilities

The Suzuki Group is committed to continuous technological innovation and product development in order to rapidly respond to customer needs and changes in the automotive environment, and to bring to market attractive new products that satisfy our customers. This includes strengthening our development capabilities with an eye to the future, such as improving safety and environmental performance and introducing advanced technologies. We are also working on initiatives in a wide range of areas, such as securing and developing talented human capital, and building an efficient and sustainable parts procurement, production, and logistics system to ensure a stable supply.

However, if we are unable to accurately grasp these environmental changes and develop and launch new products in a timely manner while ensuring their stable supply, our sales share and revenue may decline, which could have an adverse effect on our business performance and financial position.

3) Reliance on particular business or market

The Suzuki Group is working to improve profitability in each business and region with the aim of achieving continuous and stable profit growth.

However, for the consolidated fiscal year under review, revenue in India accounted for just over 40% of the Suzuki Group's consolidated revenue across our entire business, including the automobile business, motorcycle business, and other business segments. If demand, market conditions, and competition with other companies in the same industry related to these businesses exceed predictable levels, this could have an adverse effect on our business performance and financial position.

4) Compliance

The Suzuki Group has established the Suzuki Group Code of Conduct to ensure that officers and employees perform their duties in a sound manner, and is promoting overall compliance efforts that include laws and regulations related to business operations, corporate ethics, and social responsibility. Specifically, we have established a Corporate Governance Committee, prepared business rules and manuals including approval and decision-making procedures and confirmation procedures by other departments, conducted compliance training and training on individual laws and regulations, and taken measures to prevent violations and promptly respond to any cases involving compliance issues through the establishment of a whistleblowing system (Suzuki Group Risk Management Hotline).

However, if unforeseen circumstances result in a violation of compliance or an inadequate response, it may have a significant impact on the Suzuki Group's credibility in society, which may have an adverse effect on the Group's business performance and financial position.

5) Human capital recruitment and development

We are actively recruiting more than ever before, not only in Japan but also in India, focusing on human capital in specialized fields such as bolstering electrification technology, advanced safety technology, and digital technology, and we are also focusing on human capital development after hiring. In addition, in order to create an environment that increases the Company's creative value by increasing opportunities for each employee to learn, supporting them in new challenges and taking action, and improving their individual job capabilities, we have completely revamped our personnel system from April 2024. Furthermore, in order to enable employees with various personalities and values to fully demonstrate their individual capabilities, we respect diversity in terms of attributes such as gender, age, nationality, race, religion, and disability, and strive to promote employees fairly and without discrimination, as well as work to create good working environments.

However, if we are unable to secure human capital due to a tight labor market or intensifying competition for talent, if our human capital training is insufficient, or if we are unable to create working environments that respect the diversity among our employees, this may have an adverse effect on our business performance and financial position.

For details, please refer to "II. Business Overview 2. Sustainability Policy and Initiatives (3) Initiatives related to human capital."

6) Issues related to procuring parts from suppliers

Based on a comprehensive consideration of factors such as technological capabilities, quality, and price competitiveness, we are working toward the diversification of our parts suppliers.

However, depending on the parts, procurement may rely on specific suppliers, or even if the Suzuki Group has diversified its primary suppliers, the primary suppliers may depend on specific secondary or subsequent suppliers for parts procurement. If the Suzuki Group is unable to secure a continuous and stable supply of these parts due to fires, natural disasters, equipment failure, sudden changes in the supply and demand balance, economic security conditions, or the discovery of human rights violations, this could cause delays or suspensions in the Suzuki Group's production, or increase costs. As a result, this could have an adverse effect on our business performance and financial position.

7) Respect for human rights

The Suzuki Group conducts business internationally and our operation is conducted on the basis of the principle of respect for human rights in the supply chain.

However, the challenge is that it is difficult to fully manage the working environment and human rights situation not only of our Group companies, including our manufacturing and nonmanufacturing subsidiaries, and sales subsidiaries, but also of our entire global value chain, including our business partners and their secondary business partners and beyond. Human rights violations, such as child labor, forced labor, discriminatory labor practices, and issues regarding the health and safety of workers, may not only result in economic losses such as legal liability, fines, and liability for damages, but may also have a significant impact on the Suzuki Group’s social credibility, including damage to our brand image and loss of trust from customers, and may have an adverse effect on the Group's business performance and financial position.

8) Quality assurance

The Group’s highest priority is to provide customers with high-quality products, and we strive to improve quality by establishing appropriate management systems from development and manufacturing to sales and service.

However, quality requirements are becoming more complex and sophisticated in line with new technologies such as electrification and autonomous driving. If a large-scale recall were to occur due to an unexpected quality issue, not only would it result in significant quality-related costs, but it could also damage the Suzuki Group’s brand image, which could have an adverse effect on our business performance and financial position.

9) Data security and cybersecurity

Throughout our entire portfolio of business activities, the Suzuki Group creates, processes, and accumulates electronic data for design development, production, sales, accounting, and other activities, and these systems are updated and modified as necessary. In addition, various electronic control devices are built into our products, and these devices are essential for controlling vehicles and equipment.

Although security measures are implemented for these systems and devices, there are still risks, such as from cyberattacks by hackers or viruses, system failures, and infrastructure shutdowns. In particular, the threat of cyberattacks is increasing and in the past our overseas subsidiaries have been targeted. If a similar incident were to occur, it could result in business interruptions, data corruption or loss, and leaks of confidential information.

Furthermore, although the Suzuki Group strives to protect personal information and confidential information related to management, business, and technology, there is a risk that such information may leak out or be used improperly due to unforeseen circumstances. In such cases, legal claims, lawsuits, liability for damages, payment of fines, etc. may occur, which may also have an adverse effect on our business performance and financial position.

10) Tie-ups with other companies

The Suzuki Group is engaged in various collaborative activities with other companies, including domestic and foreign automobile manufacturers, in areas such as research and development, production, sales, and finance. However, factors beyond the Group's control, such as circumstances specific to individual partners, could have an adverse effect on our business performance and financial position.

11) Brand image

The Suzuki Group's brand image is an indication of the trust placed in us by our customers and society, and is an extremely important aspect of the Group's sustainable growth. We strive to enhance our brand image through improved product quality, compliance, appropriate risk management, and strengthened internal controls.

However, if our brand image were damaged due to unforeseen product defects, problems with service quality, compliance violations, or delays in disclosing such information, we could lose customer trust, which could lead to a decrease in sales and a decline in our competitiveness in the market. This could have an adverse effect on the Group's business performance and financial position.

(2) Market-related risks

1) Changes in economic conditions

Regarding the impact of changes in the economic situation on sales, unforeseen circumstances such as a prolonged economic downturn, a worsening global economy or financial crisis, or a sudden shift in economic conditions could lead to a significant decline in demand for the Group's products, including automobiles, motorcycles, and outboard motors. For example, a rise in interest rates may reduce customers' willingness to purchase, which could have an adverse effect on the Group's business performance and financial position.

Regarding the impact of changes in the economic situation on production, the Group operates in countries and regions around the world, and our dependence on overseas production plants, particularly in emerging countries in the Asian region, has been increasing over the years. In the event of unforeseen circumstances, such as sudden changes in the economic situation in these countries and regions or unforeseen amendments or new applications of tax systems or monetary policies in each country or region; for example, a government shortage of foreign currency restricting the Group's imports of parts and making it impossible for production to proceed as planned, could have an adverse effect on the Group's business performance and financial position.

2) Intensification of competition with other companies

Although the Group is working on measures to maintain and improve its competitiveness, it is exposed to competition from other companies in the markets of each country and region in which it operates. As the globalization of the automobile, motorcycle, and outboard motor industries continues to further progress and as companies from other industries increasingly enter the market, competition is likely to intensify. If the Group is no longer able to maintain a competitive position in various areas such as product quality, safety, price, environmental performance, the efficiency of product development and production systems, the establishment of sales and service systems, and sales financing, this could have an adverse effect on the Group's business performance and financial position.

(3) Financial and economic risks

1) Fluctuations in exchange rates and interest rates

The Suzuki Group exports automobiles, motorcycles, outboard motors and their parts from Japan to various countries and regions around the world, and also exports these products and parts from its overseas production sites to multiple countries and regions. Currently, overseas revenue accounts for more than 70% of the Group's consolidated revenue. In particular, as the Group is highly dependent on overseas production plants, especially in emerging countries, it is particularly susceptible to foreign exchange rate fluctuations. To mitigate the risk of exchange rate fluctuations, the Group takes measures such as hedging through forward exchange contracts and optimizing global operations by decentralizing production sites. In addition, as the Group procures most of its funds in Japan, it takes similar measures such as hedging through forward exchange contracts and optimizing global operations by decentralizing production sites to mitigate the risks of exchange rate and interest rate fluctuations.

However, it is not possible to hedge against all risks, and fluctuations in exchange rates and interest rates may have an adverse effect on the Group's business performance and financial position.

2) Fluctuations in raw materials and parts prices

The Group is taking steps to improve profitability, such as implementing cost reduction activities and optimizing product prices to take into account fluctuations in input costs due to fluctuations in raw materials prices and efforts to strengthen business partners' foundations.

However, if purchase prices of raw materials and parts increase sharply, and if these costs cannot be fully passed on to the sales prices of products, this could have an adverse effect on the Group's business performance and financial position.

(4) Risks related to politics, regulations, legal procedures, disasters, etc.

1) Government regulations, etc.

We collect information and conduct monitoring activities in order to respond to changes in the international situation. We are actively working on developing environmental technologies and improving our products to comply with stringent legal regulations regarding exhaust gases, fuel efficiency, noise, safety, and the emission of pollutants from manufacturing plants. We are also strengthening our compliance system to comply with a wide range of domestic and international laws and regulations, including laws on consumer protection, labor, and antitrust.

However, unforeseen changes in environmental regulations, trade policies, labor laws, etc. due to rapid changes in the international situation may affect our business environment. Furthermore, if regulatory revisions result in increased costs, this could have an adverse effect on the Group's business performance and financial position.

2) Protection of intellectual property

The Group has accumulated intellectual property, including technology and know-how, in order to differentiate its products from those of other companies, and has taken measures to protect this intellectual property as well as to prevent infringement of the intellectual property rights of third parties.

However, if the Group's intellectual property is illegally infringed, or if a third party alleges intellectual property infringement and this leads to litigation, the suspension of production and sales, or the payment of damages, this could have an adverse effect on the Group's business performance and financial position.

3) Legal procedures

To address the risk of litigation and legal proceedings, we respond promptly and appropriately to investigations based on relevant laws and regulations.

However, if an unfavorable judgment is made in ongoing litigation or future legal proceedings, resulting in fines or damages, this could have an adverse effect on the Group's business performance and financial position.

4) Business development in countries and regions around the world

The Group conducts business in various countries and regions throughout the world, and in some countries and regions it conducts joint ventures with local companies in accordance with the laws and other regulatory requirements of those countries and regions. These businesses are subject to various legal and other regulations in each country and region (including those related to taxation, tariffs, overseas investment, and repatriation of funds). Any changes in these regulations or in the management policies and business environments of joint venture partners could have an adverse effect on the Group's business performance and financial position.

In addition, many governments impose tariffs, price control regulations, and foreign exchange control regulations. The Group has incurred and expects to continue to incur costs in order to comply with these regulations. The enactment of new laws or amendments to existing laws may also result in additional costs for the Group. Furthermore, unexpected changes or new applications of tax systems or economic measures in various countries and regions could have an adverse effect on the Group's business performance and financial position.

5) Impacts from natural disasters, pandemics, conflicts, terrorism, strikes, etc.

Japan is exposed to various risks, including natural disasters such as earthquakes, tsunamis, typhoons, and floods, as well as unforeseen accidents at nuclear power plants. In particular, many of our key facilities, including our head office, R&D centers, and major production sites, are concentrated in Shizuoka Prefecture, an area with a high likelihood of experiencing periodic major earthquakes. In order to minimize the impact of natural disasters such as the Tokai and Tonankai earthquakes, the Group has implemented a range of measures including seismic reinforcement of buildings and facilities, fire prevention strategies, the formulation of business continuity plans, and enrollment in earthquake insurance. However, if the scale of disaster exceeds our expectations, this could have an adverse effect on the Group's business performance and financial position.

The Group also operates in various countries and regions around the world, and is exposed to a variety of risks associated with overseas business operations.

These domestic and international risks include natural disasters, pandemics, wars, terrorism, riots, strikes, and other risks arising from political or social instability and turmoil. Should any of these unforeseen events occur, delays or suspensions may arise in the procurement of raw materials and parts, as well as in production, sales, logistics, and the provision of services. If such delays or suspensions occur and become prolonged, they could have an adverse effect on the Group's business performance and financial position.

4. Management Analysis of Financial Position, Operating Results, and Cash Flows

Forward-looking statements in this document are determined by the Group as of the end of the current consolidated fiscal year. Actual results may differ from these statements, and their achievement is not guaranteed.

* Starting from the current consolidated fiscal year (April 1, 2024 to March 31, 2025), the Group has adopted International Financial Reporting Standards (IFRS) instead of the previous Japanese GAAP. Figures for the previous consolidated fiscal year (April 1, 2023 to March 31, 2024) are restated to IFRS for comparative analysis.

(1) Operating results

Regarding the operating results for the current consolidated fiscal year, revenue increased by ¥467.6 billion (8.7%) year on year (YoY) to ¥5,825.2 billion. This was attributable to increased unit sales, price revisions and the effect of foreign exchange rates. Operating profit increased by ¥149.0 billion (30.2%) YoY to ¥642.9 billion. This was mainly attributable to increased revenue and cost reductions that surpassed increased fixed costs such as research and development expenses and labor costs and the effect of efforts to strengthen business partners' foundations.

Profit before tax increased by ¥138.5 billion (23.4%) YoY to ¥730.2 billion. Profit attributable to owners of parent increased by ¥99.0 billion (31.2%) YoY to ¥416.1 billion. Regarding profitability for the current consolidated fiscal year, ratio of operating profit to revenue improved to 11.0% from 9.2%, and ROE improved to 14.6% from 12.6% compared to the previous consolidated fiscal year. We recognize this is the result of our efforts to strengthen earning power.

Operating results by segment are as outlined below.

1) Automobile Business

Revenue increased by ¥435.6 billion (8.9%) YoY to ¥5,305.2 billion. Operating profit increased by ¥143.7 billion (33.9%) YoY to ¥567.6 billion.

2) Motorcycle Business

Revenue increased by ¥33.1 billion (9.1%) YoY to ¥398.1 billion. Operating profit increased by ¥1.7 billion (4.4%) YoY to ¥40.8 billion. This was mainly attributable to sales expansion in India.

3) Marine Business

Revenue decreased by ¥2.0 billion (1.8%) YoY to ¥109.7 billion. Operating profit increased by ¥3.1 billion (11.4%) YoY to ¥30.6 billion.

4) Other Business

Revenue increased by ¥0.9 billion (7.9%) YoY to ¥12.1 billion. Operating profit increased by ¥0.5 billion (13.5%) YoY to ¥3.8 billion.

Production, orders, and sales are as outlined below.

1) Production

Segment name	Current consolidated fiscal year (thousand units)	YoY comparison (%)
Automobile Business	3,296	+0.9
Motorcycle Business	1,530	+12.6
Marine Business	110	(1.8)

2) Orders

The Group mainly engages in forecast-based production; therefore, there are no applicable matters related to build-to-order production.

3) Sales

Segment name	Current consolidated fiscal year (Billions of yen)	YoY comparison (%)
Automobile Business	5,305.2	+8.9
Motorcycle Business	398.1	+9.1
Marine Business	109.7	(1.8)
Other Business	12.1	+7.9
Total	5,825.2	+8.7

Note: Sales refer to sales to external customers.

(2) Financial position

With respect to the financial position at the end of the current consolidated fiscal year, total assets were ¥5,993.7 billion (increased by ¥236.0 billion from the end of the previous consolidated fiscal year).

Total liabilities were ¥2,305.6 billion (decreased by ¥67.6 billion from the end of the previous consolidated fiscal year). As for the borrowings, the Company intends to maintain the current borrowing level for the time being due to the unstable global situation.

Total equity was ¥3,688.1 billion (increased by ¥303.6 billion from the end of the previous consolidated fiscal year), of which equity attributable to owners of parent was ¥2,970.7 billion (increased by ¥250.9 billion from the end of the previous consolidated fiscal year). This was attributable to an increase of ¥377.9 billion in retained earnings mainly due to profit and decrease of ¥118.2 billion in other components of equity mainly due to a decrease in foreign currency translation adjustment.

As a result, ratio of equity attributable to owners of parent to total assets was 49.6% (47.2% at the end of the previous consolidated fiscal year).

(3) Analysis and review of cash flows, and information on sources of capital and liquidity of funds

1) Cash flows

The balance of cash and cash equivalents at the end of the current consolidated fiscal year amounted to ¥842.7 billion (increased by ¥2.7 billion from the end of the previous consolidated fiscal year). Cash flows for the current consolidated fiscal year are as follows.

(i) Cash flows from operating activities

Net cash provided by operating activities for the current consolidated fiscal year was ¥669.8 billion (¥501.8 billion was provided for the previous consolidated fiscal year). This was mainly due to profit before tax of ¥730.2 billion.

(ii) Cash flows from investing activities

Net cash used in investing activities for the current consolidated fiscal year was ¥475.6 billion (¥477.4 billion was used for the previous consolidated fiscal year). This was mainly due to purchase of property, plant and equipment of ¥344.7 billion.

(iii) Cash flows from financing activities

Net cash used in financing activities for the current consolidated fiscal year was ¥186.0 billion (¥92.9 billion was used for the previous consolidated fiscal year). This was mainly due to dividends paid to owners of parent of ¥70.9 billion and dividends paid to non-controlling interests of ¥29.9 billion.

2) Sources of capital and liquidity of funds

In the Mid-Term Management Plan announced in February 2025, the Suzuki Group presented its capital allocation for the six years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2031 (see the diagram below). Regarding the use of funds, the Group plans to allocate a total of ¥4.0 trillion mainly for capital expenditures and growth investments in research and development expenses, aimed at enhancing corporate value through the realization of the Mid-Term Management Plan. With regard to funding sources, the Group intends to raise funds mainly through cash obtained from operating activities. In terms of external financing, the Group is considering various methods from the perspective of diversifying financing sources, and has established a bond issuance limit of ¥200.0 billion as one such option.

In managing the liquidity of the Group's funds, the policy is to maintain a certain level of liquidity on hand to be able to respond to sudden changes in the external environment. Additionally, in Japan and Europe, we have established a system that enables a flexible response within the Group through a cash pool system.

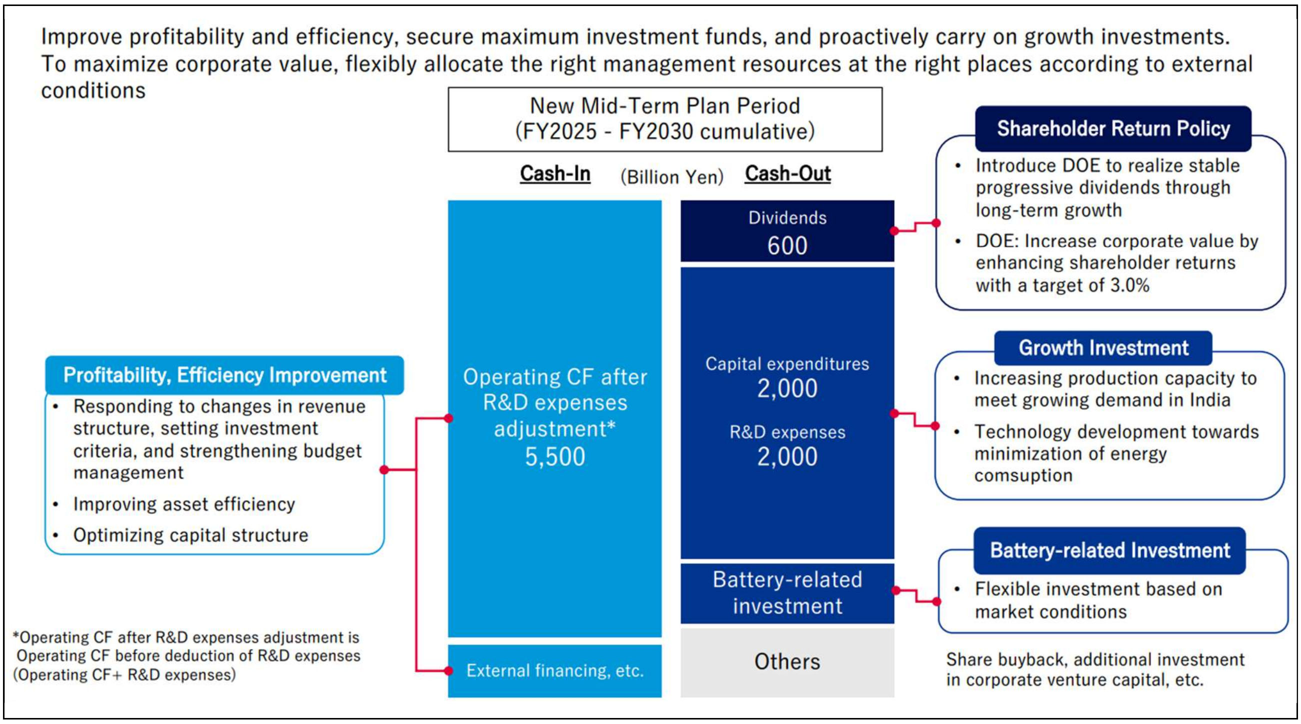
Furthermore, the Company has signed commitment line agreements with six banks for a total of ¥300.0 billion. As of the end of the current consolidated fiscal year, the commitment lines remain unused.

The Company's cash and cash equivalents at the end of the current consolidated fiscal year amounted to ¥574.3 billion (non-consolidated basis), which is equivalent to 2.6 months of monthly sales, thereby ensuring sufficient liquidity. As part of our efforts to improve liquidity, the Company is returning dividends received from subsidiaries to the head office in accordance with certain rules. In the current consolidated fiscal year, this resulted in a cash inflow of ¥46.4 billion.

The Group's cash and cash equivalents at the end of the current consolidated fiscal year amounted to ¥842.7 billion (consolidated basis). In addition, separately from this, our subsidiary in India, Maruti Suzuki India Ltd. primarily manages cash obtained from operating activities through open-ended investment trusts. The balance of these investments is approximately ¥1.0 trillion, thereby ensuring sufficient liquidity. Future major capital expenditures will include investments to expand production capacity for automobiles in India, which we intend to implement using Maruti Suzuki India Ltd.'s own funds.

Furthermore, the Group has obtained a credit rating from Rating and Investment Information, Inc., a domestic credit rating agency. As of the filing date of this report, our rating is "Single A+ (Stable)." This rating, which was conducted in September 2024, represents an upgrade of one rank from the previous rating of "Single A (Positive)."

(Reference) Mid-Term Management Plan Slide Materials p. 37 "Capital Allocation"



(4) Significant accounting estimates and assumptions used in estimates

The consolidated financial statements of the Suzuki Group are prepared in accordance with International Financial Reporting Standards (IFRS). Their preparation requires management's selection and application of accounting policies, the reported amounts of assets and liabilities and income and expenses, and estimates that affect disclosure. Management makes reasonable judgements about these estimates, taking into account past performance and other factors. However, actual results may differ from these estimates due to the uncertainties inherent in such estimates.

Among the significant accounting estimates and the assumptions used in those estimates, the details and amounts of significant estimates are described in "V. Financial Information, Notes to Consolidated Financial Statements 4. Significant accounting estimates and judgments involving estimates."

(5) Concurrent disclosure information

The condensed consolidated financial statements prepared in accordance with the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (excluding Parts 3 to 6; hereinafter, "Japanese GAAP") and changes to significant matters for preparing condensed consolidated financial statements are as follows.

The condensed consolidated financial statements prepared in accordance with Japanese GAAP have not been audited pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

In addition, for condensed consolidated financial statements prepared in accordance with Japanese GAAP, amounts less than 1 million yen are rounded down.

1) Condensed consolidated balance sheets

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Assets		
Current assets	2,437,638	2,557,593
Non-current assets		
Property, plant and equipment	1,329,840	1,461,109
Intangible assets	7,804	12,936
Investments and other assets	1,610,334	1,554,042
Total non-current assets	2,947,980	3,028,089
Total assets	5,385,618	5,585,683
Liabilities		
Current liabilities	1,741,046	1,560,319
Non-current liabilities	506,174	618,216
Total liabilities	2,247,220	2,178,536
Net assets		
Shareholders' equity	2,198,245	2,508,657
Total accumulated other comprehensive income	292,768	200,221
Share acquisition rights	41	41
Non-controlling interests	647,342	698,226
Total net assets	3,138,397	3,407,147
Total liabilities and net assets	5,385,618	5,585,683

2) Condensed consolidated statement of income and condensed consolidated statement of comprehensive income

Condensed consolidated statement of income

(Millions of yen)

	FY2023 (April 1, 2023 – March 31, 2024)	FY2024 (April 1, 2024 – March 31, 2025)
Net sales	5,374,255	5,843,087
Cost of sales	3,959,818	4,253,829
Gross profit	1,414,437	1,589,257
Selling, general and administrative expenses	948,874	995,967
Operating profit	465,563	593,289
Non-operating income	58,111	65,574
Non-operating expenses	35,149	36,775
Ordinary profit	488,525	622,089
Extraordinary income	3,486	44,896
Extraordinary losses	2,734	2,186
Profit before income taxes	489,276	664,799
Total income taxes	145,049	190,592
Profit	344,227	474,206
Profit attributable to non-controlling interests	76,509	84,040
Profit attributable to owners of parent	267,717	390,166

Condensed consolidated statement of comprehensive income

(Millions of yen)

	FY2023 (April 1, 2023 – March 31, 2024)	FY2024 (April 1, 2024 – March 31, 2025)
Profit	344,227	474,206
Total other comprehensive income	377,835	(92,281)
Comprehensive income	722,062	381,925
Comprehensive income attributable to:		
Owners of parent	552,832	297,619
Non-controlling interests	169,230	84,306

3) Condensed consolidated statement of changes in equity

FY2023 (April 1, 2023 – March 31, 2024)

(Millions of yen)

	Shareholders' equity	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of current fiscal year	2,070,363	7,653	41	430,561	2,508,620
Changes during period	127,881	285,114	–	216,781	629,777
Balance at end of current fiscal year	2,198,245	292,768	41	647,342	3,138,397

FY2024 (April 1, 2024 – March 31, 2025)

(Millions of yen)

	Shareholders' equity	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of current fiscal year	2,198,245	292,768	41	647,342	3,138,397
Changes during period	310,412	(92,546)	–	50,883	268,749
Balance at end of current fiscal year	2,508,657	200,221	41	698,226	3,407,147

4) Condensed consolidated statement of cash flows

(Millions of yen)

	FY2023 (April 1, 2023 – March 31, 2024)	FY2024 (April 1, 2024 – March 31, 2025)
Net cash provided by (used in) operating activities	446,045	596,949
Net cash provided by (used in) investing activities	(433,855)	(419,630)
Net cash provided by (used in) financing activities	(81,225)	(171,108)
Effect of exchange rate changes on cash and cash equivalents	40,526	(4,707)
Net increase (decrease) in cash and cash equivalents	(28,508)	1,502
Cash and cash equivalents at beginning of period	882,146	853,637
Cash and cash equivalents at end of period	853,637	855,140

5) Changes in significant matters for preparing condensed consolidated financial statements

FY2023 (April 1, 2023 – March 31, 2024)

(Change in the scope of consolidation)

One newly established company has been included in the scope of consolidation. Two companies have been excluded from the scope of consolidation due to the completion of their liquidation.

(Change in the scope of application of the equity method)

One company has been included in the scope of application of the equity method due to the acquisition of additional shares. In addition, two companies have been excluded from the scope of application of the equity method due to the completion of their liquidation and other reasons.

FY2024 (April 1, 2024 – March 31, 2025)

(Change in the scope of consolidation)

Two newly established companies have been included in the scope of consolidation.

(Change in the scope of application of the equity method)

Two newly invested associates have been included in the scope of application of the equity method.

(6) Information regarding differences in significant matters pertaining to the overview of operating results, etc.

FY2023 (April 1, 2023 – March 31, 2024)

Please refer to “39. First-time adoption of IFRS” in “V. Financial Information 1. Consolidated Financial Statements, etc. (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements.”

FY2024 (April 1, 2024 – March 31, 2025)

(Property, plant and equipment)

Property, plant and equipment (excluding lease assets), which were depreciated primarily using the declining-balance method under Japanese GAAP, are depreciated using the straight-line method under IFRS. In addition, the estimated useful lives have been revised in line with the adoption of IFRS. As a result of this treatment, profit before tax increased by ¥9.0 billion compared to the previous method.

(Intangible assets)

Research and development expenses were expensed as incurred under Japanese GAAP. Under IFRS, amounts that satisfy requirements for capitalization are recognized in assets. As a result of this treatment, profit before tax increased by ¥24.6 billion compared to the previous method.

(Debt instruments)

Under Japanese GAAP, changes in fair value of certain debt instruments included in investment securities were recognized in other comprehensive income. Under IFRS, the changes in fair value are recognized as “finance income” and “finance costs.” As a result of this treatment, profit before tax increased by ¥23.9 billion compared to the previous method.

5. Critical Contracts, etc.

1.	February 2017	Suzuki signs MOU for a business tie-up with Toyota Motor Corporation. (Enters capital alliance agreement in August 2019)
2.	July 2021	Suzuki signs joint planning agreement regarding collaboration in commercial business with Toyota Motor Corporation, ISUZU MOTORS LIMITED., Hino Motors, Ltd., and DAIHATSU MOTOR CO., LTD.

6. Research and Development Activities

Under our motto to develop products of superior value by focusing on the customer, we are working on research and development as follows to deliver products and services that support the daily lives of customers worldwide while being eco-friendly, always accessible and dependable, as a lifestyle partner.

The Company is engaged in technology development aimed at realizing its Mission Statement and Philosophy of Conduct: “Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty),” “Genba, Genbutsu, Genjitsu (Actual place, Actual thing, Actual situation)” and “YARAMAIKA (Entrepreneurial Spirit),” and minimizing energy consumption throughout the mobility life cycle. Based on this philosophy, we will create products that are optimal for countries and regions across the world, helping to realize a sustainable, carbon-neutral society and provide the joy of mobility to people throughout the world.

We announced the Mid-Term Management Plan (FY2025-FY2030) “By Your Side” in February 2024, which indicates that the vision of Team Suzuki is to be an infrastructure mobility closely connected with people’s lives. To remain a close and reliable presence for our customers and society, we will not only update our existing business approaches, which are the extension of our conventional business operations, but also embark on new initiatives, embracing discontinuity and pursuing growth.

In FY2024, research and development expenses of the entire Group amounted to ¥265.6 billion, and the breakdown of activities by segment is as shown below.

(1) Automobile Business

1) New product development

[Domestic market]

On March 12, 2025, the Company achieved total cumulative automobile sales of 30 million units in Japan[*1], which include mini vehicles and compact vehicles. The breakdown is approximately 27.07 million mini vehicles and approximately 2.93 million compact vehicles. To date, the Company has provided original products that are in line with customer needs. Going forward, we will continue to develop valuable products that meet customer needs through our manufacturing philosophy, “Sho-Sho-Kei-Tan-Bi (Smaller, Fewer, Lighter, Shorter, Beauty).”

- In September 2024, we launched the new Spacia Gear, a high wagon type mini vehicle. Based on the concept of a compact height wagon that is indispensable for active drivers’ outdoor activities, the new model features user-friendly equipment used on the Spacia and Spacia Custom models that underwent a full model change in November 2023, as well as an exclusive design and equipment for outdoor lifestyles.
- In October 2024, we launched the new Fronx compact SUV. Based on the concept of an easy-to-handle coupe style SUV, this is a new genre of compact SUV combining a powerful, high-quality, and sophisticated design with ease of handling and comfortable interior space, high driving performance that achieves a smooth and sporty drive, and the latest safety features that support daily peace of mind and safety. A 4WD option is available exclusively to the Japanese market. Fronx was selected as one of the “10 Best Cars” of the 2024-2025 Car of the Year Japan (sponsored by the Car of the Year Japan Executive Committee). As a global vehicle, it is also sold in India, Latin America, the Middle East, and Africa, where it has been well received.
- In January 2025, we launched the all-new Jimny Nomade, the first five-door model in the Jimny series. Based on the concept of “a five-door compact cross-country 4x4 with authentic rough-road driving ability,” while maintaining the rough-road driving ability that is the most attractive feature of the Jimny series, it has realized improved accessibility and comfort for rear-seat passengers and greater luggage space by adopting rear doors and extending the wheelbase, thereby increasing comfort on long drives. In terms of driving performance, the ladder frame, a feature of the Jimny series, has been newly developed for the Jimny Nomade to ensure the rigidity necessary for increased weight. In addition, the body configuration of the FR layout, part-time 4WD with low range transfer gear and 3-link rigid axle suspension has been inherited.
- The Swift won the 2025 RJC Car of the Year award. The Swift is the fourth-generation model since its launch in 2004, making it the fourth consecutive generation to receive the award.

[Overseas markets]

The Company always focuses on the customer, including in overseas markets, and develops and provides products with value that exceeds customers' expectations.

- In May 2024, Suzuki's Indian subsidiary, Maruti Suzuki India Ltd. (hereinafter, "Maruti Suzuki"), launched sales of the all-new Swift in India. The new-model Swift is manufactured at Suzuki Motor Gujarat Pvt. Ltd., a subsidiary of Maruti Suzuki. We provide new value through this evolved premium hatchback to the younger generation of India.
- In November 2024, Maruti Suzuki launched the all-new Dzire compact sedan in India. The Dzire is one of Maruti Suzuki's flagship models, with accumulated sales of over 2.7 million units[*2] in India since its launch in March 2008. The new Dzire is based on the product concept of a "Progressive Stylish Compact Sedan," and has been developed to further refine the formal sedan design and excellent fuel efficiency that have been the strengths of previous Dzire models, making it a product that can be selected not only by traditional sedan users who prefer a traditional design but also by young entry-level users who are interested in advanced technology and stylish looks.
- Suzuki's subsidiary in Pakistan, Pak Suzuki Motor Co., Ltd. (hereinafter, "Pak Suzuki"), unveiled the all-new Every in October 2024. The new Every is a successor to the long-loved compact van Bolan, which has been popular in Pakistan for many years, serving both as a work vehicle and a family car. It adopts the same body size and engine displacement as the commercial mini-vehicle Every that is sold in Japan. Since starting production in 1982, Pak Suzuki has provided reliable and affordable compact cars based on Japanese mini-vehicle models. Suzuki aims to continuously contribute to the development of local communities as a "mobility company that supports daily life."

2) Addressing the minimization of energy consumption

Suzuki will contribute to achieving the carbon neutral targets in each country by expanding the range of choices for our customers and providing products and services that meet local needs. We will continue to develop electrification technologies that meet the needs and usage styles of our customers, and are also working on multi-pathway initiatives, such as further improving the thermal efficiency of existing internal combustion engines, reducing CO_2 emissions by using carbon-neutral (CN) fuel, and researching and developing engines that use hydrogen fuel. In addition to promoting the development and commercialization of battery electric vehicles (BEVs), we will also focus on further improving internal combustion engines and increasing the efficiency of hybrid electric vehicles (HEVs).

In addition, we are also working to produce safe and lightweight bodies with low CO_2 emissions using efficient energy. Specifically, we are promoting activities such as the development and practical application of "cold-forming technology for ultra-high tensile steel" that uses ultra-high tensile steel with a tensile strength of 1.5GPa and results in lower CO_2 emissions during production; the development of a "new mold structure method" that enables the forming of complex shapes in shorter processes; and the practical application of "welding current control technology" that monitors the quality of joints in high-strength materials. Based on these technologies, we will provide safe and eco-friendly mobility.

We have launched the "S Light Project" to reduce the weight of the Alto by 100 kg. In addition to material replacement, miniaturization, and the functional integration of parts, we will work together as a company to achieve "lightweight and safety" by searching for the perfect package. By reducing weight, we will create a virtuous cycle that will lead to various benefits for the entire vehicle.

We are also promoting the minimization of energy consumption in our EV and HEV initiatives. We are developing lean-battery electric vehicles with the aim of delivering the most energy-efficient electric vehicles suited to the country, region, and customer usage, without excessive capacity.

In the area of BEVs, Suzuki unveiled the "e VITARA," the Company's first global strategic BEV model, in Milan, Italy, in November 2024 and at the Bharat Mobility Global Expo 2025 held in India in January 2025. Based on the concept of "Emotional Versatile Cruiser," the "e VITARA" is an SUV with product features including a design that combines the advanced feel of a modern BEV with the ruggedness of an SUV, a BEV powertrain consisting of a highly efficient eAxle and a lithium iron phosphate battery that pursues safety and security, the "ALLGRIP-e" powered by an electric 4WD motor with two independent e-Axles at the front and rear, and the "HEARTECT-e" platform newly developed exclusively for BEVs. Production will begin at Suzuki Motor Gujarat Private Limited in spring 2025, with sales to begin gradually in various countries, including India, Europe, and Japan, around summer 2025. In addition, Suzuki aims to introduce a mini commercial van BEV equipped with a BEV system, which is jointly developed by Suzuki, Daihatsu, and Toyota, during FY2025.

In the field of HEVs, we are developing the 48V Super Ene-Charge, which enhances motor output compared with our current mainstay 12V mild hybrid, while remaining battery-lean. This is a hybrid system that utilizes the Company's strengths in manufacturing small and lightweight vehicles. In addition, considering future compatibility with CN fuels, we are proactively promoting the development of electric vehicles to achieve an even greater minimization of energy consumption.

Regarding improvements to internal combustion engine vehicles, the new Z12E engine and highly efficient new continuously variable transmission (CVT) equipped to the all-new Swift model, which was launched in December 2023, have also been installed in the new Solio, which underwent a minor change in January 2025, achieving a low fuel consumption of 22.0 km/L (2WD vehicle) in WLTC mode. We will expand the adoption of this powertrain to improve the environmental performance of our vehicles.

The all-new mini vehicle WagonR Smile combines the R06D engine, which employs dual injection and cooled EGR to improve combustion efficiency, with a lightweight, highly efficient new CVT, and mild hybrid system, thereby achieving fuel efficiency of 25.1 km/L (HYBRID x 2WD vehicle) while also achieving high driving performance.

Furthermore, in order to offer a lineup of vehicles equipped with environmentally friendly technologies that meet diverse needs in India, we have jointly developed a compressed natural gas (CNG) compatible vehicle with Maruti Suzuki. As a result, approximately 430,000 units were sold in India in FY2023 and around 600,000 units were sold in FY2024, a 1.5-fold increase year on year.

In addition, in order to promote the biogas business utilizing cow dung, Suzuki, the National Dairy Development Board (NDDB), and Banas Dairy, Asia's largest dairy manufacturer, agreed in September 2023 to establish biogas production plants (starting operation in 2025). Currently, we are promoting the development of CNG/CBG vehicles compatible with biomethane gas fuels and the development of manufacturing technology to produce biogas fuel of stable quality. Furthermore, in October 2024, we reached two new agreements with dairy cooperatives to establish biogas production plants.

Furthermore, we are currently working on the development of a vehicle equipped with a high-ethanol blend gasoline-compatible engine, which has been developed with our support by Maruti Suzuki, with a view to its launch in the current fiscal year.

We are also joining the Research Association of Biomass Innovation for Next Generation Automobile Fuels, which was established to study ways to optimize the process of producing fuel. The Association promotes technological research on the use of biomass, as well as the efficient production of bioethanol fuel for automobiles through the optimized circulation of hydrogen, oxygen, and CO_2 during production to achieve a carbon-neutral society.

3) Development of safety and security technologies

Suzuki continues to develop preventive safety technologies to avoid accidents before they happen, as well as collision safety technologies to mitigate damage in the event of an accident. To ensure that people can enjoy driving with peace of mind, we are committed to further advancing and promoting our technologies with the aim of creating a future without accidents.

In particular, when it comes to preventive safety technologies, it is important to fully understand the road environments and driving conditions in each country, and to develop technologies that reliably support safe driving for customers. India, an important market for the Company, experiences severe traffic congestion and has unique driving habits, making it difficult to directly apply Japanese technologies as they are. Leveraging our 40 years of market experience in India, we plan to independently develop preventive safety technologies that function effectively even in Indian urban environments.

4) Development of environmentally friendly production technologies

In automotive painting, only about 65% of the paint used becomes part of the final coating. The remaining paint that does not form part of the coating is collected and disposed of as waste. In order to reduce waste and advance toward more environmentally friendly painting technologies, we are promoting the following activities.

・Introduce an ultra-close-range painting machine, reducing the distance between the paint target and the painting machine from 250 mm to 100 mm and using the electrostatic force to improve coating efficiency from 65% to 98% (to be introduced in 2025).

・By improving coating efficiency, we will reduce the airflow within the booth and cut energy consumption by 50% (development to be completed in 2027).

・Replacing resin coating with film will eliminate the need for booths and drying ovens, reducing CO_2 emissions by 75% (development to be completed in 2029).

In terms of materials, we are working on developing production technologies for resin components using the environmentally friendly bio-based resin material DURABIO.

DURABIO contains 53% plant-derived starch and enables a beautiful, high-gloss appearance without the need for painting. To utilize this material, we are promoting the development of molding technologies that realize design aesthetics and production methods that require less energy.

By using this material, we will contribute to reducing CO_2 emissions and volatile organic compounds (VOCs), which cause air pollution, during the painting process.

5) Development of information, communication, and automation technologies

Following the introduction of connected technology to the new Spacia for the domestic market since December 2021, the new Baleno for India since February 2022, and the new S-Cross for Europe since August 2022, Suzuki is providing and enhancing the “Suzuki Connect” service to a total of 16 vehicle models.

By utilizing connected technology, we provide our customers with a safer, more comfortable, and more convenient car life through features such as prompt and attentive customer support in emergencies, as well as remote functions that enable customers to check the status of their vehicle and operate it from a distance.

Going forward, Suzuki plans to gradually expand the technology to other regions and equip it to other models, while also promoting quality improvements and design support through the use of connected data. In addition, we will advance the development of a new generation of connected technology by adopting next-generation communications technologies and implementing a connected navigation system and new functions for BEVs.

In March 2023, we launched the “SUZUKI FLEET” vehicle management service for corporate clients. By leveraging connected technology, we provide support for operations such as daily fleet management and promoting safe driving among employees to companies that use vehicles on a daily basis. The service uses easily attachable communication devices, which can also be installed on vehicles already owned by companies. Going forward, we will analyze driving data to offer customized services tailored to different industries and companies, and will also expand the service to support the introduction of EVs in line with carbon-neutrality efforts.

We will work to incorporate communications technology not only into automobiles but also into other products such as motorcycles, outboard motors, and electric senior vehicles. We will also explore new products such as new electric mobility units and advanced IoT technologies to support carbon neutrality.

For “Software Defined Vehicle” (SDV), we are developing “SDV right” based on the following pillars: the best mix of wired and wireless (OTA) software updates; ECU integration that shares hardware to reduce the cost of parts; and a software platform that reuses software to reduce development costs. Through “SDV right,” we will create and deliver software-driven vehicle value to customers in a way that is never excessive but affordable.

Due to the aging and declining population, the shortage of drivers who support the movement of people and goods has become a social issue. We are taking on the challenge of putting autonomous driving technology into practical use to help solve this issue.

Regarding human mobility, we have been participating in a public-private joint project (Hamamatsu Automated Driving Yaramaika Project) since 2016 with the goal of “securing a mode of transportation for people who are at a disadvantage because they live in areas lacking public transportation." To realize autonomous driving technologies and mobility services in line with our principle of manufacturing, "Genba, Genbutsu, Genjitsu (Actual place, Actual thing, Actual situation)," we conducted verification tests in FY2017, FY2019, FY2022, FY2023, and FY2024, and advance development by incorporating feedback from local residents and local governments. In FY2024, we conducted a long-term verification test over a three-month period to evaluate functions such as automatic stopping at stops along the route based on user reservation information and smoother operation through software improvements. Going forward, we will carefully examine and analyze the results of these evaluations to steadily advance the practical implementation of autonomous driving technology.

Regarding the movement of goods, we are working with an Australian startup, Applied EV, to develop an autonomous electric cart for logistics utilizing the ladder frame of the Jimny. By combining our manufacturing strengths with the creativity and flexibility that are the strengths of the startup, we will create a versatile autonomous electric cart platform that can be used for various applications, leading to new value.

Suzuki aims to bring joy to everyone, not only through owner-driven cars, but also by enabling the movement of people and goods.

Research and development expenses for the Automobile Business in the current consolidated fiscal year amounted to ¥239.1 billion.

*1 Based on data sourced from the Japan Light Motor Vehicle and Motorcycle Association and the Automobile Inspection & Registration Information Association.

*2 Sales volume in India by the end of September 2024

(2) Motorcycle Business

In the Motorcycle Business, we are developing technologies to achieve carbon neutrality and to provide appealing motorcycles that customers want. At the Bharat Mobility Global Expo 2025 held in India in January 2025, we unveiled three models: the all-new e-ACCESS, which is the first global strategic model of battery electric vehicle (BEV) motorcycles; the all-new ACCESS scooter with improved fuel efficiency; and the GIXXER SF 250, which is compatible with bioethanol fuel. In addition, we participated in the Suzuka 8 Hours Endurance Race held in July 2024 with the GSX-R1000R using sustainable fuel, and finished in 8th place. We will continue to develop various options toward achieving carbon neutrality.

In addition, we have adopted the Ride-by-wire Electronic Throttle System, an electronic throttle control system, for the new DR-Z4S dual-purpose model and the new DR-Z4SM supermoto model. By connecting the accelerator and the sensor with a wire, we have achieved a highly accurate and sensitive response to accelerator operations by the rider.

Research and development expenses for the Motorcycle Business in the current consolidated fiscal year amounted to ¥20.2 billion.

(3) Marine Business

In the Marine Business, we strive to protect the environment and improve convenience as a dependable partner that supports both “pleasure” and “work” on the water. We are actively working to improve products and introduce new technologies to make the environment of waterfront areas, which is closely related to our customers’ lives, clean and sustainable.

Our main achievements include the development of three new models, including the DF140BT, in the STEALTH LINE series of outboard motors, which are highly acclaimed for their full matte black finishing, bringing the total to seven models.

As part of our efforts to improve the performance of outboard motors and for sustainability, the Company developed anodizing technology for engine parts (cylinder blocks and cylinder heads), and adopted it for certain specifications of the DF140BT starting from August 2024. This initiative is the world’s first[*3] of its kind for mass-produced outboard motors. As a result, the corrosion resistance of the engine’s cooling water passages has been improved, and CO_2 emissions during manufacturing have been reduced by approximately 50% compared with conventional surface treatments.

In addition, as part of the Suzuki Clean Ocean Project, which began in 2020, we are undertaking the collection of marine micro-plastics. In 2024, through joint research with Shizuoka University, we succeeded in dyeing micro-plastics using proteins, and are endeavoring to establish a method for identifying micro-plastics using this technology. Furthermore, we have been continuously working to decrease plastic packaging materials for outboard motor products and parts. By switching to paper and biodegradable materials, we reduced approximately 89 tons of plastic between October 2020 and February 2025.

Through all activities in the Marine Business, we aim to achieve Goal 14 of the SDGs, “Life Below Water.”

Research and development expenses for the Marine Business in the current consolidated fiscal year amounted to ¥6.0 billion.

*3 Based on the Company’s research conducted in February 2025

(4) Other Business

Other notable initiatives include the compact, low-speed electric mobility business. In this area, we are applying the motorized wheelchair technology that we have cultivated over the years to the development of electric mobility technologies that can be used for a wide variety of purposes, from passenger mobility to industrial robots.

Specifically, we are advancing development toward the commercialization of products such as the SUZU-RIDE, which we exhibited at the JAPAN MOBILITY SHOW 2023, as a new mobility proposal that will serve as a means of transportation for a wide range of people, from the young to the elderly.

In addition, we exhibited our Electric Mobility Base Unit, which serves as the platform for industrial robots in various fields, at domestic and international exhibitions, including Logis-Tech Tokyo held in September 2024 and CES2025 held in January 2025, and are working to solve various social issues with the strong support of many partners. Currently we are advancing product development toward commercialization to meet the expectations of our partner companies who are waiting for its release.

Research and development expenses for the Other Business in the current consolidated fiscal year amounted to ¥0.3 billion.

III. Information about Facilities

1. Overview of Capital Expenditures

Capital expenditures in the current consolidated fiscal year amounted to ¥361,843 million, which included investment in production facilities, R&D facilities, and sales facilities.

The breakdown by business segment is as follows.

Segment name	Investment amount (Millions of yen)	Contents of investments	Funding method
Automobile business	343,238	Production facilities, R&D facilities, sales facilities, etc.	Own funds and external financing
Motorcycle business	13,898	Same as above	Same as above
Marine business	4,188	Same as above	Same as above
Other business	517	Business equipment	Same as above
Total	361,843	–	

Notes: 1. Investment amounts are the combined total for the Company and its subsidiaries.
2. Contents of investment for each segment are as follows.
In the Automobile business, the Company invested ¥81,719 million in capital equipment, mainly to expand production capacity and improve production quality. In addition, Maruti Suzuki India Ltd. invested ¥182,653 million in capital equipment, mainly to improve production facilities for new products and expand production capacity.
In the Motorcycle business, the Company invested ¥6,315 million in capital equipment, mainly in production facilities. In addition, Suzuki Motorcycle India Private Ltd. invested ¥4,226 million in capital equipment, mainly in production facilities for new products.
In the Marine business, the Company invested ¥3,097 million in capital equipment, mainly in production facilities.

2. Major Facilities

The major facilities in the Group are as follows.

(1) Reporting company

As of March 31, 2025

Name of business site (Location)	Segment name	Facility details	Carrying amount (Millions of yen)					Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land (thousand m²)	Total	
Head Office (Chuo-ku, Hamamatsu-shi, Shizuoka)	Automobile business Motorcycle business Marine business Other business	Head Office facilities	12,999	11,920	5,080	6,413 (236) [26]	36,414	7,612
Ryuyo Proving Ground (Iwata-shi, Shizuoka)	Motorcycle business	Product development and testing facilities	2,877	3,378	1,517	1,292 (754)	9,064	189
Marine Technical Center (Kosai-shi, Shizuoka)	Marine business	Product development and testing facilities	951	1,022	298	462 (13)	2,735	149
Kosai Plant and Parts Center (Kosai-shi, Shizuoka)	Automobile business Motorcycle business Marine business Other business	Production facilities	18,515	34,402	3,695	10,897 (1,272) [12]	67,511	3,317
Sagara Plant and Sagara Proving Ground (Makinohara-shi, Shizuoka)	Automobile business	Production facilities and product development and testing facilities	25,889	26,779	4,932	10,402 (1,973)	68,004	2,305
Iwata Plant (Iwata-shi, Shizuoka)	Automobile business	Production facilities	5,784	7,916	1,187	1,352 (297) [2]	16,240	1,142
Hamamatsu Plant [including Motorcycle Technical Center] (Hamana-ku, Hamamatsu-shi, Shizuoka)	Motorcycle business Other business	Production facilities and product development	11,277	5,233	1,258	5,828 (268)	23,598	1,480
Osuka Plant (Kakegawa-shi, Shizuoka)	Automobile business Motorcycle business Marine business	Foundry of parts production facilities	3,206	8,132	953	773 (151)	13,065	393
Distributors (Nationwide)	Automobile business Motorcycle business Marine business Other business	Sales facilities, etc.	34,699	153	554	82,858 (695) [5]	118,267	–

Notes: 1."Head Office," "Kosai Plant and Parts Center," "Iwata Plant," and "Distributors" lease part of their land from entities other than consolidated companies. Total rent amounts to ¥58 million. The areas of leased land are indicated in brackets [ ].

2.“Kosai Plant and Parts Center” and “Distributors” include land currently leased to consolidated companies.

3.“Distributors” includes land valued at ¥927 million (13,000 m^2) and buildings and structures, etc. valued at ¥315 million that are currently leased to entities other than consolidated companies.

4.Currently, there are no major facilities that are not in operation.

(2) Domestic subsidiaries

As of March 31, 2025

Company name (Primary location)	Segment name	Facility details	Carrying amount (Millions of yen)					Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land (thousand m²)	Total	
Suzuki Auto Parts Mfg. Co., Ltd. (Hamana-ku, Hamamatsu-shi, Shizuoka)	Automobile business Motorcycle business Marine business Other business	Production facilities	3,254	7,700	905	2,708 (215) [6]	14,568	926
Suzuki Motor Sales Kinki Inc. and 56 other sales distributors (Nationwide)	Automobile business Motorcycle business Marine business Other business	Sales facilities	63,156	28,395	2,025	88,280 (1,229) [633]	181,857	12,361

Notes: 1. Suzuki Auto Parts Mfg., Co., Ltd., Suzuki Motor Sales Kinki Inc. and 56 other sales distributors lease part of their land, machinery, equipment and vehicles, etc. from entities other than consolidated companies. Total rent amounts to ¥3,143 million. The areas of leased land are indicated in brackets [ ].

2. Suzuki Auto Parts Mfg., Co., Ltd. includes tools, furniture and fixtures, etc. valued at ¥118 million that are currently leased to entities other than consolidated companies.

3. Suzuki Motor Sales Kinki Inc. and 56 other sales distributors include land valued at ¥1,294 million (18,000 m^2) and buildings and structures, etc. valued at ¥461 million that are currently leased to entities other than consolidated companies.

(3) Overseas subsidiaries

As of March 31, 2025

Company name (Primary location)	Segment name	Facility details	Carrying amount (Millions of yen)					Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land (thousand m^2)	Total	
Magyar Suzuki Corporation Ltd. (Esztergom, Hungary)	Automobile business	Production facilities, etc.	3,031	7,730	10,615	477 (592)	21,854	3,083
Suzuki Deutschland GmbH (Bensheim, Germany)	Automobile business Motorcycle business Marine business	Sales facilities	2,006	809	753	551 (44)	4,120	167
Maruti Suzuki India Ltd. (New Delhi, India)	Automobile business	Production facilities, etc.	108,024	264,212	78,035	111,357 (15,824)	561,629	24,078
Pak Suzuki Motor Co., Ltd. (Karachi, Pakistan)	Automobile business Motorcycle business	Production facilities, etc.	901	10,093	70	200 (125)	11,266	1,554
PT Suzuki Indomobil Motor (Jakarta, Indonesia)	Automobile business Motorcycle business	Production facilities, etc.	11,239	9,488	1,524	16,423 (2,171)	38,674	3,371
Suzuki Motorcycle India Private Ltd. (New Delhi, India)	Motorcycle business	Production facilities, etc.	1,128	3,035	3,251	5,273 (546)	12,689	1,702
TDS Lithium-Ion Battery Gujarat Private Ltd. (Ahmedabad, Gujarat, India)	Automobile business	Production facilities	13,860	39,174	373	– (–)	53,408	1,062

Notes: 1. Suzuki Deutschland GmbH, Maruti Suzuki India Ltd., and TDS Lithium-Ion Battery Gujarat Private Ltd. lease part of their buildings and structures from entities other than consolidated companies. Total rent amounts to ¥309 million.

2. Maruti Suzuki India Ltd. includes land valued at ¥9,054 million (1,255,000 m^2), and buildings and structures, etc. valued at ¥3,740 million that are currently leased to entities other than consolidated companies, and land that is currently leased to TDS Lithium-Ion Battery Gujarat Private Ltd.

3. Figures for Magyar Suzuki Corporation Ltd., Maruti Suzuki India Ltd., and PT Suzuki Indomobil Motor represent the consolidated financial results for each company.

3. Planned Addition, Retirement, and Other Changes of Facilities

(1) Installation, etc. of major facilities

The Group's capital expenditures are planned by comprehensively taking into consideration demand forecasts, production plans, profit plans, cash flows and other factors in each market.

The capital expenditure plans for the one-year period following the current consolidated fiscal year amount to ¥380,000 million for the Company and its subsidiaries. The breakdown of the capital expenditure plans by the Company and each subsidiary is as follows.

Category	Amount planned (Millions of yen)
Reporting company	
Production facilities for automobiles, motorcycles, outboard motors, parts, etc.	78,000
R&D facilities	22,000
Sales facilities, etc.	8,000
Other (General administration facilities, information systems facilities, etc.)	12,000
Subtotal	120,000
Domestic subsidiaries (production and sales facilities, etc.)	22,000
Overseas subsidiaries (production and sales facilities, etc.)	238,000
Total	380,000

The breakdown by segment is as follows.

Segment name	Amount planned (Millions of yen)	Facility details	Funding method
Automobile business	347,000	Production facilities, R&D facilities, sales facilities, etc.	Own funds and external financing as required
Motorcycle business	25,000	Same as above	Same as above
Marine business	7,000	Same as above	Same as above
Other business	1,000	Business facilities	Same as above
Total	380,000	–	

(2) Retirement, etc. of major facilities

There are no plans for the retirement, etc. of major facilities other than for routine facility upgrades.

IV. Information about Reporting Company

1. Company's Shares, etc.

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized (shares)
Common shares	6,000,000,000
Total	6,000,000,000

Note: The Company resolved to amend the Articles of Incorporation to include a stock split, effective as of April 1, 2024, at the Board of Directors meeting held on December 13, 2023, increasing the total number of shares authorized by 4,500,000,000 shares to 6,000,000,000 shares.

2) Total number of shares issued

Class	Number of shares issued as of the end of the fiscal year (shares) (March 31, 2025)	Number of shares issued as of the filing date (shares) (June 27, 2025)	Name of listed financial instruments exchange on which the Company is listed or name of the authorized financial instruments association where the Company is registered	Details
Common shares	1,964,586,400	1,964,586,400	Tokyo Stock Exchange Prime Market	The number of shares per unit is 100 shares.
Total	1,964,586,400	1,964,586,400	–	–

Notes: 1. The Company resolved a four-for-one stock split of its common stock as of April 1, 2024, at the Board of Directors meeting held on December 13, 2023. As a result, the total number of shares issued increased by 1,473,439,800 shares to 1,964,586,400 shares.

2. The "number of shares issued as of the filing date" does not include the number of shares issued through the exercise of share acquisition rights from June 1, 2025 until the filing date of this Annual Securities Report.

(2) Information on share acquisition rights, etc.

1) Details of stock option plans

First Share Acquisition Rights

Date of resolution	June 28, 2012
Category and number of persons to whom share acquisition rights are granted (persons)	Directors of the Company (excluding Outside Directors): 10 Managing Officers not concurrently serving as Directors of the Company: 6
Number of share acquisition rights*	100
Class, details, and number of shares that are the subject of share acquisition rights (shares)*	Common shares of the Company 40,000 (Note 1)
Amount to be paid upon the exercise of share acquisition rights*	1 yen per share
Period for the exercise of share acquisition rights*	From July 21, 2012 through July 20, 2042
Issue price of shares to be issued upon the exercise of share acquisition rights and amount of capitalization (Yen)*	Issue price 308 Amount of capitalization 154
Terms and conditions for the exercise of share acquisition rights*	(1) A person holding the share acquisition rights recorded in the share acquisition rights registry (hereinafter referred to as the "Person with Share Acquisition Rights") may exercise these share acquisition rights only up until the 10th day (the next business day if the 10th day falls on a non-business day) from the day immediately following the date of resignation as the Company's Director as well as Senior Managing Officer or Managing Officer without the role of Director being served concurrently. (2) If any Person with Share Acquisition Rights dies, their heir may exercise the share acquisition rights.
Matters concerning the transfer of share acquisition rights*	The acquisition of share acquisition rights by transfer requires the approval of the Board of Directors.
Matters concerning the delivery of share acquisition rights in association with organizational restructuring*	(Note 2)

*Details are as at the end of the current fiscal year (March 31, 2025). There are no changes to these details as of the end of the month prior to the filing date (May 31, 2025).

Notes: 1. The number of shares that are the subject of each share acquisition right (hereinafter, the "Number of Shares to be Granted") shall be 400. If, after the date of allotment of the share acquisition rights, it becomes appropriate to make an adjustment to the Number of Shares to be Granted as a result of a stock split, allotment of shares without contribution, reverse stock split, or similar action taken by the Company, the Number of Shares to be Granted shall be adjusted in accordance with the following formula. The adjustment shall be made only to the share acquisition rights which have not been exercised at the relevant time, with any fraction of less than a whole share created as a result of the adjustment being rounded down.

Number of Shares to be Granted after the adjustment = Number of Shares to be Granted before the adjustment × ratio of stock split, allotment of shares without contribution, or reverse stock split

The adjusted Number of Shares to be Granted shall apply from the day following the record date of the stock split or allotment of shares without contribution in the case of a stock split or allotment of shares without contribution, and from the effective date in the case of a reverse stock split. However, if a stock split or allotment of shares without contribution is conducted on the condition that a proposal to reduce the amount of surplus and increase share capital or legal capital surplus is approved by the General Meeting of Shareholders of the Company, and the record date for the stock split or allotment of shares without consideration is a day before the closing date of said General Meeting of Shareholders of the Company, the adjusted Number of Shares to be Granted shall apply from the date following the closing date of said General Meeting of Shareholders.

Further, in the event that the Company undergoes an absorption-type merger or incorporation-type merger and assumes the share acquisition rights, or the Company enters into a share exchange or share transfer by which the Company becomes a wholly-owned subsidiary and the share acquisition rights are assumed, the Company shall have the right to make adjustments to the Number of Shares to be Granted as it finds necessary according to the merger ratio, etc.

2. In the event that the Company undergoes a merger (limited to cases where the Company is dissolved as a result of the merger), an absorption-type split or incorporation-type split (limited to cases where the Company is the splitting company), or a share exchange or share transfer (limited to cases where the Company becomes a wholly owned subsidiary) (hereinafter, collectively referred to as the "Organizational Restructuring"), the Company shall deliver share acquisition rights of the stock companies set forth in Article 236, Paragraph 1, Items 8 (a) to (e) of the Companies Act (hereinafter, the "Reorganized Company") in each case to holders of any remaining share acquisition rights (hereinafter, "Remaining Share Acquisition Rights") immediately prior to the effective date of the Organizational Restructuring (meaning, the effective date of the absorption-type merger in the case of an absorption-type merger; the date of establishment of the newly incorporated company in the case of an incorporation-type merger; the effective date of the absorption-type split in the case of an absorption-type split; the date of establishment of the newly incorporated company in the case of an incorporation-type split; the effective date of the share exchange in the case of a share exchange; and the date of establishment of the wholly owning parent company resulting from the share transfer in the case of a share transfer). However, such delivery shall be conditional upon stipulations being made in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type split plan, share exchange agreement, or share transfer plan to the effect that share acquisition rights of the Reorganized Company shall be delivered in accordance with the following terms and conditions.
   (1) Number of share acquisition rights of the Reorganized Company to be delivered
   The number of share acquisition rights to be allocated shall be equal to the number of Remaining Share Acquisition Rights held by each Person with Share Acquisition Rights.
   (2) Class of shares of the Reorganized Company that are the subject of share acquisition rights
   Common shares of the Reorganized Company
   (3) Number of shares of the Reorganized Company that are the subject of share acquisition rights
   To be determined in accordance with Note 1. above, taking into account the terms and conditions of Organizational Restructuring.
   (4) Value of property to be contributed upon the exercise of share acquisition rights
      1) The value of property to be contributed upon the exercise of each share acquisition right to be delivered shall be the amount obtained by multiplying the paid-in amount after reorganization by the number of shares of the Reorganized Company that are the subject of each share acquisition right, as determined in accordance with (3) above.
      2) The paid-in amount after reorganization shall be ¥1 per share of the Reorganized Company that may be delivered upon the exercise of each share acquisition right to be delivered.
   (5) Period during which share acquisition rights may be exercised
   The period during which share acquisition rights may be exercised shall be from the latter of either the start date of the period during which the share acquisition rights may be exercised as stipulated in the "period for the exercise of share acquisition rights" above or the effective date of the Organizational Restructuring, to the expiration date of the period during which share acquisition rights may be exercised as stipulated in the "period for the exercise of share acquisition rights" above.
   (6) Matters concerning the increase in share capital and legal capital surplus when shares are issued through the exercise of share acquisition rights
      1) The amount of share capital to be increased when shares are issued through the exercise of share acquisition rights shall be the amount obtained by multiplying the maximum amount of increase in share capital, etc., calculated in accordance with Article 17, Paragraph 1 of the Regulation on Corporate Accounting by 0.5. Any fraction less than ¥1 resulting from the calculation shall be rounded up to the nearest yen.
      2) When shares are issued through the exercise of share acquisition rights, the amount of share capital to be increased shall be the amount obtained by subtracting the amount of share capital to be increased described in 1) above from the maximum amount of increase in share capital, etc. described in 1) above.
   (7) Restrictions on the acquisition of share acquisition rights by transfer
   The acquisition of share acquisition rights by transfer shall require approval by a resolution of the Board of Directors of the Reorganized Company.

(8) Acquisition provisions for share rights acquisitions

In the event that any of the proposals 1), 2), 3), 4), or 5) below are approved by a General Meeting of Shareholders of the Company (or, in cases where a resolution at the General Meeting of Shareholders is not required, a resolution by the Board of Directors of the Company), the Company may acquire the share acquisition rights without consideration on a separately designated date determined by the Board of Directors.

1) A proposal to approve a merger agreement in which the Company will cease to exist as a result of the merger
2) A proposal to approve a split agreement or an incorporation-type split plan in which the Company will be the splitting company
3) A proposal to approve a share exchange agreement or a share transfer plan in which the Company will be a wholly owned subsidiary
4) A proposal to approve an amendment to the Articles of Incorporation to include a provision requiring the approval of the Company for the acquisition by transfer of all shares issued
5) A proposal to approve an amendment to the Articles of Incorporation to include a provision requiring the approval of the Company for the acquisition by transfer of shares that are subject to share acquisition rights, or a provision allowing the Company to acquire all such shares of that class by resolution of a General Meeting of Shareholders of the Company

(9) Other terms and conditions for exercising share acquisition rights

To be determined in accordance with “Terms and conditions for the exercise of share acquisition rights” stated above.

(10) Other matters

The Company conducted a four-for-one stock split of its common stock as of April 1, 2024. As a result, “Class, details, and number of shares that are the subject of share acquisition rights (shares)” and “Issue price of shares to be issued upon the exercise of share acquisition rights and amount of capitalization (Yen)” have been adjusted.

Second Share Acquisition Rights

Date of resolution	June 27, 2013
Category and number of persons to whom share acquisition rights are granted (persons)	Directors of the Company (excluding Outside Directors): 7 Senior Managing Officers and Managing Officers not concurrently serving as Directors of the Company: 10
Number of share acquisition rights*	60
Class, details, and number of shares that are the subject of share acquisition rights (shares)*	Common shares of the Company 24,000 (Note 1)
Amount to be paid upon the exercise of share acquisition*	1 yen per share
Period for the exercise of share acquisition rights*	From July 20, 2013 through July 19, 2043
Issue price of shares to be issued upon the exercise of share acquisition rights and amount of capitalization (Yen)*	Issue price 563 Amount of capitalization 281
Terms and conditions for the exercise of share acquisition rights*	(1) A Person with Share Acquisition Rights may exercise these share acquisition rights only up until the 10th day (the next business day if the 10th day falls on a non-business day) from the day immediately following the date of resignation as the Company's Director as well as Senior Managing Officer or Managing Officer without the role of Director being served concurrently. (2) If any Person with Share Acquisition Rights dies, their heir may exercise the share acquisition rights.
Matters concerning the transfer of share acquisition rights*	The acquisition of share acquisition rights by transfer requires the approval of the Board of Directors.
Matters concerning the delivery of share acquisition rights in association with organizational restructuring*	(Note 2)

*Details are as at the end of the current fiscal year (March 31, 2025). There are no changes to these details as of the end of the month prior to the filing date (May 31, 2025).

Notes 1. to 2. are the same as the Notes for the First Share Acquisition Rights.

Third Share Acquisition Rights

Date of resolution	June 27, 2014
Category and number of persons to whom share acquisition rights are granted (persons)	Directors of the Company (excluding Outside Directors): 6 Managing Officers not concurrently serving as Directors of the Company: 6
Number of share acquisition rights*	53
Class, details, and number of shares that are the subject of share acquisition rights (shares)*	Common shares of the Company 21,200 (Note 1)
Amount to be paid upon the exercise of share acquisition*	1 yen per share
Period for the exercise of share acquisition rights*	From July 23, 2014 through July 22, 2044
Issue price of shares to be issued upon the exercise of share acquisition rights and amount of capitalization (Yen)*	Issue price 751 Amount of capitalization 376
Terms and conditions for the exercise of share acquisition rights*	(1) A Person with Share Acquisition Rights may exercise these share acquisition rights only up until the 10th day (the next business day if the 10th day falls on a non-business day) from the day immediately following the date of resignation as the Company's Director as well as Senior Managing Officer or Managing Officer without the role of Director being served concurrently. (2) If any Person with Share Acquisition Rights dies, their heir may exercise the share acquisition rights.
Matters concerning the transfer of share acquisition rights*	The acquisition of share acquisition rights by transfer requires the approval of the Board of Directors.
Matters concerning the delivery of share acquisition rights in association with organizational restructuring*	(Note 2)

*Details are as at the end of the current fiscal year (March 31, 2025). There are no changes to these details as of the end of the month prior to the filing date (May 31, 2025).

Notes 1. to 2. are the same as the Notes for the First Share Acquisition Rights.

2) Details of rights plans

Not applicable.

3) Details of other share acquisition rights, etc.

Not applicable

(3) Exercise of moving strike convertible bonds, etc.

Not applicable

(4) Changes in total number of shares issued and share capital, etc.

Date	Increase (decrease) in total number of shares issued (shares)	Balance of the total number of shares issued (shares)	Increase (decrease) in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Increase (decrease) in legal capital surplus	Balance of legal capital surplus (Millions of yen)
August 7, 2020 (Note 1)	30,500	491,098,300	60	138,262	60	144,612
August 3, 2021 (Note 2)	24,000	491,122,300	55	138,318	55	144,668
August 2, 2022 (Note 3)	24,300	491,146,600	52	138,370	52	144,720
April 1, 2024 (Note 4)	1,473,439,800	1,964,586,400	–	138,370	–	144,720

Notes: 1. Pursuant to Article 370 of the Companies Act and Article 26 of the Articles of Incorporation of the Company, the Company issued 30,500 new shares as restricted stock compensation, with a payment date of August 7, 2020, in accordance with a resolution of the Board of Directors dated July 16, 2020.

Issue price ¥3,950

Amount of capitalization ¥1,975

2. Pursuant to Article 370 of the Companies Act and Article 26 of the Articles of Incorporation of the Company, the Company issued 24,000 new shares as restricted stock compensation, with a payment date of August 3, 2021, in accordance with a resolution of the Board of Directors dated July 15, 2021.

Issue price ¥4,617

Amount of capitalization ¥2,308.5

3. Pursuant to Article 370 of the Companies Act and Article 26 of the Articles of Incorporation of the Company, the Company issued 24,300 new shares as restricted stock compensation, with a payment date of August 2, 2022, in accordance with a resolution of the Board of Directors dated July 12, 2022.

Issue price ¥4,290

Amount of capitalization ¥2,145

4. The Company conducted a four-for-one stock split of its common stock as of April 1, 2024. As a result, the total number of shares issued increased by 1,473,439,800 shares to 1,964,586,400 shares.

(5) Shareholder composition

As of March 31, 2025

Category	Status of shares (one unit: 100 shares)								Number of shares less than one unit (shares)
	National and local governments	Financial institutions	Financial instruments business operators	Other corporations	Foreign entities, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders (persons)	–	83	49	682	868	174	66,025	67,881	–
Number of shares held (units)	–	8,343,577	684,798	2,264,882	7,187,039	1,845	1,160,876	19,643,017	284,700
Percentage of shares Held (%)	–	42.48	3.49	11.53	36.59	0.01	5.91	100.00	–

Notes: 1. Of the 34,949,386 treasury shares, 349,493 units are included in “Individuals and others” and 86 shares are included in “Number of shares less than one unit.”

2. “Other corporations” includes 44 units of shares registered in the name of Japan Securities Depository Center, Incorporated.

3. In April 2025, the Company conducted a secondary offering of all the shares held by two financial institutions, Tokio Marine & Nichido Fire Insurance Co., Ltd. and Sompo Japan Insurance Inc., totaling 95,709,000 shares.

(6) Principal shareholders

As of March 31, 2025

Name	Address	Number of shares held (Thousand shares)	Percentage of shares held to the total number of shares issued (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1-8-1, Akasaka, Minato-ku, Tokyo	319,374	16.55
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	146,483	7.59
Toyota Motor Corporation	1 Toyota-cho, Toyota City, Aichi	96,000	4.98
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2-6-4, Otemachi, Chiyoda-ku, Tokyo	64,663	3.35
MUFG Bank, Ltd.	1-4-5, Marunouchi, Chiyoda-ku, Tokyo	64,003	3.32
Resona Bank, Ltd.	2-2-1, Bingo-machi, Chuo-ku, Osaka-shi, Osaka	52,000	2.69
The Shizuoka Bank, Ltd. (Standing Proxy) The Master Trust Bank of Japan, Ltd.	1-10, Gofuku-cho, Aoi-ku, Shizuoka-shi, Shizuoka (Standing Proxy) Akasaka Intercity AIR, 1-8-1, Akasaka, Minato-ku, Tokyo	46,402	2.40
JP Morgan Chase Bank 385632 (Standing Proxy) Settlement & Clearing Services Department, Mizuho Bank, Ltd.	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP UNITED KINGDOM (Standing Proxy) Shinagawa Intercity A Block, 2-15-1, Konan, Minato-ku, Tokyo	46,086	2.39
State Street Bank and Trust Company 505001 (Standing Proxy) Settlement & Clearing Services Department, Mizuho Bank, Ltd.	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (Standing Proxy) Shinagawa Intercity A Block, 2-15-1, Konan, Minato-ku, Tokyo	33,871	1.76
JP Morgan Securities Japan Co., Ltd.	2-7-3, Marunouchi, Chiyoda-ku, Tokyo	31,777	1.65
Total	–	900,662	46.68

Notes: 1. In addition to the above, the Company holds 34,949 thousand treasury shares.

2. Of the 319,374 thousand shares held by The Master Trust Bank of Japan, Ltd. (Trust Account), 316,726 thousand shares are held by domestic institutional investors and public pension funds, consisting of 174,743 thousand shares in investment trusts, 4,266 thousand shares in pension trusts, and 137,715 thousand shares in managed securities. Of the 146,483 thousand shares held by Custody Bank of Japan, Ltd. (Trust Account), 145,881 thousand shares are held by domestic institutional investors and public pension funds, consisting of 95,293 thousand shares in investment trusts, 8,060 thousand shares in pension trusts, and 42,526 thousand shares in managed securities.

3. JP Morgan Chase Bank 385632 and State Street Bank and Trust Company 505001 mainly provide custodial services for shares held by institutional investors in Europe and the United States, and also act as the registered holders of those shares on behalf of said institutional investors.

4. According to the Large Volume Holding Report (Change Report) submitted on November 8, 2022, Nomura Securities Co., Ltd. and its joint holders held 27,739 thousand shares as of October 31, 2022. The number of shares held by each company is stated in the report as follows; however, since the Company is unable to confirm the actual number of shares held as of March 31, 2025, they are not included in "Principal shareholders" above. Although the Company conducted a four-for-one stock split of its common stock as of April 1, 2024, the number of share certificates, etc. held described below represents the number of shares prior to the stock split.

Name	Number of share certificates, etc. held (Thousand shares)	Percentage of share certificates, etc. held (%)
Nomura Securities Co., Ltd.	779	0.16
Nomura Asset Management Co., Ltd.	24,973	5.08
NOMURA INTERNATIONAL PLC	1,986	0.40
Total	27,739	5.63

The above number of share certificates, etc. held includes 1,187 thousand potential shares due to the holding of bonds with share options.

5. According to the Large Volume Holding Report (Change Report) submitted on June 6, 2023, BlackRock Japan Co., Ltd. and its joint holders held 24,781 thousand shares as of May 31, 2023. The number of shares held by each company is stated in the report as follows; however, since the Company is unable to confirm the actual number of shares held as of March 31, 2025, they are not included in "Principal shareholders" above. Although the Company conducted a four-for-one stock split of its common stock as of April 1, 2024, the number of share certificates, etc. held described below represents the number of shares prior to the stock split.

Name	Number of share certificates, etc. held (Thousand shares)	Percentage of share certificates, etc. held (%)
BlackRock Japan Co., Ltd.	8,783	1.79
BlackRock Fund Advisors	6,167	1.26
BlackRock Institutional Trust Company, N.A.	5,104	1.04
BlackRock Asset Management Ireland Limited	2,744	0.56
BlackRock Fund Managers Limited	886	0.18
BlackRock Investment Management (UK) Limited	576	0.12
BlackRock (Netherlands) BV	518	0.11
Total	24,781	5.05

6. According to the Large Volume Holding Report (Change Report) submitted on July 29, 2024, MUFG Bank, Ltd. and its joint holders held 123,613 thousand shares as of July 22, 2024. The number of shares held by each company is stated in the report as follows; however, since the Company is unable to confirm the actual number of shares held by five companies other than MUFG Bank, Ltd. as of March 31, 2025, they are not included in "Principal shareholders" above.

Name	Number of share certificates, etc. held (Thousand shares)	Percentage of share certificates, etc. held (%)
MUFG Bank, Ltd.	64,003	3.26
Mitsubishi UFJ Trust and Banking Corporation	22,656	1.15
Mitsubishi UFJ Asset Management Co., Ltd.	23,751	1.21
MUFG Securities EMEA plc	7,000	0.36
MUFG Securities Americas Inc.	3,200	0.16
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	3,002	0.15
Total	123,613	6.29

7. According to the Large Volume Holding Report (Change Report) submitted on December 5, 2024, Sumitomo Mitsui Trust Bank, Limited and its joint holders held 118,284 thousand shares as of November 29, 2024. The number of shares held by each company is stated in the report as follows; however, since the Company is unable to confirm the actual number of shares held as of March 31, 2025, they are not included in "Principal shareholders" above.

Name	Number of share certificates, etc. held (Thousand shares)	Percentage of share certificates, etc. held (%)
Sumitomo Mitsui Trust Bank, Limited	22,000	1.12
Sumitomo Mitsui Trust Asset Management Co., Ltd.	49,419	2.52
Nikko Asset Management Co., Ltd.	46,865	2.39
Total	118,284	6.02

8. In April 2025, the Company conducted a secondary offering of all 64,663 thousand shares held by Tokio Marine & Nichido Fire Insurance Co., Ltd. and all 31,046 thousand shares held by Sompo Japan Insurance Inc.

(7) Information on voting rights

1) Issued shares

As of March 31, 2025

Category	Number of shares (shares)	Number of voting rights	Details
Shares without voting rights	–	–	–
Shares with restricted voting rights (treasury shares, etc.)	–	–	–
Shares with restricted voting rights (other)	–	–	–
Shares with full voting rights (treasury shares, etc.)	(Treasury shares) Common shares 34,949,300	–	–
	(Crossholding shares) Common shares 588,900	–	–
Shares with full voting rights (other)	Common shares 1,928,763,500	19,287,635	–
Shares less than one unit	Common shares 284,700	–	Shares less than one unit (100 shares)
Total number of shares issued	1,964,586,400	–	–
Total number of shareholder voting rights	–	19,287,635	–

Notes: 1. "Shares with full voting rights (other)" includes 4,400 shares (44 voting rights) registered in the name of Japan Securities Depository Center, Incorporated.

2. "Shares less than one unit" includes 86 treasury shares held by the Company and 92 crossholding shares held by Hamana Parts Industry Co., Ltd.

3. The Company conducted a four-for-one stock split of its common stock as of April 1, 2024. As a result, the total number of shares issued increased by 1,473,439,800 shares to 1,964,586,400 shares.

2) Treasury shares, etc.

As of March 31, 2025

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under another entity's name (shares)	Total number of shares held (shares)	Percentage of shares held to total number of shares issued (%)
(Treasury shares) Suzuki Motor Corporation	300, Takatsuka-cho, Chuo-ku, Hamamatsu-shi, Shizuoka	34,949,300	–	34,949,300	1.78
(Crossholding shares) Hamana Parts Industry Co., Ltd.	933-1, Washizu, Kosai-shi, Shizuoka	588,900	–	588,900	0.03
Total	–	35,538,200	–	35,538,200	1.82

Note: The Company conducted a four-for-one stock split of its common stock as of April 1, 2024.

2. Acquisition and Disposal of Treasury Shares

[Class of shares] Acquisition of treasury shares pursuant to Article 155, Item 7 of the Companies Act

(1) Acquisition by resolution of the General Meeting of Shareholders
Not applicable.

(2) Acquisition by resolution of the Board of Directors
Not applicable.

(3) Details of acquisitions not based on a resolution of the General Meeting of Shareholders or a resolution of the Board of Directors

Category	Number of shares (shares)	Total value (Yen)
Treasury shares acquired in the current fiscal year	778	1,341,475
Treasury shares acquired during the current period	64	113,984

Notes: 1. Treasury shares acquired during the current period do not include shares acquired due to the purchase of shares of less than one unit from June 1, 2025 until the filing date of this Annual Securities Report.
2. The Company conducted a four-for-one stock split of its common stock as of April 1, 2024.

(4) Disposal of acquired treasury shares and number of treasury shares held

Category	Fiscal year ended March 31, 2025		Current period	
	Number of shares (shares)	Total disposal value (Yen)	Number of shares (shares)	Total disposal value (Yen)
Acquired treasury shares for which subscribers were solicited	–	–	–	–
Acquired treasury shares that were canceled	–	–	–	–
Acquired treasury shares that were transferred due to merger, share exchange, share issuance, or company split	–	–	–	–
Other (Disposal of treasury shares as restricted stock compensation)	126,300	141,077,100	–	–
Number of treasury shares held	34,949,386	–	34,949,450	–

Notes: 1. The number of treasury shares held during the current period does not include transactions conducted from June 1, 2025 until the filing date of this Annual Securities Report.
2. The Company conducted a four-for-one stock split of its common stock as of April 1, 2024.

3. Dividend Policy

We are committed to providing returns to our shareholders who hold our shares for the medium to long term through the enhancement of corporate value and progressive dividends.

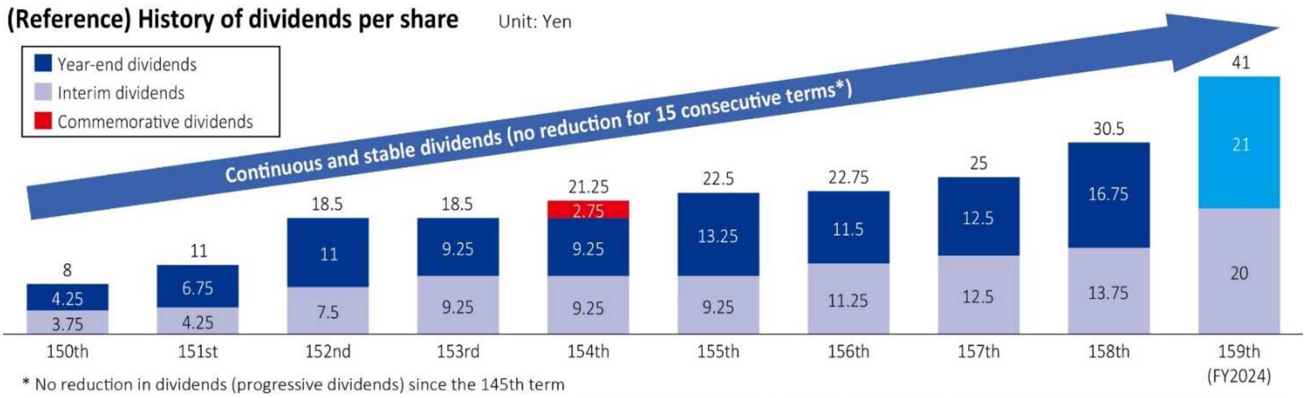
Specifically, we aim to enhance corporate value through the realization of our Mid-Term Management Plan by pursuing growth investments centered on expanding production capacity to meet the growing demand in India and developing technologies aimed at minimizing energy consumption. In terms of shareholder returns, our policy is to distribute dividends on a stable and continuous basis based on the principle of progressive dividends.

For the fiscal year ended March 31, 2025, in line with this policy, we have set the year-end dividend per share at ¥21 and the annual dividend at ¥41. This annual dividend represents an increase of ¥10.5 (34.4%) compared to the previous year's dividend of ¥30.5 (on a post-stock split basis).

Furthermore, as outlined in the Mid-Term Management Plan "By Your Side," we will adopt DOE as a new indicator suitable for progressive dividends, starting from the fiscal year ending March 31, 2026, and raise the DOE level to 3.0% to strengthen shareholder returns.

The Company's basic policy is to pay dividends of surplus twice a year in the form of an interim dividend and year-end dividend. The decision-making bodies for dividends are the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends. The payment of interim dividends is provided for in the Articles of Incorporation of the Company.

* DOE= Cash dividends per share ÷ ((Equity attributable to owners of parent per share at the beginning of the period + Equity attributable to owners of parent per share at the end of the period) ÷ 2)
Equity attributable to owners of parent excludes other components of equity.



* No reduction in dividends (progressive dividends) since the 145th term
* Effective April 1, 2024, the Company conducted a four-for-one common stock split. For comparison with the current term, dividends for the 158th term and prior terms are stated on a post–stock split basis.

Note: Dividends of surplus with record dates falling in the fiscal year ended March 31, 2025 are as follows.

Date of resolution	Total amount of dividends (Millions of yen)	Dividend per share (Yen)
Resolution of the Board of Directors November 8, 2024	38,592	20
Resolution of the Ordinary General Meeting of Shareholders June 27, 2025	40,522	21

4. Corporate Governance

(1) Overview of corporate governance

1) Basic policy on corporate governance

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

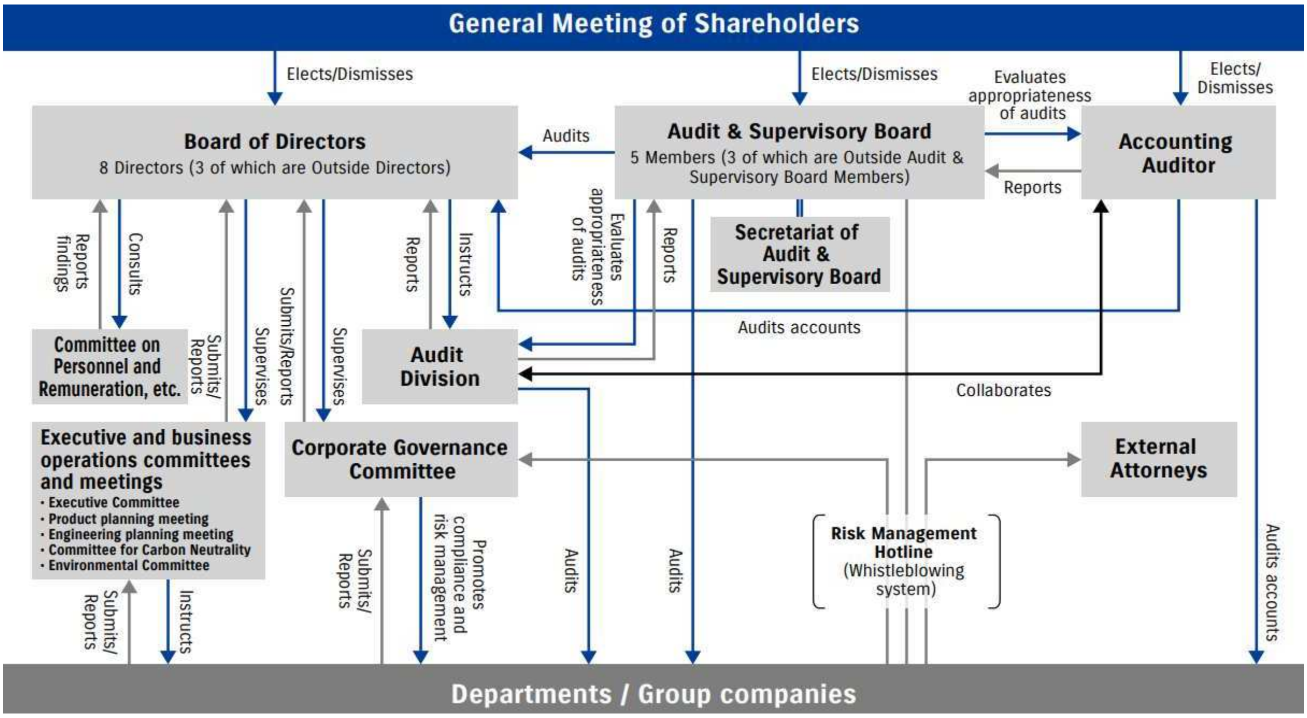
Also, in order to be trusted further by society and stakeholders, we will disclose information immediately in a fair and accurate manner prescribed by laws and regulations and actively disclose information that we consider is beneficial to deepen their understanding of the Company. Thus, we will further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

2) Overview of corporate governance system and reasons for its adoption

With the Audit & Supervisory Board System as its foundation, Suzuki has adopted the current corporate structure based on the belief that appointing highly independent Outside Directors, and establishing an optional committee to handle the nomination of Director candidates and decisions on remuneration will enhance the Company's governance framework.

The corporate governance system is outlined below.

Corporate governance system



[Board of Directors]

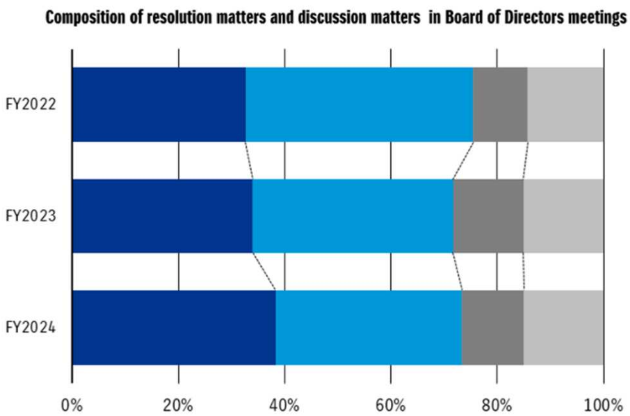
The Company adopted a managing officer system in 2006 with the aim of speeding up decision-making at the Board of Directors, executing business flexibly and clarifying accountability, and has made progress in slimming the composition of the Board of Directors. Currently, there are nine Directors, and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

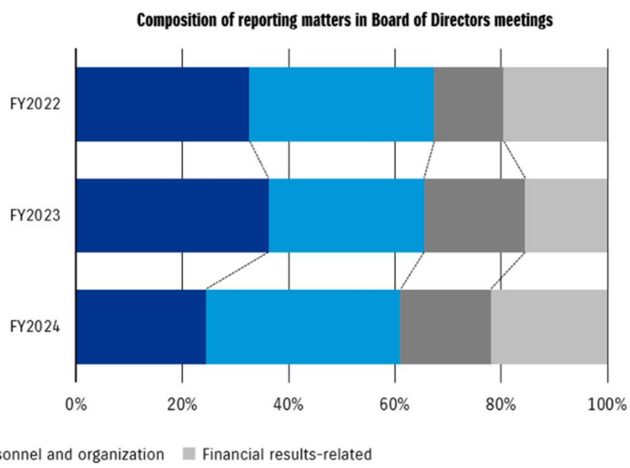
The term of office of each Director is set at one year.

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

Resolution matters, deliberation matters, and ratio of reporting matters on the agenda:

For the fiscal year ended March 31, 2025, the number of deliberation matters increased due to discussions involving Outside Directors on various strategies for formulating the Mid-Term Management Plan.





Examples of Board of Directors main meeting agenda items in the fiscal year ended March 31, 2025:

	Resolution matters and deliberation matters	Reporting matters
Management issues	・Strategies related to the formulation of the Mid-Term Management Plan ・Formulation of the Mid-Term Management Plan ・Sustainability initiatives	・Agenda setting for the Board of Directors to formulate the Mid-Term Management Plan ・Clarification of the structure of the executive and business operations committees and agenda items
Corporate governance and internal control	・Board evaluation ・Future reduction policies for cross-shareholdings ・Non-financial information disclosure ・Internal audit plans	・Reports on results of internal audits ・Investment in human capital ・Intellectual property governance ・Information security ・Internal controls related to financial reporting

[Audit & Supervisory Board]

As a stand-alone body that plays a role in corporate governance, Audit & Supervisory Board Members conduct audits to ensure proper management conforming to the standards for Audit & Supervisory Board Members' audit established by the Audit & Supervisory Board, and offer appropriate opinions to the management team. Details are described in "(3) Audits 1) Audits by Audit & Supervisory Board Members."

[Committee on Personnel and Remuneration, etc.]

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

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

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

The main issues reviewed in the current fiscal year were as follows:

・Appropriateness of policy for the determination of individual remuneration, etc. of Directors in the current fiscal year
・Determination of the specific details of basic remuneration for each individual Director in the current fiscal year (the Board of Directors has delegated this determination to the Committee on Personnel and Remuneration, etc.)
・Appropriateness of policy and procedures for determining the remuneration of Managing Officers in the current fiscal year
・Suitability of candidates for Directors to be proposed at the Ordinary General Meeting of Shareholders to be held in June 2025
・Appropriateness of the content of the proposal for the revision of remuneration for Directors to be proposed at the Ordinary General Meeting of Shareholders to be held in June 2025
・Appropriateness of the policy for the determination of individual remuneration, etc. of Directors after the Ordinary General Meeting of Shareholders to be held in June 2025
・Future candidates for Outside Directors and Outside Audit & Supervisory Board Members

The Board of Directors, the Audit & Supervisory Board, and the Committee on Personnel and Remuneration, etc. as of the filing date of this Annual Securities Report:

◎ indicates the chairperson or committee chairperson;○ indicates attending members.

		Board of Directors	Audit & Supervisory Board	Committee on Personnel and Remuneration, etc.
Representative Director and President	Toshihiro Suzuki	◎	–	◎
Representative Director and Executive Vice President	Naomi Ishii	○	–	○
Director and Executive Vice President	Katsuhiro Kato	○	–	–
Director and Senior Managing Officer	Aritaka Okajima	○	–	–
Director and Senior Managing Officer	Eiichi Muramatsu	○	–	–
Outside Director	Hideaki Domichi	○	–	○
Outside Director	Shun Egusa	○	–	○
Outside Director	Naoko Takahashi	○	–	○
Outside Director	Asako Aoyama	○	–	○
Full-time Audit & Supervisory Board Member	Taisuke Toyoda	○	◎	–
Full-time Audit & Supervisory Board Member	Shigeo Yamagishi	○	○	–
Outside Audit & Supervisory Board Member	Norihisa Nagano	○	○	○ (Observer)
Outside Audit & Supervisory Board Member	Mitsuhiro Fukuta	○	○	○ (Observer)
Outside Audit & Supervisory Board Member	Junko Kito	○	○	○ (Observer)

Attendance at the Board of Directors, the Audit & Supervisory Board, and the Committee on Personnel and Remuneration, etc. in the current fiscal year:

		Board of Directors	Audit & Supervisory Board	Committee on Personnel and Remuneration, etc.
Representative Director and President	Toshihiro Suzuki	14 times / 14 times	–	5 times / 5 times
Representative Director and Executive Vice President	Naomi Ishii	14 times / 14 times	–	5 times / 5 times
Director and Senior Managing Officer	Masahiko Nagao	3 times / 3 times (Note 1)	–	–
Director and Senior Managing Officer	Toshiaki Suzuki	3 times / 3 times (Note 1)	–	–
Director and Senior Managing Officer	Kinji Saito	3 times / 3 times (Note 1)	–	–
Director and Senior Managing Officer	Katsuhiro Kato	11 times / 11 times (Note 2)	–	–
Director and Senior Managing Officer	Shigetoshi Torii	11 times / 11 times (Notes 2, 3)	–	–
Director and Managing Officer	Aritaka Okajima	11 times / 11 times (Note 2)	–	–
Outside Director	Hideaki Domichi	14 times / 14 times	–	5 times / 5 times
Outside Director	Shun Egusa	14 times / 14 times	–	5 times / 5 times
Outside Director	Naoko Takahashi	13 times / 14 times	–	5 times / 5 times
Full-time Audit & Supervisory Board Member	Taisuke Toyoda	14 times / 14 times	16 times / 16 times	–
Full-time Audit & Supervisory Board Member	Masato Kasai	3 times / 3 times (Note 4)	3 times / 3 times (Note 4)	–
Full-time Audit & Supervisory Board Member	Shigeo Yamagishi	11 times / 11 times (Note 5)	13 times / 13 times (Note 5)	–
Outside Audit & Supervisory Board Member	Norio Tanaka	3 times / 3 times (Note 6)	3 times / 3 times (Note 6)	1 time / 1 time (Note 6)
Outside Audit & Supervisory Board Member	Norihisa Nagano	14 times / 14 times	16 times / 16 times	5 times / 5 times
Outside Audit & Supervisory Board Member	Mitsuhiro Fukuta	13 times / 14 times	16 times / 16 times	5 times / 5 times
Outside Audit & Supervisory Board Member	Junko Kito	11 times / 11 times (Note 7)	13 times / 13 times (Note 7)	4 times / 4 times (Note 7)

Notes 1. The attendance of Mr. Masahiko Nagao, Mr. Toshiaki Suzuki, and Mr. Kinji Saito at meetings of the Board of Directors is those held before their retirement as Director on June 27, 2024.
2. The attendance of Mr. Katsuhiro Kato, Mr. Shigetoshi Torii, and Mr. Aritaka Okajima at meetings of the Board of Directors is those held after their assumption of office as Director on June 27, 2024.
3. Mr. Shigetoshi Torii retired as Director on June 27, 2025.
4. The attendance of Mr. Masato Kasai at meetings of the Board of Directors and the Audit & Supervisory Board is those held before his retirement as Audit & Supervisory Board Member on June 27, 2024.
5. The attendance of Mr. Shigeo Yamagishi at meetings of the Board of Directors and the Audit & Supervisory Board is those held after his assumption of office as Audit & Supervisory Board Member on June 27, 2024.
6. The attendance of Mr. Norio Tanaka at meetings of the Board of Directors, the Audit & Supervisory Board, and the Committee on Personnel and Remuneration, etc. is those held before his retirement as Audit & Supervisory Board Member on June 27, 2024.
7. The attendance of Ms. Junko Kito at meetings of the Board of Directors, the Audit & Supervisory Board, and the Committee on Personnel and Remuneration, etc. is those held after her assumption of office as Audit & Supervisory Board Member on June 27, 2024.

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

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

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

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

[Corporate Governance Committee]

The Corporate Governance Committee, which is attended by Executive Directors, Managing Officers, Executive General Managers, and Audit & Supervisory Board Members, was established to examine matters to ensure compliance and risk management, as well as to promote the implementation of measures and policies. The Committee also verifies the results of the effectiveness evaluation of internal controls over financial reporting in accordance with Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act.

3) Other matters related to corporate governance

Basic policies related to systems for ensuring appropriate execution of duties (internal control systems) resolved by the Board of Directors are as follows.

a. Systems to ensure that Directors' and employees' execution of their duties complies with laws and regulations and the Articles of Incorporation

(i) The Board of Directors shall formulate the "Suzuki Group Code of Conduct" to ensure Directors and Managing Officers and employees in the Company and the Group (Suzuki Group) execute their duties in a healthy manner as well as shall oversee the state in which the Code is fully disseminated throughout the Group.

(ii) A Corporate Governance Committee, chaired by the President, shall be established under the Board of Directors. The Corporate Governance Committee shall deploy measures for advancing thorough compliance and risk management and promote efforts to address cross-sectional challenges in coordination with the relevant sections.

(iii) Executive General Managers shall clearly define the division of work among their responsible sections and establish work regulations and manuals that include compliance with laws and regulations related to their responsible duties, approval and decision procedures, and rules for the confirmation process by other sections. Executive General Managers shall ensure that the people concerned are fully aware of said regulations, manuals, rules, etc.

(iv) The Human Resources Department shall hold seminars about compliance and individual laws/regulations for executives and employees in a continuous manner in cooperation with the Corporate Planning Office, Legal Department, Engineering Department and other related departments.

(v) To prevent violations of laws and regulation and take corrective measures at an early stage, a whistleblowing system (Suzuki Group Risk Management Hotline) that has both internal and external contact points, shall be established to allow executives and employees of the Suzuki Group to report on breach of laws and regulations or their possibility without any disadvantageous treatment to the whistleblower.

The Corporate Planning Office shall strive to make the whistleblowing system fully known and to promote its use.

b. System relating to the storage and administration of the information in relation to Directors' execution of their duties

The minutes of meetings of the Board of Directors and other information related to Directors' execution of their duties shall be retained and administered by responsible sections pursuant to laws, regulations and internal regulations, and shall be made available to Directors and Audit & Supervisory Board Members for examination when the need arises.

c. Rules and other systems relating to the management of the risk of loss

(i) Important matters regarding corporate management shall be decided after meetings of the Board of Directors, the Executive Committee, circular resolutions and other systems deliberate and evaluate their risks in accordance with the standard for deliberation.

(ii) Executive General Managers shall establish work regulations and manuals that include preventive measures against risks that can be presumed in their responsible duties, and counter-measures in case of their occurrence. Executive General Managers shall ensure that the people concerned are fully aware of said regulations, manuals, measures, etc.

(iii) To prepare for a large-scale disaster, action manuals and business continuity plans shall be formulated, and drills shall be carried out.

d. Systems to ensure efficient execution of duties by Directors

(i) Important matters regarding corporate management shall be deliberated at the Executive Committee and other meetings prior to decision-making.

(ii) The Board of Directors shall clarify responsibilities regarding the execution of Managing Officers' and Executive General Managers' duties, and shall supervise their execution.

(iii) The Board of Directors shall receive reporting from the person responsible for the execution of the duties, as necessary, on how the matters, which were decided at meetings of the Board of Directors, the Executive Committee and other meetings, are executed. In response to reports, the Board of Directors shall give necessary instructions.

(iv) The Board of Directors shall formulate mid-term management plans that include consolidated subsidiaries and regularly verify the progress of business plans for fiscal years as made by Executive General Managers in order to achieve the mid-term plan.

(v) The Audit Department, which directly reports to the President, shall audit the state of establishment and operation of internal controls, which are based on the basic policies, on a regular basis and shall report on the outcome to the Board of Directors.

The Board of Directors shall make Managing Officers and Executive General Managers attend meetings of the Board of Directors, if necessary, and ask them to explain or report on issues that were detected in activities such as internal audits and whistleblowing. Accordingly, the Board of Directors shall give instructions for the correction of the issues and require reporting on results.

e. Systems to ensure appropriateness of duties of the Corporate Group consisting of the Company and subsidiaries

(i) The Board of Directors shall formulate mid-term management plans that include consolidated subsidiaries, and the presidents of the subsidiaries shall make business plans in the fiscal years in order to achieve the mid-term plans.

(ii) The Company shall set forth regulations for managing subsidiaries, which clarify the departments that are responsible for administering the subsidiaries, and receive reporting from subsidiaries on the situation of their business on a regular basis and on matters set forth in the regulations. Important matters related to the corporate management of subsidiaries shall be subject to prior approval from the Company.

(iii) The Corporate Governance Committee shall deploy thorough compliance and measures for risk management, which include consolidated subsidiaries, to the presidents of subsidiaries as well as give them necessary assistance in coordination with the relevant departments.

The Audit Department, directly reporting to the President, shall regularly audit the state of dissemination of "the Suzuki Group Code of Conduct," compliance, risk management and the state of establishment of a whistleblowing system as well as report the results to the Board of Directors.

The Board of Directors shall make the presidents of subsidiaries attend meetings of the Board of Directors, if necessary, and ask them to explain or report on issues that were detected in activities such as internal audits and whistleblowing. Accordingly, the Board of Directors shall give instructions for the correction of the issues and require reporting on results.

(iv) The Corporate Planning section shall create awareness for the "Suzuki Group Risk Management Hotline" at subsidiaries to allow the Directors, Managing Officers and employees of subsidiaries to report directly to the Company on violations or possible violations of laws and regulations.

f. Matters for employees to support the business of the Audit & Supervisory Board Members when the Audit & Supervisory Board Member seeks appointment of the employees; matters for the independence of such employees from the Directors; and matters for ensuring the efficiency of instructions given to the employees

(i) The Company shall establish the Secretariat of Audit & Supervisory Board in which staff are dedicated to executing their duties under the direction of Audit & Supervisory Board Members.

(ii) Audit & Supervisory Board Members whom the Audit & Supervisory Board appoints can ask a change of their staff anytime, and Directors shall not refuse the requests without a proper reason.

(iii) Transfers, treatments, disciplinary punishments, etc. of the staff in the Secretariat of Audit & Supervisory Board shall be subject to approval from Audit & Supervisory Board Members whom the Audit & Supervisory Board appoints. Evaluation of personnel shall be conducted by Audit & Supervisory Board Members as appointed by the Audit & Supervisory Board.

g. Systems for reporting to the Audit & Supervisory Board Members

(i) Audit & Supervisory Board Members may attend the Executive Committee, other important meetings and various committees in addition to meetings of the Board of Directors to ask questions and express their opinions.

(ii) In addition to delivering circular resolutions and other important documents to Audit & Supervisory Board Members, the Board of Directors, departments and the presidents of subsidiaries shall submit necessary information and report on the state of business and duties at the request of Audit & Supervisory Board Members.

(iii) Upon finding a fact that can cause serious damage to the Suzuki Group, the Board of Directors shall report on the fact to the Audit & Supervisory Board immediately.

(iv) The Audit Department, directly reporting to the President, shall report on the results of internal audits to the Audit & Supervisory Board.

(v) One of the contacts of the “Suzuki Group Risk Management Hotline” shall be Audit & Supervisory Board Members. In addition, the state of whistleblowing activities outside that of Audit & Supervisory Board Members shall be reported to Audit & Supervisory Board Members on a regular basis.

(vi) The Company shall not engage in disadvantageous treatment against those who reported to Audit & Supervisory Board Members, and shall ask the subsidiaries to treat them in the same way.

h. Matters regarding procedures for prepayment or redemption of expenses arising from the execution of duties of Audit & Supervisory Board Members and processing of other expenses or liabilities arising from the execution of such duties

The Company shall budget a certain amount of funds each year to pay expenses, etc. caused by the execution of Audit & Supervisory Board Members’ duties.

When Audit & Supervisory Board Members claim an advance payment of expenses and others related to the execution of their duties, the Company shall process the claim without delay.

i. Other system to ensure effective auditing by the Audit & Supervisory Board Members

Audit & Supervisory Board Members may seek advice, etc. from lawyers and other external experts, if necessary, at the expense of the Company.

The following is an overview of the operation of the basic policies related to the systems for ensuring the appropriate execution of duties:

a. Initiatives to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation (compliance)

- The Corporate Governance Committee strives to raise employee awareness of compliance and urges caution for individual legal compliance throughout the Company. Furthermore, if compliance issues arise, the Committee conducts deliberation for each issue, formulates required measures, and reports the details to the Board of Directors and the Audit & Supervisory Board as appropriate.
- In light of the improper sampling inspection of fuel efficiency and exhaust gas in 2016 and the improper conduct regarding final vehicle inspection in 2018, we are continuously implementing the following five initiatives in particular, never to occur such misconducts again.
  - President's workplace dialogue
    To facilitate communication between managers and their team as well as among colleagues and departments, and to foster a culture in which it is easy to report, communicate, and consult their managers, the President has conducted workplace dialogues for all divisions, on a workplace-by-workplace basis.
  - "Remember 5.18" activities
    In addition to reviewing the above two misconduct acts, a comprehensive review of the legal compliance status of operations is conducted throughout the Suzuki Group, and a debriefing session on the results of the activities is held on May 18 every year.
  - Quality Education Room
    A Quality Education Room was established within the Company where all employees can look back on the above two misconducts. They visit this facility every year to learn about quality to prevent the problems from fading away and foster awareness of compliance.
  - Compliance Handbook
    Based on the spirit of the Mission Statement, the Philosophy of Conduct, and the Suzuki Group Code of Conduct, the Compliance Handbook outlines specific actions to be taken by Suzuki Group executives and employees from the perspective of compliance, and is used for compliance-related activities in the workplace and for guidance from managers to their team members regarding compliance.
  - Daily compliance quiz
    To foster a culture of everyday awareness of compliance, an e-learning program that displays one compliance-related quiz question a day when employees and executives start up their work computers has been running daily.
- Trainings on compliance for executives including officers and employees are continuously conducted.
- The Suzuki Group whistleblowing system, "Suzuki Group Risk Management Hotline," is operated in accordance with the Whistleblower Protection Act. We continuously promote awareness through education, training, and the display of awareness posters in all workplaces, striving for early detection and appropriate handling of compliance issues.

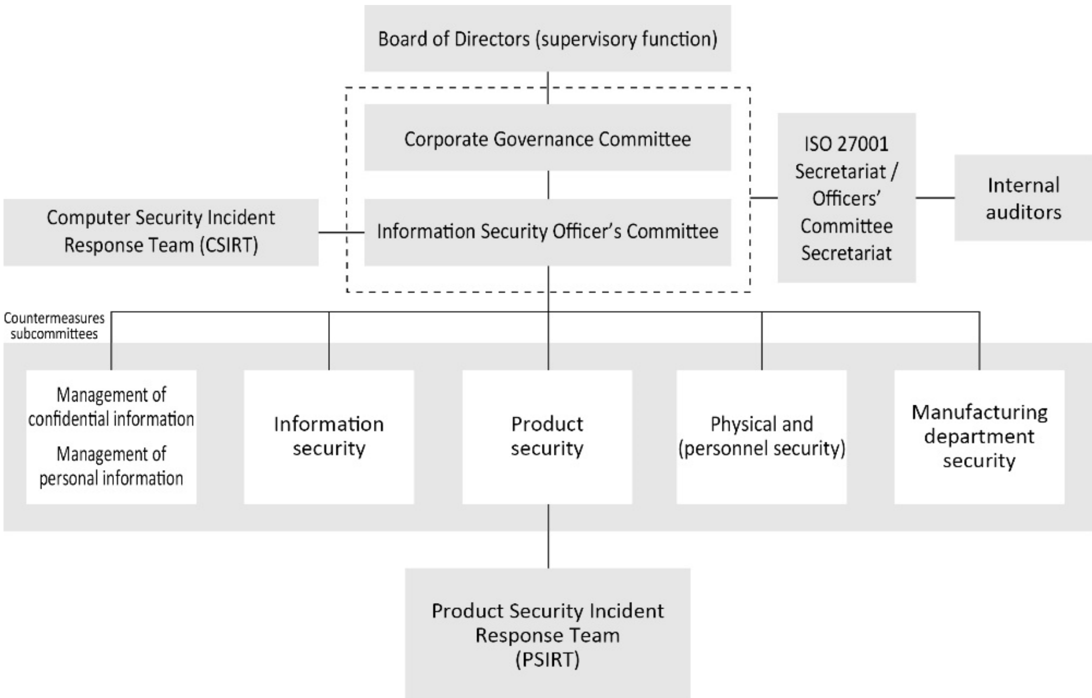
b. Measures relating to storage and management of information regarding execution of duties by Directors

- According to laws and regulations and internal rules, minutes of meetings of the Board of Directors as well as other documents and information regarding execution of duties by Directors are stored and managed appropriately. Information security system is established to manage security of information and the system is reviewed regularly.

c. Measures relating to regulations, etc. on management of the risk of loss

- The Company has constructed a system in which issues occurring or recognized in any department are deliberated on promptly by the Executive Committee or the Corporate Governance Committee, depending on their urgency and severity. The Company checks concerns of the impact and measures from each headquarters every week at the Executive Committee in order to quickly grasp the impact of issues related to product quality, certifications, final vehicle inspections, etc., and issues of shortages of parts or raw materials on the business and make necessary management decisions.
- The Company is working to strengthen its system for prompt investigation of causes and implementation of countermeasures in response to quality issues, and the Company constantly keeps track of the latest status of quality issues at weekly and monthly meetings of the Executive Committee, etc. Market actions such as recalls are decided after deliberation by the Quality Assurance Committee, which is composed of related officers, Executive General Managers, General Managers, etc.
- To properly manage personal and confidential information, based on the Suzuki Basic Policy for Information Security, an information security officers' committee was established under the Corporate Governance Committee, which is directed and supervised by the Board of Directors to deal with information security in general including cyber security, and the Company is promoting the Suzuki Group's information security measures.

(Reference) Information security system



- Internal rules are constantly being developed in each department. The Company is working to strengthen systems for efficient and appropriate operations in compliance with laws, regulations, etc. We all have provided chances for ourselves to check each work procedure and make the necessary improvements regularly every year.
- In accordance with the Company's "CSR Guidelines for Suppliers" to comply with laws and regulations, we are working with suppliers to fulfil our corporate responsibilities together, including respect for human rights and environmental preservation, with the principle of safety and quality first in our mind.
- As part of measures to prepare for natural disasters, the Company has formulated the Business Continuity Plan (BCP) assuming the occurrence of the Nankai Trough Earthquake, and based on this, the Company has secured the necessary cash on hand and lines of credit.

d. Measures relating to efficiency improvements in Directors' execution of their duties

- To allow the Board of Directors to make decisions on vital management issues efficiently and quickly, such issues are deliberated at the Executive Committee attended by the Representative Directors and other concerned Directors, Managing Officers and others before being put to the Board of Directors. Also, in order to allow sufficient time for the Board of Directors to deliberate important issues related to management, meetings of the Board of Directors are operated to secure ample time in schedule and materials for the meetings are distributed in advance.
- The Company is aiming to improve efficiency and speed in decision-making by the Board of Directors through certain measures such as by delegating decisions on individual matters to Directors or Managing Officers through the approval system, by receiving monthly reports on the state of operations and progress of business plans of each department including consolidated subsidiaries, and by holding meetings of the Executive Committee attended by the Representative Directors and other concerned Directors, Managing Officers and others periodically and as the need arises to deliberate and make decisions on vital management issues and measures quickly.
- The Board of Directors receives regular updates from the persons responsible for each business segment including consolidated subsidiaries on the Mid-Term Management Plan to examine the progress of the plan and provide appropriate instructions.
- The Company clarifies who is responsible for executing new management issues as they arise, gives instructions as necessary and receives reports on the status of execution.
- The internal audit department audits the state of establishment and operation of internal controls, which are based on these basic policies, on a regular basis and reports the results of audits to the Board of Directors.

e. Measures to ensure appropriateness of duties of the Corporate Group consisting of the Company and subsidiaries

- The Company has defined the Rules of Business Control Supervision for Affiliated Companies and established departments responsible for the management of each of its subsidiaries. Subsidiaries are managed and supervised to ensure regular provision of status reports and reports on other matters as defined by these Rules, and to ensure the receipt of approval from the Company ahead of any significant matters.
- The Company has established a whistleblowing system in the Group and strives to identify compliance issues at subsidiaries.
- In accordance with the audit plan, through on-site and remote auditing and investigation of written documentation, etc., the Company's internal audit department with personnel thoroughly familiar with the various fields of the Company's operation audits the state of establishment and operation of internal controls, including the appropriateness and efficiency of business at departments of the Company and at domestic/overseas subsidiaries, the state of compliance with laws/regulations and internal rules, and the state of management/maintenance for assets. The results of these audits are reported to the President, other concerned Directors and Audit & Supervisory Board Members each time an audit is conducted, and once every half period to the Board of Directors, and the internal audit department provides advice and guidance to the audited departments and audited subsidiaries based on audit results until the applicable improvements have been completed.
- For overseas subsidiaries that have an internal audit department, the Company's audit department checks the activities of those internal audit departments, receives reports on audit plans and results, and provides advice and guidance as needed.

f.-i. Measures relating to audits by Audit & Supervisory Board Members

- The Company has established the Secretariat of the Audit & Supervisory Board, which is a full-time staff department independent from the chain of command of Directors, etc., to support the duties of Audit & Supervisory Board Members. Merit Rating of staff at the Secretariat of the Audit & Supervisory Board shall be performed by Audit & Supervisory Board Members whom the Audit & Supervisory Board appoints, and approval from Audit & Supervisory Board Members whom the Audit & Supervisory Board appoints shall be obtained in advance of personnel transfers, etc.
- By having Audit & Supervisory Board Members attend meetings of the Board of Directors, corporate governance meetings and the Executive Committee that are related to business operations and management, the Company makes it possible for Audit & Supervisory Board Members to verify the decision-making process and receive any necessary reports, and express their opinions.
- The decision documents concerning the business operations of the Company and its subsidiaries are provided to the Audit & Supervisory Board Members, and when necessary, the business and business conditions are explained as necessary.
- The internal audit department properly reports results of audits to Audit & Supervisory Board Members, allowing for more efficient auditing to be carried out in joint collaboration between Audit & Supervisory Board Members and the internal audit department.
- In the whistleblowing system of the Suzuki Group, a contact point with Audit & Supervisory Board Members for whistleblowing is established. Additionally, all of the reports received at Corporate Planning Office as well as at external contact points are also reported to the Audit & Supervisory Board promptly so that information regarding various issues within the Company is shared with them.
- Expenses for the execution of duties of the Audit & Supervisory Board Members are independently budgeted and properly processed.

4) The outline of the directors and officers liability insurance contract

The Company has concluded with an insurance company a directors and officers liability insurance contract that insures all Directors, Audit & Supervisory Board Members, Managing Officers, Executive General Managers and other officers of the Company and its subsidiaries, as provided under Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise due to the insured assuming liability for the execution of their duties or receiving a claim for the pursuit of such liability. However, it specifies exemptions such as no compensation for liability arising from actions performed by the insured with intentional violation of laws in order not to impair the appropriateness of the execution of duties. The Company bears all insurance premiums.

5) Decision on exemption from liability of Directors and Audit & Supervisory Board Members

Pursuant to Article 426, Paragraph 1 of the Companies Act, the Articles of Incorporation of the Company stipulate that Directors (including former Directors) and Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) may be exempted from liability for damages arising from the neglect of their duties, by resolution of the Board of Directors, to the extent permitted by laws and regulations. This provision is intended to enable Directors and Audit & Supervisory Board Members to fully fulfill their expected roles in the execution of their duties.

6) The outline of the status contract for limitation of liability

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company concludes with each of Outside Directors and Outside Audit & Supervisory Board Members a contract for limitation of liability which specifies the liability under Article 423, Paragraph 1 of the Companies Act as the minimum amount of the limit for liability provided by Article 425, Paragraph 1 of the Act.

7) Number of Directors

The Articles of Incorporation of the Company stipulate that the number of Directors shall be 15 or less.

8) Requirements for resolutions to elect Directors

The Articles of Incorporation of the Company stipulate that resolutions to elect Directors shall be made by a majority vote at the General Meeting of Shareholders attended by shareholders holding at least one-third of total voting rights of shareholders who are entitled to exercise voting rights. The Articles of Incorporation also stipulate that resolutions to elect Directors shall not be by cumulative voting.

9) Decision-making body for acquisition of treasury shares

Pursuant to Article 165, Paragraph 2 of the Companies Act, the Articles of Incorporation of the Company stipulate that the Company may acquire treasury shares, by resolution of the Board of Directors. This provision is intended to enable the flexible implementation of the Company's capital policy in response to changes in the business environment.

10) Decision-making body for interim dividends

The Articles of Incorporation of the Company stipulate that the Company may, by resolution of the Board of Directors, pay interim dividends with September 30 of each year as the record date. This provision is intended to ensure the flexibility of the Company's capital policy.

11) Requirements for special resolutions of the General Meeting of Shareholders

The Articles of Incorporation of the Company stipulate that resolutions set forth in Article 309, Paragraph 2 of the Companies Act shall be adopted by at least two-thirds of the voting rights of shareholders in attendance who hold at least one-third of the total voting rights of shareholders who are entitled to exercise voting rights. This provision is intended to facilitate the smooth operation of the General Meeting of Shareholders by relaxing the quorum required for special resolutions of the General Meeting of Shareholders.

(2) Directors and Audit & Supervisory Board Members

1) List of Directors and Audit & Supervisory Board Members

11 males, 3 females (21.0% of all Directors/Audit & Supervisory Board Members are females)

Title	Name	Date of birth	Resume		Term of office	Number of shares of the Company held (thousand shares)
Director & President (Representative Director) (Chairman of the Board of Directors)	Toshihiro Suzuki	March 1, 1959	Jan. 1994 Apr. 2000 Apr. 2001 Apr. 2003 Jun. 2003 Jun. 2006 Apr. 2011 Jun. 2011 Oct. 2013 Jun. 2015 Apr. 2019 Jun. 2020 Jun. 2021	Joined the Company Plant Manager of Iwata Plant, Manufacturing Delegated as resident officer at General Motors Corp. Executive General Manager of Product Planning Operations, Automobile Engineering Director Director & Senior Managing Officer Director & Senior Managing Officer, Corporate Planning Committee Member, and Executive General Manager of Corporate Planning Office Representative Director & Executive Vice President Representative Director & Executive Vice President, Supporting CEO, and in charge of Global Marketing Representative Director & President Representative Director & President, Executive General Manager of Motorcycle Company Representative Director & President Representative Director & President (Chairman of the Board of Directors) (To the present)	(Note 3)	558
Director & Executive Vice President (Representative Director)	Naomi Ishii	June 6, 1965	Apr. 1989 Oct. 2020 Apr. 2021 Jun. 2021 Jan. 2022 Apr. 2022 Jun. 2023 Apr. 2025	Joined Toyota Motor Corporation Joined the Company Managing Officer and Assistant to President Senior Managing Officer and Assistant to President Senior Managing Officer, Assistant to President, and Executive General Manager of Corporate Planning Office Senior Managing Officer, Assistant to President, Responsible for Corporate Planning Office, New Mobility Service, EV Operations, Human Resources/General Affairs & Legal/IP, Finance, and Global IT Executive General Manager of Corporate Planning Office Executive Vice President and Assistant to President Representative Director & Executive Vice President and Assistant to President Representative Director & Executive Vice President, Assistant to President, Responsible for Corporate Planning, Human Capital Development, Legal/IP, Finance, Global IT, and India Corporate Field (To the present)	(Note 3)	55

Title	Name	Date of birth	Resume		Term of office	Number of shares of the Company held (thousand shares)
Director & Executive Vice President	Katsuhiro Kato	January 20, 1964	Apr. 1986 Apr. 2012 May 2014 Jul. 2015 Nov. 2016 Jul. 2017 Dec. 2020 Oct. 2021 Apr. 2023 Jan. 2024 Jun. 2024 Apr. 2025	Joined the Company General Manager of Automobile Engines Design II, Automobile Engineering General Manager of Automobile Engines Design I, Automobile Engineering Deputy Executive General Manager of Customer Quality Assurance and General Manager of Automobile Quality Research Executive General Manager of Automobile Product & Cost Planning and General Manager of Automobile Product & Cost Planning Managing Officer Managing Officer, Executive General Manager of Customer Quality Assurance and Service Managing Officer, Executive General Manager of Quality Assurance and Inspection, and Chief Officer of Inspection Reform Committee Senior Managing Officer, Responsible for Vehicle Regulations and Engineering Administration, Automobile Vehicle Engineering, Automobile Powertrain Engineering, and Automobile Electrical/Electronic/EV Engineering Executive General Manager of Automobile Powertrain Engineering Senior Managing Officer and Chief Technology Officer Director & Senior Managing Officer Director & Executive Vice President, Chief Technology Officer, Responsible for Technology Strategy, Automobile EV Engineering, Automobile Electrical and Electronic Engineering, Automobile Vehicle Engineering, Automobile Powertrain Engineering, Regulations and Certification, Yokohama R&D Center, and India Engineering (To the present)	(Note 3)	20
Director & Senior Managing Officer	Aritaka Okajima	October 29, 1960	Apr. 1983 Apr. 2005 May 2007 Apr. 2012 May 2019 Apr. 2021 Jul. 2022 Apr. 2024 Jun. 2024 Apr. 2025	Joined the Company Representative Director and President of Suzuki Motor Sales Shiga Inc. Representative Director and President of Suzuki Motor Sales Chubu Inc. General Manager of Public Relations, Corporate Planning Office Representative Director and President of Suzuki Motor Sales Kanagawa Inc. Branch Manager of Tokyo Branch Executive General Manager of Public Relations and Corporate Communications and Branch Manager of Tokyo Branch Managing Officer Director & Managing Officer, Executive General Manager of Public Relations and Corporate Communications, and Branch Manager of Tokyo Branch, Responsible for Public Relations, Corporate Communications, IR/SR, and India External Affairs and Public Relations and Corporate Communications Director & Senior Managing Officer, Branch Manager of Tokyo Branch, Responsible for Public Relations, Corporate Communications, IR/SR, and India External Affairs and Public Relations and Corporate Communications (To the present)	(Note 3)	13

Title	Name	Date of birth	Resume		Term of office	Number of shares of the Company held (thousand shares)
Director & Senior Managing Officer	Eiichi Muramatsu	January 26, 1962	Apr. 1984 Apr. 2008 Apr. 2012 Feb. 2015 Apr. 2017 Apr. 2022 Apr. 2024 Apr. 2025 Jun. 2025	Joined the Company President and Representative Director, Suzuki Motor Sales Keiyo Inc. General Manager of Central Japan Marketing Div. and General Manager of Domestic Marketing Promotion Div., Domestic Marketing, the Company President and Representative Director, Suzuki Motor Sales Gunma Inc. President and Representative Director, Suzuki Motor Sales Chiba Inc. In charge of Domestic Marketing II, Domestic Marketing and General Manager of West Japan Marketing Div., the Company Managing Officer, Executive General Manager of Global Marketing Management Senior Managing Officer, Chief Global Marketing Management Responsible for Japan Marketing, India Operations, Automobile Marketing (Europe, Middle East and Africa), Automobile Marketing (Asia, Latin America and Oceania), Global Service, Marine Operations, Motorcycle Operations, and Spare Parts and Accessories Director & Senior Managing Officer, Chief Global Marketing Management Responsible for Japan Marketing, India Operations, Automobile Marketing (Europe, Middle East and Africa), Automobile Marketing (Asia, Latin America and Oceania), Global Service, Marine Operations, Motorcycle Operations, and Spare Parts and Accessories (To the present)	(Note 3)	5
Director	Hideaki Domichi	December 14, 1948	Apr. 1972 Aug. 2003 Jun. 2004 Sep. 2007 Feb. 2011 Apr. 2012 Oct. 2016 Jun. 2017 Jun. 2020	Joined Ministry of Foreign Affairs Director-General of Middle Eastern and African Affairs Bureau of Ministry of Foreign Affairs Ambassador of Japan to Iran Ambassador of Japan to India and Kingdom of Bhutan Ambassador in Charge of Economic Diplomacy Executive Senior Vice President of Japan International Cooperation Agency Senior Managing Officer of Hotel Management International Co., Ltd. External Audit & Supervisory Board Member of Konoike Transport Co., Ltd. Outside Director of the Company (To the present)	(Note 3)	4
Director	Shun Egusa	January 20, 1958	Apr. 1985 Jul. 2017 Apr. 2019 Apr. 2020 Apr. 2021 Apr. 2022 Jun. 2022	Joined Toshiba Corporation Director of Toshiba Infrastructure Systems & Solutions Corporation Vice President of Battery Division of Toshiba Corporation Corporate Officer and Corporate Vice President of Battery Division of Toshiba Corporation Fellow of Toshiba Corporation Guest Senior Researcher/Guest Professor of Future Innovation Institute, Research Organization for Nano & Life Innovation and Visiting Professor of Research Council, Waseda University (To the present) Outside Director of the Company (To the present)	(Note 3)	2

Title	Name	Date of birth	Resume		Term of office	Number of shares of the Company held (thousand shares)
Director	Naoko Takahashi	May 6, 1972	Sep. 2000 Oct. 2000 Jun. 2013 Nov. 2018 Mar. 2021 Jun. 2021 Jun. 2022 Jun. 2023	Won the gold medal in the women's marathon at the Sydney 2000 Olympics Received the People's Honor Award Director of Japan Association of Athletics Federations Executive Board Member of Japanese Olympic Committee Chairperson of Para-Sports Development Network of Japan (To the present) Director of The Tokyo Organising Committee of the Olympic and Paralympic Games Executive Director of Japan Association of Athletics Federations Outside Director of Starts Corporation Inc. (To the present) Outside Director of the Company (To the present) Director of Japanese Para Sports Association (To the present)	(Note 3)	3
Director	Asako Aoyama	March 14, 1972	Apr. 1994 Apr. 1997 Sep. 2001 Oct. 2004 Mar. 2011 Jul. 2013 May 2017 Jun. 2018 Jan. 2020 Jun. 2020 Apr. 2022 Apr. 2023 Jun. 2025	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Registered as a Certified Public Accountant Joined Merrill Lynch Japan Securities Co., Ltd. Joined Coca-Cola (Japan) Co., Ltd. Joined Tokyo Coca-Cola Bottling Co., Ltd. (currently Coca-Cola Bottlers Japan Inc.) serving as Director and CFO Senior Executive Officer, General Manager of Finance and Accounting, Coca-Cola East Japan Co., Ltd. Executive Officer, Coca-Cola Bottlers Japan Inc. Outside Audit & Supervisory Board Member, Taiyo Holdings Co., Ltd. Joined NEC Corporation Outside Director of Taiyo Holdings Co., Ltd. Executive Officer, NEC Corporation Corporate SVP, Head of FP&A Division, and Head of Global Finance, NEC Corporation (To the present) Outside Director of the Company (To the present)	(Note 3)	–
Full-time Audit & Supervisory Board Member	Taisuke Toyoda	August 6, 1957	Apr. 1980 Jul. 2008 Apr. 2011 Apr. 2013 Jul. 2013 Jun. 2019 Jun. 2021	Joined the Company General Manager of Audit Dept. Vice Executive General Manager of Administration Dept. Managing Officer and General Manager of Accounting Management Dept., Corporate Planning Office Managing Officer and Executive General Manager of Finance Managing Officer and Executive General Manager of Audit Full-time Audit & Supervisory Board Member (To the present)	(Note 4)	20

Title	Name	Date of birth	Resume		Term of office	Number of shares of the Company held (thousand shares)
Full-time Audit & Supervisory Board Member	Shigeo Yamagishi	January 26, 1964	Apr. 1988 Jun. 2013 May 2014 Apr. 2016 Jul. 2017 Jan. 2024 Jun. 2024	Joined Ministry of Transport (currently known as Ministry of Land, Infrastructure, Transport and Tourism) Joined the Company Vice Executive General Manager of Research & Development and General Manager of Development Planning Vice Executive General Manager of R&D/Global IT and General Manager of Element Technology Research Executive General Manager of Vehicle Regulations & Engineering Administration Managing Officer Managing Officer, Audit Full-time Audit & Supervisory Board Member (To the present)	(Note 4)	3
Audit & Supervisory Board Member	Norihisa Nagano	December 29, 1949	Apr. 1978 Oct. 1981 Apr. 1990 Jan. 2013 Jun. 2019	Registered as Attorney Joined Sugiyama Law Firm Established Norihisa Nagano Law Firm Vice Chairman of Shizuoka Bar Association Established Nagano Law Firm (To the present) Outside Audit & Supervisory Board Member of the Company (To the present)	(Note 4)	1
Audit & Supervisory Board Member	Mitsuhiro Fukuta	February 13, 1962	Jul. 1996 Apr. 2009 Apr. 2021 Jun. 2022 Apr. 2023	Assistant Professor of Faculty of Engineering, Shizuoka University (Currently known as National University Corporation Shizuoka University) Professor of Faculty of Engineering, National University Corporation Shizuoka University (To the present) Vice Dean of Faculty of Engineering, National University Corporation Shizuoka University Outside Audit & Supervisory Board Member of the Company (To the present) Dean of Faculty of Engineering, National University Corporation Shizuoka University (To the present)	(Note 4)	2
Audit & Supervisory Board Member	Junko Kito	October 26, 1964	Oct. 1990 Mar. 1994 Jun. 2004 Aug. 2007 Oct. 2022 Jun. 2023 Sep. 2023 Apr. 2024 Jun. 2024	Joined Ito Accounting Office Registered as a Certified Public Accountant Employee of ChuoAoyama Audit Corporation Employee of AZSA & Co. (currently known as KPMG AZSA LLC) Established Junko Kito Certified Public Accountant Office (To the present) Outside Auditor of The Gifu Shinkin Bank (To the present) Outside Director (Audit and Supervisory Committee Member) of Alpen Co., Ltd. (To the present) Outside Director (Audit and Supervisory Committee Member) of CROSS PLUS INC. (To the present) Outside Audit & Supervisory Board Member of the Company (To the present)	(Note 4)	0
Total						693

Notes: 1. Mr. Hideaki Domichi, Mr. Shun Egusa, Ms. Naoko Takahashi and Ms. Asako Aoyama are Outside Directors.
2. Mr. Norihisa Nagano, Dr. Mitsuhiro Fukuta and Ms. Junko Kito are Outside Audit & Supervisory Board Members.
3. One year from the conclusion of the Ordinary General Meeting of Shareholders held on June 27, 2025
4. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 27, 2024
5. The Company has introduced a managing officer system. The Managing Officers are the following 26 persons (excluding Managing Officers concurrently serving as Directors).

Name	Area in charge
Hisashi Takeuchi	Managing Director & CEO, Maruti Suzuki India Limited (based in India), Managing Director & CEO, Suzuki Motor Gujarat Private Limited (based in India), and Senior Managing Officer of the Company
Kazuo Ichino	Senior Managing Officer, Responsible for Quality Assurance and Inspection, Procurement Strategy, Manufacturing, and India Quality, Procurement, and Manufacturing
Takahiko Hashimoto	Managing Officer, Responsible for New Mobility Service, BEV Solutions, and Product Planning
Masayuki Fujisaki	Managing Officer, Executive General Manager of Product Planning, and in charge of CJP Promotion
Yutaka Kikukawa	Managing Officer and Executive General Manager of Legal/IP
Masahiro Ikuma	Managing Director of Suzuki R&D Center India Private Limited (based in India) and Managing Officer of the Company, Executive General Manager of Global R&D Project
Hisanori Takashiba	Managing Director of TDS Lithium-Ion Battery Gujarat Private Limited (based in India) and Managing Officer of the Company
Kenichiro Toyofuku	Supporting CEO of Maruti Suzuki India Limited (based in India), and Managing Officer of the Company, Executive General Manager of Global Biogas Operations of the Company
Tatsuro Takeuchi	President of Suzuki Motor Sales Kinki Inc. and Managing Officer of the Company
Ryo Kawamura	Managing Officer and Executive General Manager of Finance
Koichi Suzuki	Managing Officer and Executive General Manager of India Operations
Naoki Matsuura	Managing Officer and Executive General Manager of Audit
Hidetoshi Kumashiro	Managing Officer, Executive General Manager of Automobile EV Engineering, and in charge of BEV Technology, BEV Solutions
Kazunari Yamaguchi	In charge of Manufacturing of Maruti Suzuki India Limited (based in India), and Managing Officer of the Company in charge of Manufacturing in India and in charge of carbon neutrality in India
Masafumi Harano	Managing Officer and Executive General Manager of Automobile Marketing – Asia, Latin America and Oceania
Yusuke Kato	Managing Officer and Executive General Manager of Automobile Marketing (Europe, Middle East, and Africa)
Takashi Ise	Managing Officer and Executive General Manager of Motorcycle Operations
Tetsuya Matsushita	Managing Officer and Executive General Manager of Automobile Vehicle Engineering
Toshiya Miki	Managing Officer and Executive General Manager of Procurement Strategy
Junya Kumataki	Managing Officer and Executive General Manager of Corporate Planning
Shuichi Mishima	Managing Officer and Executive General Manager of Marine Operations
Tsuyoshi Tanaka	Managing Officer and Executive General Manager of Quality Assurance and Inspection
Yoshitake Tamakoshi	Managing Officer and Executive General Manager of Japan Marketing
Tatsuhiko Fujii	Chief Automobile Planning and Engineering Technology Officer, Maruti Suzuki India Limited (based in India); and Managing Officer of the Company in charge of MBD Promotion, Technology Strategy
Takashi Sunda	Managing Officer and Executive General Manager of Automobile Electrical and Electronic Engineering
Taku Sumino	Managing Officer and Executive General Manager of Technology Strategy

2) Outside Directors and Outside Audit & Supervisory Board Members

The Company elects four Outside Directors and three Outside Audit & Supervisory Board Members.

Mr. Hideaki Domichi has a wealth of international experience as a diplomat and deep insight into world affairs, and has been engaged in various issues such as the environment and society on a global scale. The Company has elected him as Outside Director to provide useful suggestions, advice, and supervision on our management based on this experience and knowledge. Mr. Hideaki Domichi served as Senior Managing Officer of Hotel Management International Co., Ltd. (HMI Hotel Group) from October 2016 to January 2019 after working for the Ministry of Foreign Affairs and Japan International Cooperation Agency. The Company has transactions with Grand Hotel Hamamatsu, an affiliate of HMI Hotel Group, regarding facility usage, etc., but these transactions have been ongoing since before February 2014, when Grand Hotel Hamamatsu became an affiliate of HMI Hotel Group. The annual payment from the Company to Grand Hotel Hamamatsu in the most recent fiscal year is less than 1% of the annual net sales of HMI Hotel Group and the consolidated revenue of the Group.

Mr. Shun Egusa has been involved for many years with the creation of new lithium-ion battery business and its expansion, and has high-level expertise on battery technology, and experience of serving as the director and corporate officer of private companies. The Company has elected him as Outside Director to provide useful suggestions, advice, and supervision on our management based on this experience and knowledge. The Company has transactions including development of batteries for automobiles with Toshiba Corporation where Mr. Shun Egusa worked, but the annual payment from the Company to Toshiba in the most recent fiscal year is less than 1% of the consolidated net sales of the Toshiba Group and the consolidated revenue of our Group.

Ms. Naoko Takahashi won the gold medal in the Olympic marathon. After retiring as an athlete, she visited impoverished regions and environmentally contaminated regions in developing countries in the project which she makes efforts for, and as an Official Supporter of Japan International Cooperation Agency. She has been addressing activities related to social and environmental issues with thinking what she can do at all times by seeing the current situation for herself. The Company has elected her as Outside Director to provide useful suggestions, advice, and supervision on our management based on this experience and knowledge. The Group does not have any transactions with Ms. Naoko Takahashi and Para-Sports Development Network of Japan, of which she is the Chairperson.

Ms. Asako Aoyama has held a number of important finance-related positions, such as chief financial officer of a company, following her experiences as a Certified Public Accountant at an auditing firm, conducting accounting audits and assisting in strengthening internal controls, and in M&A advisory at a foreign securities firm. She also has experience serving as an outside director. The Company has elected her as Outside Director to provide useful suggestions, advice, and supervision on our management based on this experience and insight. The Company has transactions with NEC Corporation, where Ms. Asako Aoyama is employed, including the cloud business, but the annual payment from the Company to NEC Corporation in the most recent fiscal year accounts for less than 1% of the consolidated revenue of each of the NEC Group and our Group.

Mr. Norihisa Nagano has ample experience and expertise as an attorney at law, and was elected as an Outside Audit & Supervisory Board Member to appropriately audit the Company's management from an independent perspective. The Group does not have any transactions with Mr. Norihisa Nagano and Nagano Law Firm.

Dr. Mitsuhiro Fukuta has ample experience and expertise as a Doctor of Engineering, and was elected as an Outside Audit & Supervisory Board Member to appropriately audit the Company's management from an independent perspective. The Company has transactions including joint research and development with the National University Corporation Shizuoka University, where Dr. Mitsuhiro Fukuta serves as Professor, but the annual payment from the Company to the university is less than 1% of the annual gross income of the university and the consolidated revenue of the Group.

Ms. Junko Kito has expertise in finance and accounting as a Certified Public Accountant, and was elected as an Outside Audit & Supervisory Board Member to appropriately audit the Company's management from an independent perspective. The Group does not have any transactions with Ms. Junko Kito and Junko Kito Tax Accountant Office.

There are no special interests between the Company and the abovementioned Outside Directors and Outside Audit & Supervisory Board Members. In addition, all of the abovementioned Outside Directors and Outside Audit & Supervisory Board Members have been filed as independent directors/audit & supervisory board members under the rules of the Tokyo Stock Exchange, Inc.

The independence of Outside Directors and Outside Audit & Supervisory Board Members is based on the Company's "Standard for Independence of Outside Directors and Outside Audit & Supervisory Board Members," which was established in accordance with the criteria for independence set by the Tokyo Stock Exchange.

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

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

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

(Note 1) A person executing business:
A director executing business, an executive officer, a managing officer or an employee

(Note 2) A company of which major business partner is the Group:
A company which belongs to the group of the business partner who receives 2% or more of its consolidated net sales in the latest business year ended of the group (or an equivalent amount) from the Group in any of the business year in past three years

(Note 3) A major business partner of the Group:
A company which belongs to the group of the business partner who makes payment of 2% or more of the Group's consolidated revenue or provides the Group with 2% or more of loans of its consolidated total assets in the latest business year ended of the Group in any of the business year in past three years

(Note 4) Those who receive a large amount of remuneration:
In any of the business year in the past three years,
- a consultant or legal or accounting expert, etc., who receives annual compensation of ¥10 million or more other than remuneration as a Director/Audit & Supervisory Board Member as an individual
- a consultant or legal or accounting expert, etc., who belongs to an organization that receives annual compensation 2% or more of its annual total revenues

(Note 5) Those who receive a large amount of donation:
In any of the business year in the past three years,
- a person who receives annual donation of ¥10 million or more
- a person who belongs to an organization that receives annual donation of 2% or more of its annual total revenues and manages its activities which is the purpose of the donation

3) Coordination between supervision or audits by Outside Directors and Outside Audit & Supervisory Board Members and internal audits, audits by Audit & Supervisory Board Members, and audits by the Accounting Auditor, and the relationship with internal audit divisions

Details are described in "(3) Audits 1) Audits by Audit & Supervisory Board Members, and 2) Internal audits."

(3) Audits

1) Audits by Audit & Supervisory Board Members

a. Organization, personnel and procedures of audits by Audit & Supervisory Board Members

<Organization and personnel>

The Audit & Supervisory Board is comprised of five members: Mr. Taisuke Toyoda and Mr. Shigeo Yamagishi, who are Full-time Audit & Supervisory Board Members, and Mr. Norihisa Nagano, Mr. Mitsuhiro Fukuta, and Ms. Junko Kito, who are Outside Audit & Supervisory Board Members.

Mr. Taisuke Toyoda, Full-time Audit & Supervisory Board Member, has operational experience in the financial and audit divisions, and Ms. Junko Kito, Outside Audit & Supervisory Board Member, has ample experience as a Certified Public Accountant. They have sufficient knowledge and experience in relation to finance and accounting. Mr. Shigeo Yamagishi, Full-time Audit & Supervisory Board Member, has considerable knowledge in the fields of technology, automobile regulations, environment, etc., Mr. Norihisa Nagano, Outside Audit & Supervisory Board Member, has extensive knowledge in law as an attorney, and Mr. Mitsuhiro Fukuta, Outside Audit & Supervisory Board Member, has considerable knowledge in the fields of technology, human resources development, etc.

In addition, to assist the Audit & Supervisory Board Members in their duties, we have established the Secretariat of Audit & Supervisory Board as a full-time staff division which consists of four staff members.

<Procedures for audits by Audit & Supervisory Board Members>

Audit & Supervisory Board Members' audit procedures conform to the auditing standards of the Audit & Supervisory Board, and according to the auditing policy and division of duties, Audit & Supervisory Board Members audit the proper execution of corporate management and communicate their opinions by attending meetings of the Board of Directors, Executive Committee and other important meetings, inspecting important decision documents, etc., and receiving reports and interviews from directors and employees on the status of operations.

b. Activities of the Audit & Supervisory Board

<Frequency of meetings of the Audit & Supervisory Board and attendance by Audit & Supervisory Board Members>

In principle, the Company holds meetings of its Audit & Supervisory Board once a month, and otherwise as needed. A total of 16 meetings were held during the current fiscal year (three of which were extraordinary meetings). Attendance by each Audit & Supervisory Board Member is as follows.

Position	Name	Attendance at the Audit & Supervisory Board
Full-time Audit & Supervisory Board Member	Taisuke Toyoda	16 times / 16 times
Full-time Audit & Supervisory Board Member	Masato Kasai	3 times / 3 times
Full-time Audit & Supervisory Board Member	Shigeo Yamagishi	13 times / 13 times
Outside Audit & Supervisory Board Member	Norio Tanaka	3 times / 3 times
Outside Audit & Supervisory Board Member	Norihisa Nagano	16 times / 16 times
Outside Audit & Supervisory Board Member	Mitsuhiro Fukuta	16 times / 16 times
Outside Audit & Supervisory Board Member	Junko Kito	13 times / 13 times

Note: Attendance for Mr. Masato Kasai and Mr. Norio Tanaka is until their retirement due to the expiration of their terms of office on June 27, 2024. Attendance for Mr. Shigeo Yamagishi and Ms. Junko Kito has been since their assumption of office on June 27, 2024.

<Main resolution matters, deliberation matters, and reporting matters at the Audit & Supervisory Board meetings>

Main resolution matters, deliberation matters and reporting matters at the Audit & Supervisory Board meetings are as follows.

Priority audit items for the current fiscal year included verifying the establishment and operation of an internal control system, management of the development schedule for new models, and the development of management and supervisory systems for outsourced development of automotive technology.

In addition, a meeting to exchange opinions was held with the Representative Directors, Outside Directors, Managing Officers, and Executive General Managers to discuss a wide range of topics, including management challenges and risk awareness. At the same time, exchanges of opinions with the management of subsidiaries were conducted to confirm the operational status of Group governance systems.

Further, Audit & Supervisory Board Members exchange opinions among themselves in advance regarding agenda items for the Board of Directors in an effort to ensure they can offer meaningful opinions as Audit & Supervisory Board Members.

	No. of matters	Details of main agenda items
Resolution matters	10	・Audit policies, audit plans, and division of duties ・Evaluation and appointment/dismissal of Accounting Auditor ・Consent to audit remuneration of Accounting Auditor ・Preparation of audit report
Discussion matters	33	・Audit policy and audit plans ・Status of establishment and operation of an internal control system ・Selection of key audit matters (KAM) with Accounting Auditor ・Appropriateness of methods and results of audits by Accounting Auditor ・Evaluation of the effectiveness of the Audit & Supervisory Board
Reporting matters	56	・Audit plans from Accounting Auditor, report on results of interim review, status of implementation of annual audit, and initiatives for quality control of audit ・Audit plans and status of audits conducted by the Audit Division, which is an internal audit department, about the head office, major business sites, and subsidiaries (Number of audits: 5 at head office, 13 at domestic subsidiaries, and 8 at overseas subsidiaries) ・Status of financial reporting from the Finance Division ・Audit status and observations from each Audit & Supervisory Board Member

<Cooperation with the internal audit department and the Accounting Auditor>

The Audit & Supervisory Board holds regular meetings with the Audit Division, which is an internal audit department, to exchange information and opinions on matters such as the Audit Division's audit plans and operational audit results, as well as audit results from internal audit departments of subsidiaries, to ensure cooperation.

In addition, the Audit & Supervisory Board holds regular meetings with the Accounting Auditor to exchange information and opinions through hearing of reports on audit plans, audit results, interim reviews, and the establishment and operation of the audit quality control system, and the exchange of opinions on key audit matters (KAM), thereby ensuring cooperation.

<Effectiveness evaluation of the Audit & Supervisory Board>

The Audit & Supervisory Board evaluates its effectiveness by having each member review their activities, conducting evaluations via a checklist, and providing opinions and suggestions by means of surveys. These are discussed and examined collectively by all Members, and the findings are reflected in the next audit plan as action items in an effort to continually improve effectiveness.

c. Activities of Audit & Supervisory Board Members

Audit & Supervisory Board Members conduct the following activities based on audit plans and division of duties.

In addition, Full-time Audit & Supervisory Board Members share information and exchange opinions with Outside Audit & Supervisory Board Members with the aim of improving the appropriateness of audit opinions by attending meetings of the Corporate Governance Committee and executive and business operations committees and meetings, reviewing important approval documents, and reporting or explaining the status of daily audits to the Audit & Supervisory Board as necessary.

Details of activities	Full-time Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members
・Communication with Directors, internal audit departments, other employees, etc.	○	○
・Attendance at Board of Directors meetings and other important meetings		
Board of Directors	○	○
Committee on Personnel and Remuneration, etc.		○
Corporate Governance Committee	○	
Executive and business operations committees and meetings	○	○(Note)
・Inspection of important approval documents		
Approval documents such as circular resolutions	○	
Meeting materials and minutes	○	○
・Investigation of the status of operations and assets at the head office and major business sites	○	○
・Investigation of the status of operations and assets at subsidiaries		
Communication and information exchange with CEOs of subsidiaries	○	○
Confirmation of business reports, etc. from subsidiaries	○	

Note: For executive and business operations committees and meetings, duties are assigned according to meeting content, etc.

2) Internal audits

a. Organization and personnel for internal audits

The Audit Division was established as an organization under the direct control of the President. Its 66 staff members (as of March 31, 2025) with expertise in various areas of the Company's operations regularly audit the Company's departments and domestic and overseas Group companies in accordance with the audit plan, while also providing advice and guidance on improvements regarding audit findings.

b. Internal audit procedures and relationship with internal control divisions

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

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

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

c. Cooperation with accounting audits

Audit results are shared with the Accounting Auditor as needed, and opinions are exchanged to share information, enhance communication, and maintain close cooperation.

3) Accounting audits

a. Name of accounting auditor

Seimei Audit Corporation

b. Continuous audit period

Since 1967

c. Certified Public Accountants executing accounting audits

Takashi Imamura, Koji Nishikawa, and Kentaro Iwao

d. Composition of assistants involved in audit work

Twenty Certified Public Accountants and eight other staff assisted in the accounting audit work.

e. Policy and reason for selection of the audit firm

Based on the “Determination Policy of Dismissal or Non-Reappointment of Accounting Auditor,” the Audit & Supervisory Board evaluated Seimei Audit Corporation using evaluation criteria established by the Audit & Supervisory Board covering aspects such as quality control, independence and expertise of the audit team, level and content of audit remuneration, state of communication with Audit & Supervisory Board Members and management, the Group audit system, and response to fraud risk, and determined that appropriate auditing could be conducted.

<Determination Policy of Dismissal or Non-Reappointment of Accounting Auditor>

The Audit & Supervisory Board shall dismiss the Accounting Auditor upon consent of all the Audit & Supervisory Board Members when the Accounting Auditor seems to fall under any of the items of Article 340, Paragraph 1 of the Companies Act of Japan.

In addition, the Audit & Supervisory Board may decide an agenda regarding the dismissal or non-reappointment of the Accounting Auditor to be proposed at the General Meeting of Shareholders, in case of necessity such as when the appropriate performance of duties of such Accounting Auditor is considered difficult.

f. Evaluation of the audit firm by Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board obtains the necessary materials and reports from relevant internal divisions (finance divisions and internal audit departments) and the Accounting Auditor, and evaluates the audit firm in accordance with the evaluation criteria established by the Audit & Supervisory Board.

g. Change of audit firm

The audit firm of the Company has been changed as follows.

Consolidated financial statements and non-consolidated financial statements for the 159th fiscal year (April 1, 2024 to March 31, 2025)

Audit firm: Seimei Audit Corporation

Consolidated financial statements and non-consolidated financial statements for the 160th fiscal year (April 1, 2025 to March 31, 2026)

Audit firm: PricewaterhouseCoopers Japan LLC

Matters stated in the Extraordinary Report (March 13, 2025) are as follows.

(1) Names of the certified public accountants for audits, etc. involved in the change

(i) Name of the incoming certified public accountant for audits, etc.

PricewaterhouseCoopers Japan LLC

(ii) Name of the outgoing certified public accountant for audits, etc.

Seimei Audit Corporation

(2) Date of change

Scheduled for June 2025 (date of the 159th Ordinary General Meeting of Shareholders)

(3) Date on which the outgoing certified public accountant for audits, etc. was appointed to the role

December 1966

Satoru Imamura Accounting Firm, the predecessor of Seimei Audit Corporation, appointed as the Company's Accounting Auditor

(4) Matters regarding opinions, etc. in audit reports, etc. prepared by the outgoing certified public accountant for audits, etc. in the past three years

Not applicable.

(5) Reasons and background leading to the decision to change or the change

The term of Seimei Audit Corporation, Accounting Auditor of the Company, expired at the conclusion of the 159th Ordinary General Meeting of Shareholders held in June 2025. The Audit & Supervisory Board believes that the current Accounting Auditor's audits are being conducted appropriately. However, regulations concerning the independence of accounting firms, etc. were strengthened by the revision of the Code of Ethics of The Japanese Institute of Certified Public Accountants in July 2022, and if the dependence on remuneration continues to exceed 15% for five consecutive years, the Auditor must resign from the position after expressing an audit opinion for the fifth year. In addition, taking into consideration the fact that audits have continued for a long period of time, the Audit & Supervisory Board compared and examined multiple auditing firms, and newly selected PricewaterhouseCoopers Japan LLC (PwC Japan) as a candidate for Accounting Auditor of the Company.

The reason why the Audit & Supervisory Board selected PwC Japan as a candidate for Accounting Auditor is that the appointment of PwC Japan is expected to provide auditing from a new perspective, and in order to further improve the accounting governance in the Company group, the Audit & Supervisory Board has judged that PwC Japan is suitable as a result of a comprehensive review of the quality control system, the auditing system including global responses, auditing methods, and independence.

(6) Opinions on the reasons and background stated in (5) above.

(i) Opinion of the outgoing certified public accountant for audits, etc.

The Company received a reply that there is no particular opinion.

(ii) Opinion of the Audit & Supervisory Board

The Company received a reply that they are appropriate.

4) Details of remuneration, etc. for audits

a. Remuneration, etc. for certified public accountant for audits, etc.

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Remuneration for audit attestation services (Millions of yen)	Remuneration for non-audit services (Millions of yen)	Remuneration for audit attestation services (Millions of yen)	Remuneration for non-audit services (Millions of yen)
Reporting company	162	–	200	4
Consolidated subsidiaries	3	–	3	–
Total	165	–	203	4

Note : The Company pays consideration to the Accounting Auditor for the following services, which are outside the services under Article 2, Paragraph 1 of the Certified Public Accountants Act:

・Services for the preparation of confirmation reports related to numerical information other than financial statements

Not applicable for the previous consolidated fiscal year.

b. Remuneration for the same network as the certified public accountant for audits, etc. (excluding a.)

Not applicable.

c. Details of remuneration based on other significant audit attestation services

Not applicable.

d. Policy on determination of audit remuneration

Audit remuneration is appropriately determined with the consent of the Audit & Supervisory Board, taking into consideration the audit plans of the certified public accountant for audits, etc., the audit content, and the number of days and hours for the audit, etc.

e. Reasons for the Audit & Supervisory Board consenting to the remuneration, etc. for the Accounting Auditor

The Audit & Supervisory Board consents to the remuneration, etc. for the Accounting Auditor upon confirming the status of the audit plan and results for the previous fiscal year by obtaining the necessary materials and reports from the relevant internal divisions and the Accounting Auditor, and by undertaking the necessary verification of the appropriateness of the audit plan and remuneration estimates for the current fiscal year.

(4) Remuneration, etc. of Directors and Audit & Supervisory Board Members

1) Matters relating to the policy for determining the remuneration, etc. of Directors and Audit & Supervisory Board Members for the current fiscal year and the calculation method thereof

a. Remuneration, etc. of Directors

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

The Decision-making Policy for remuneration, etc. for the current fiscal year was determined by a resolution of the Board of Directors at a meeting held on June 14, 2024, following consultation with the Committee on Personnel and Remuneration, etc. on the same day. The outline of the policy is as follows.

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

The basic remuneration of Directors is fixed monthly remuneration, which is determined and paid in consideration of their duties and responsibilities, the standards of other companies, and the level of employee salaries. Bonuses are calculated based on a position-specific formula tied to consolidated operating profit, and are paid at a fixed time each year. In addition, the content of restricted stock compensation is determined based on position-specific criteria and is delivered at a fixed time each year.

The determination of the specific details of basic remuneration for the current fiscal year was delegated to the Committee on Personnel and Remuneration, etc. based on a resolution of the Board of Directors held on May 13, 2024. This delegation of authority is to improve transparency of the remuneration determination process. Specific calculation methods to decide on bonuses for the current fiscal year for each position were resolved at the Board of Directors meeting held on June 14, 2024, and specific details about payment of restricted stock remuneration for each individual were resolved as of July 12, 2024 by a so-called written resolution of the Board of Directors meeting under Article 370 of the Companies Act, after an outline was explained in advance at the Board of Directors meeting. Based on the above, the Board of Directors determined that individual remuneration, etc. for Directors in the current fiscal year is in line with the Decision-making Policy.

[Details of bonuses (performance-linked remuneration)]

Bonuses are paid to Directors (excluding Outside Directors) in order to raise awareness of the improvement of each fiscal year's performance and function as an incentive for continuous improvement of corporate value. The specific amount of remuneration for each individual is calculated by multiplying the performance indicators predetermined by the Board of Directors by a stipulated percentage and the multiplier based on position predetermined by the Board of Directors. The performance indicator is consolidated operating profit from the perspective of company profitability, and also takes into account the operating profit of the reporting company. Targets for consolidated operating profit and operating profit of the reporting company are not set for the purpose of determining the amount of bonus payments. For the current fiscal year (current consolidated fiscal year), consolidated operating profit amounted to ¥642,851 million, and operating profit of the reporting company amounted to ¥188,095 million.

[Details of restricted stock compensation (non-monetary remuneration, etc.)]

Restricted stock compensation is paid to Directors (excluding Outside Directors) in order to function as an incentive for continuous improvement of corporate value and to further promote shared value with shareholders. Eligible Directors receive common shares of the Company by paying all remuneration paid based on the resolution of the Board of Directors (monetary remuneration rights) as a contribution in kind. The transfer restriction period is until the date of retirement from the position of Director. If a Director falls under certain grounds, such as the Director retiring for any reason other than that deemed reasonable by the Board of Directors, the Company shall acquire the shares allotted for no consideration.

In the current fiscal year, 126,300 common shares of the Company were allocated to five Directors.

b. Remuneration, etc. of Audit & Supervisory Board Members

The remuneration of Audit & Supervisory Board Members consists solely of fixed monthly remuneration (basic remuneration), and is determined and paid based on consultation among Audit & Supervisory Board Members.

c. Matters relating to resolutions at the General Meetings of Shareholders regarding remuneration, etc. for Directors and Audit & Supervisory Board Members for the current fiscal year

The annual amount of basic remuneration for Directors and bonuses for Directors excluding Outside Directors was resolved to be within ¥750 million (of which, the amount for Outside Directors is an annual amount of 50 million yen or less) at the 157th Ordinary General Meeting of Shareholders held on June 23, 2023. The number of Directors after the conclusion of such General Meeting of Shareholders was eight including three Outside Directors.

Separate from this framework of remuneration, it was resolved at the 154th Ordinary General Meeting of Shareholders held on June 26, 2020 that the total amount of remuneration to be paid to Directors excluding Outside Directors for the purpose of granting of restricted stock (monetary compensation claims) shall be within the annual amount of ¥300 million, the total annual limit of the common shares to be granted shall be within 400,000 shares(*), and the transfer restriction period shall be from the date of allotment until the date of retirement from the position of Director. The number of Directors excluding Outside Directors after the conclusion of such General Meeting of Shareholders was six.

The annual amount of remuneration for Audit & Supervisory Board Members was resolved to be within ¥120 million at the 151st Ordinary General Meeting of Shareholders held on June 29, 2017. The number of Audit & Supervisory Board Members after the conclusion of such General Meeting of Shareholders was five.

* As of April 1, 2024, the Company conducted a four-for-one stock split of its common stock. The total number of shares to be issued is the number of shares after adjustment for the stock split.

2) Total amount of remuneration, etc. by officer classification, total amount by each type of remuneration, etc., and number of payees

Total amount of remuneration, etc. by officer classification, total amount by each type of remuneration, etc., and number of payees for the reporting company

Officer classification	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type (Millions of yen)			Number of payees
		Basic remuneration	Remuneration linked to the Company's performance	Non-monetary remuneration, etc.	
Directors (excluding Outside Directors)	747	220	299	227	8
Outside Directors	45	45	–	–	3
Total	793	266	299	227	11
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	70	70	–	–	3
Outside Audit & Supervisory Board Members	45	45	–	–	4
Total	116	116	–	–	7

Notes: 1. The above "Remuneration linked to the Company's performance" (bonus) and "Non-monetary remuneration, etc." (restricted stock compensation) for Directors (excluding Outside Directors) are amounts reported as expenses for the current fiscal year.

2. The above remuneration for Directors (excluding Outside Directors) includes the amount paid to three persons who retired due to the expiration of their term of office at the conclusion of the 158th Ordinary General Meeting of Shareholders held on June 27, 2024.

3. The above remuneration for Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) includes the amount paid to one person who retired due to the expiration of their term of office at the conclusion of the 158th Ordinary General Meeting of Shareholders held on June 27, 2024.

4. The above remuneration for Outside Audit & Supervisory Board Members includes the amount paid to one person who retired due to the expiration of their term of office at the conclusion of the 158th Ordinary General Meeting of Shareholders held on June 27, 2024.

3) Total amount of consolidated remuneration, etc. for each Director and Audit & Supervisory Board Member

	Total amount of consolidated remuneration, etc. (Millions of yen)	Officer classification	Corporate classification	Amount of consolidated remuneration, etc. by type (Millions of yen)		
				Basic remuneration	Remuneration linked to the Company's performance	Non-monetary remuneration, etc.
Toshihiro Suzuki	293	Director	Reporting company	71	125	96
Naomi Ishii	172	Director	Reporting company	47	75	49

Notes: 1. The above information is limited to those whose total consolidated remuneration, etc. is ¥100 million or more.

2. The above "Remuneration linked to the Company's performance" (bonus) and "Non-monetary remuneration, etc." (restricted stock compensation) are amounts reported as expenses for the current fiscal year.

4) Matters relating to the policy for determining the remuneration, etc. of Directors and Audit & Supervisory Board Members as of the filing date of this Annual Securities Report and the calculation method thereof

a. Remuneration, etc. of Directors

The Company received approval at the 159th Ordinary General Meeting of Shareholders held on June 27, 2025 to revise the remuneration of Directors with the aim of further enhancing the incentive effect for achieving the management goals set forth in the Mid-Term Management Plan “By Your Side” announced on February 20, 2025 and improving the Company’s medium- to long-term corporate value, and to increase shared values between eligible Directors and shareholders.

The policies relating to the determination of the content of remuneration, etc. of individual Directors (hereinafter, the “Decision-making Policy”), which were amended subject to the approval of said General Meeting of Shareholders, was established by resolution of the Board of Directors meeting held on May 12, 2025, following consultation with the Committee on Personnel and Remuneration, etc. on the same day. The outline of the policy is as follows.

Remuneration of Directors (excluding Outside Directors) consists of basic remuneration, bonuses as short-term incentives, and share-based payment as medium- to long-term incentives, with the ratio generally set at 30% for basic remuneration, 35% for bonuses, and 35% for stock remuneration, so as to serve as an incentive for the sustainable improvement of the Company’s corporate value. Remuneration for Outside Directors shall be limited to basic remuneration in consideration of their duties.

[Method for determining the amount of basic remuneration]

The basic remuneration of Directors shall be fixed monthly remuneration, which shall be determined and paid in consideration of their duties and responsibilities, the standards of other companies, and the level of employee salaries. The determination of the specific details of individual basic remuneration is delegated to the Committee on Personnel and Remuneration, etc. based on a resolution of the Board of Directors.

[Method for determining bonuses (performance-linked remuneration)]

Bonuses are paid to Directors (excluding Outside Directors) in order to raise awareness of improvement of each fiscal year’s performance and function as an incentive to achieve the management goals set forth in the Mid-Term Management Plan “By Your Side.” The specific amount of remuneration for each individual is calculated by multiplying the performance indicators predetermined by the Board of Directors following consultation with the Committee on Personnel and Remuneration, etc. by a stipulated percentage and the multiplier based on position predetermined by the Board of Directors, and is paid at a fixed time each year.

The performance indicator for the fiscal year ending March 31, 2026 is consolidated operating profit, the operating profit of the reporting company, and consolidated ROE from the perspective of company profitability. Targets for consolidated operating profit and operating profit of the reporting company are not set for the purpose of determining the payment amount. Consolidated ROE will be evaluated based on the management target of 13% in the Mid-Term Management Plan.

(Supplement)

Remuneration linked to the Company’s performance (bonus) for Directors who fall under the category of “Executive Officer” pursuant to Article 34, Paragraph 1, Item 3 of the Corporation Tax Act is intended to be a performance-linked salary under the Corporation Tax Act. The calculation method for remuneration linked to the Company’s performance (bonus) for Directors for the fiscal year ending March 31, 2026 is as follows.

1. Calculation method

Payment amount = Consolidated operating profit × multiplier relative to consolidated ROE of 13%* × 0.020% × multiplier based on position

However, if the consolidated operating profit for the fiscal year ending March 31, 2026 exceeds that of the fiscal year ended March 31, 2025 but the operating profit of the reporting company for the fiscal year ending March 31, 2026 falls below that of the fiscal year ended March 31, 2025, the payment amount will be the sum of the amount calculated by multiplying the portion of the consolidated operating profit for the fiscal year ending March 31, 2026 up to the same amount as the fiscal year ended March 31, 2025 by 0.020% and the multiplier based on position, and the amount calculated by multiplying the portion of the consolidated operating profit for the fiscal year ending March 31, 2026 that exceeds that of the fiscal year ended March 31, 2025 by the operating profit of the reporting company for the fiscal year ending March 31, 2026 compared to the fiscal year ended March 31, 2025 (rounded down to the second decimal place; however, in the case of operating loss, this shall be 0), and multiplying this amount by 0.020% and the multiplier based on position.

* Multiplier relative to consolidated ROE of 13%:

1.05 if consolidated ROE for the fiscal year ending March 31, 2026 is 13% or more, and 0.95 if less than 13%

a. Both consolidated operating profit and the operating profit of the reporting company for the fiscal year ending March 31, 2026 exceed those for the fiscal year ended March 31, 2025:

Payment amount = consolidated operating profit for the fiscal year ending March 31, 2026 × multiplier based on the degree of achievement against consolidated ROE of 13% × 0.020% × multiplier based on position

b. Consolidated operating profit for the fiscal year ending March 31, 2026 exceeded that of the fiscal year ended March 31, 2025 but the operating profit of the reporting company for the fiscal year ending March 31, 2026 was less than that of the fiscal year ended March 31, 2025:

Payment amount = 1) × multiplier based on the degree of achievement against consolidated ROE of 13% × 0.020% × multiplier based on position + 2) × multiplier based on the degree of achievement against consolidated ROE of 13% × operating profit of the reporting company for the fiscal year ending March 31, 2026 compared with that of the fiscal year ended March 31, 2025 (rounded down to two decimal places; however, in the event of an operating loss, this shall be 0) × 0.020% × multiplier by position

1) Portion of consolidated operating profit for the fiscal year ending March 31, 2026 up to the same amount as that for the fiscal year ended March 31, 2025

2) Portion of consolidated operating profit for the fiscal year ending March 31, 2026 that exceeds that for the fiscal year ended March 31, 2025

Notes: 1. The indicator for the profit status prescribed in Article 34, Paragraph 1, Item 3 (a) of the Corporation Tax Act shall be "consolidated operating profit" for the fiscal year ending March 31, 2026.

2. "Consolidated operating profit" used in the above formula shall be the amount before the payment is accounted for as an expense.

3. Regarding the amount paid to each Director based on the above formula, amounts less than ¥100,000 shall be rounded down.

2. Multiplier based on position

Position	Multiplier	Number of persons
Representative Director & President	1.00	1
Representative Director & Executive Vice President	0.60	1
Director & Executive Vice President	0.40	1
Director & Senior Managing Officer	0.30	2

Note: The above “Number of persons” represents the number of Directors as of June 27, 2025 (“3. Eligible persons”).

3. Eligible persons

Refers only to Directors who fall under the category of “Executive Officer” pursuant to Article 34, Paragraph 1, Item 3 of the Corporation Tax Act. Outside Directors are excluded.

4. Defined amount

The “defined amount” prescribed in Article 34, Paragraph 1, Item 3 (a) 1. of the Corporation Tax Act is limited to ¥500 million.

If the total amount of bonus payments exceeds ¥500 million, each individual’s bonus shall be calculated by multiplying ¥500 million by the ratio of that individual’s bonus to the total amount of all bonuses (amounts less than ¥100,000 shall be rounded down).

5. Other

In the event that a Director resigns during the fiscal year, the payment amount shall be calculated by prorating the amount that would have been paid had they completed their full term of office, based on the number of months served (amounts less than ¥100,000 shall be rounded down).

[Method for determining performance-based restricted stock compensation (non-monetary remuneration, etc.)]

Restricted stock compensation is paid to Directors (excluding Outside Directors) in order to function as an incentive for achieving the management goals set forth in the Mid-Term Management Plan “By Your Side” and to further promote shared value with shareholders. The specific number of shares to be granted to each individual is calculated by linking the achievement level of the financial and non-financial performance evaluation indicators for each fiscal year, which are established based on medium- to long-term management plans and management issues, etc., during the performance evaluation period (each fiscal year) to the standard number of shares to be granted in accordance with position and responsibilities, etc., determined in advance by the Board of Directors following consultation with the Committee on Personnel and Remuneration, etc. At a certain time after the end of the performance evaluation period each year, monetary compensation claims shall be paid in order to grant the shares, and each eligible Director shall receive the Company’s common shares by paying all monetary compensation claims as in-kind contributions. The transfer restriction period shall be until the day of retirement from the position of Director of the Company, and the Company shall acquire the granted shares for no consideration in the event of certain circumstances, such as retirement for reasons other than those deemed valid by the Board of Directors.

The performance indicators for the fiscal year ending March 31, 2026 will be TSR, in consideration of the shareholder return policy in the Mid-Term Management Plan, and consolidated operating profit per person, in consideration of the growth of each person through the personnel system. Targets for determining the payment amount have not been set; however, the evaluation basis for TSR will be a comparison with the TOPIX growth rate including dividends, and for consolidated operating profit per person (excluding foreign exchange effects), the evaluation basis will be the consolidated operating profit per person for the previous consolidated fiscal year.

The Company has established a malus and clawback clause under which if, during the transfer restriction period and after the removal of transfer restrictions, the Board of Directors of the Company determines that an eligible Director has committed an illegal act or violation of laws and regulations, etc., the Company may request the eligible Director to return all or part of the restricted shares or common shares of the Company for which transfer restrictions have been removed.

(Supplement)

A portion of the performance-based restricted stock compensation for Directors who fall under the category of "Executive Officer" pursuant to Article 34, Paragraph 1, Item 3 of the Corporation Tax Act (the portion equivalent to 90% of the number of shares to be granted to each individual in 1. (i) below) is intended to be performance-linked salary under the Corporation Tax Act. The calculation method for performance-based restricted stock compensation for the fiscal year ending March 31, 2026, which is the first performance evaluation period (hereinafter, the "Eligible Period"), is as follows.

1. Calculation method for the number of shares to be granted to each eligible Director

The number of shares to be granted to each individual shall be the sum of (i) and (ii) below, and the number of shares less than 100 shares shall be rounded down.

(i) Base number of shares to be granted (*1) × 90% × TSR evaluation factor (*2)

(Any fractional share less than one share shall be rounded down.)

(ii) Base number of shares to be granted (*1) × 10% × evaluation factor other than TSR (*3)

(Any fractional share less than one share shall be rounded down.)

*1 Base number of shares to be granted

Position	Number of shares	Number of persons
Representative Director & President	56,000	1
Representative Director & Executive Vice President	30,000	1
Director & Executive Vice President	20,000	1
Director & Senior Managing Officer	16,000	2

Note: The above "Number of persons" represents the number of Directors as of June 27, 2025 ("3. Eligible persons").

*2 TSR evaluation factor

Company's TSR ÷ TOPIX growth rate including dividends

$$\text{Company's TSR} = \frac{\text{Average closing share price in the last month of the Eligible Period (March) + total dividend for the Eligible Period}}{\text{Average closing price in the month prior to the start of the Eligible Period (March)}}$$

$$\text{TOPIX growth rate including dividends} = \frac{\text{Average closing price of TOPIX including dividends for the last month of the Eligible Period (March)}}{\text{Average closing price of TOPIX including dividends for the month prior to the start of the Eligible Period (March)}}$$

If *2 exceeds 110%, the maximum will be 110%, and if it falls below 90%, the minimum will be 90%.

*3 Evaluation factor other than TSR

Consolidated operating profit per person for the Eligible Period (excluding foreign exchange effects) ÷ consolidated operating profit per person for the fiscal year prior to the Eligible Period

If *3 exceeds 110%, the maximum will be 110%, and if it falls below 90%, the minimum will be 90%.

2. Calculation method for the amount of monetary compensation claims to be paid to eligible Directors

The amount is obtained by multiplying the number of shares to be granted to each eligible Director (calculated in 1. above) by the closing price of the common shares of the Company on the Tokyo Stock Exchange on the business day immediately prior to the day of the resolution of the Board of Directors for the allocation of shares (or, if no trading was conducted on that day, the closing price on the immediately preceding trading day).

3. Eligible persons

Refers only to Directors who fall under the category of "Executive Officer" pursuant to Article 34, Paragraph 1, Item 3 of the Corporation Tax Act. Outside Directors are excluded.

4. Defined amount

The "defined amount" prescribed in Article 34, Paragraph 1, Item 3 (a) 1. of the Corporation Tax Act is limited to ¥500 million. In addition, the maximum "defined number" shall be 400,000 shares.

If the total amount of monetary compensation claims to be paid to eligible Directors exceeds ¥500 million, the amount of monetary compensation claims to be paid to each eligible Director shall be calculated by dividing the amount paid to each individual by the total amount to be paid to all Directors, and then multiplying this ratio by ¥500 million (amounts less than ¥100,000 shall be rounded down).

If the total number of shares to be granted to eligible Directors exceeds 400,000 shares, the number of shares to be granted to each individual shall be calculated by dividing the number of shares to be granted to each Director by the total number of shares to be granted to all Directors, and then multiplying the result by 400,000 shares (any shares less than 100 shares shall be rounded down).

5. Requirements for allocation

Upon the conclusion of the Eligible Period, and providing that the following allocation requirements are met, each eligible Director shall be paid monetary compensation claims and receive shares by contributing all of the monetary compensation claims in kind.

1) The eligible Director must have continuously held the position of a Director of the Company during the term of office for which the shares are to be allocated (the period from the date of the Ordinary General Meeting of Shareholders for the previous fiscal year to the day before the date of the Ordinary General Meeting of Shareholders for the relevant fiscal year)
2) The eligible Director must not have committed any certain acts of misconduct as determined by the Board of Directors of the Company
3) The eligible Director must satisfy other requirements deemed necessary by the Board of Directors

6. Treatment in the event that an eligible Director retires before shares are granted

1) In the event that a Director of the Company retires from their position as Director for reasons such as the expiration of their term of office or other reasons deemed valid by the Board of Directors, the Company may, in lieu of granting the shares, pay the Director an amount of cash calculated by multiplying the amount of monetary compensation claims determined in accordance with 2. above by a coefficient obtained by dividing the number of months the Director served (any period less than one month shall be rounded up to one month) since the most recent General Metting of Shareholders at which the Director was elected (including reappointment) by 12 months (amounts less than ¥100,000 shall be rounded down).
2) In the event that a Director of the Company retires from their position as Director for reasons of death, the Company may, in lieu of granting the shares, pay the heirs of said Director an amount of cash calculated by multiplying the amount of monetary compensation claims determined in accordance with 2. above by a coefficient obtained by dividing the number of months the Director served (any period less than one month shall be rounded up to one month) since the most recent General Metting of Shareholders at which the Director was elected (including reappointment) by 12 months (amounts less than ¥100,000 shall be rounded down).

b. Remuneration, etc. of Audit & Supervisory Board Members

The remuneration of Audit & Supervisory Board Members consists solely of fixed monthly remuneration (basic remuneration), and is determined and paid based on consultation among Audit & Supervisory Board Members.

c. Matters relating to resolutions at the General Meetings of Shareholders regarding remuneration, etc. for Directors and Audit & Supervisory Board Members for the fiscal year following the filing date of this Annual Securities Report

The annual amount of basic remuneration for Directors and bonuses for Directors (excluding Outside Directors) was resolved to be within ¥1,050 million (including an annual amount of within ¥150 million for Outside Directors) at the 159th Ordinary General Meeting of Shareholders held on June 27, 2025. The number of Directors after the conclusion of such General Meeting of Shareholders was nine including four Outside Directors.

Separate from this framework of remuneration, it was resolved at the 159th Ordinary General Meeting of Shareholders held on June 27, 2025 that the amount of monetary compensation claims to be paid in order to grant performance-based restricted stock compensation to Directors (excluding Outside Directors) shall be within the annual amount of ¥500 million, the total annual limit of shares to be granted shall be within 400,000 shares, and the transfer restriction period shall be from the date of allotment until the date of retirement from the position of Director. The number of Directors excluding Outside Directors after the conclusion of such General Meeting of Shareholders was five.

The annual amount of remuneration for Audit & Supervisory Board Members was resolved to be within ¥200 million at the 159th Ordinary General Meeting of Shareholders held on June 27, 2025. The number of Audit & Supervisory Board Members after the conclusion of such General Meeting of Shareholders was five.

(5) Shareholdings

1) Standards and policies for the classification of investment shares

Regarding the classification of investment shares held for pure investment purposes and investment shares held for purposes other than pure investment, the Company classifies shares held solely for the purpose of receiving profits through fluctuations in share values or through dividends as investment shares held for pure investment purposes, and classifies all other investment shares as investment shares held for purposes other than pure investment.

2) Investment shares held for purposes other than pure investment

a. Method for verifying the shareholding policy and rationale of shareholdings, and details of verifications by the Board of Directors, etc. regarding the appropriateness of holding individual stocks

The Company will hold shares of business partners and others for realizing sustainable growth and enhancing its mid- and long-term corporate value when we determine that such shareholdings will contribute to the creation of business opportunities, business alliances as well as establishment, retention, reinforcement, etc. of stable transactions and cooperative relations.

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

b. Number of cross-shareholdings and amounts posted on the balance sheet

	Number of stocks (Stock names)	Total amounts posted on the balance sheet (Millions of yen)
Unlisted stocks	47	26,257
Stocks other than unlisted stocks	45	159,761

(Stocks whose number of shares increased in the current fiscal year)

	Number of stocks (Stock names)	Total acquisition cost for increased shares (Millions of yen)	Reason for increase in number of shares
Unlisted stocks	3	3,477	Investment in startups, including collaborations related to autonomous vehicles
Stocks other than unlisted stocks	1	–	Change in classification from unlisted stocks

(Stocks whose number of shares increased in the current fiscal year)

	Number of stocks (Stock names)	Total sale amount for decreased shares (Millions of yen)
Unlisted stocks	2	5
Stocks other than unlisted stocks	14	58,994

Notes: 1. Stocks for which the number of shares increased do not include changes due to the stock split.

2. The increase in stocks other than unlisted stocks (one stock) and the decrease in unlisted stocks (one stock) are due to new listings, and there is no acquisition cost or sale amount involved.

<Trends in the number of cross-shareholdings>

	End of March 2018	End of March 2019	End of March 2020	End of March 2021	End of March 2022	End of March 2023	End of March 2024	End of March 2025
Unlisted stocks	41	41	42	44	44	48	46	47
Stocks other than unlisted stocks	94	88	80	64	60	60	58	45

(Total amounts posted on the balance sheet and their ratio to the consolidated total equity: 5.0%)

c. Information on the number of shares and amounts posted on the balance sheet for each stock for specified investment shares and deemed shareholdings

Specified investment shares

Stock name	Fiscal year ended March 31, 2025 Number of shares (shares) Amount posted on balance sheet (Millions of yen)	Fiscal year ended March 31, 2024 Number of shares (shares) Amount posted on balance sheet (Millions of yen)	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reasons for increase in number of shares	Shareholding in the Company
Toyota Motor Corporation	30,948,300	30,948,300	Held for the purpose of maintaining and developing the business alliance. The two companies began discussing a business alliance and engaging in collaborative efforts in 2016 with the aim of contributing to the resolution of social issues and the sound and sustainable development of the automotive society. In 2019, while continuing as competitors, the two companies entered into a capital alliance with the goal of building and promoting a long-term partnership to pursue collaboration in new fields.	Yes
	80,960	117,355		
Mitsubishi UFJ Financial Group, Inc.	9,931,630	9,931,630	Held primarily for the purpose of maintaining and strengthening the business relationship, including financing.	Yes (Note 2)
	19,972	15,463		
Shizuoka Financial Group, Inc.	7,000,800	7,000,800	Held primarily for the purpose of maintaining and strengthening the business relationship, including financing.	Yes (Note 3)
	11,362	10,130		
Subros Ltd.	7,800,000	7,800,000	Held primarily for the purpose of maintaining and strengthening the business relationship in automotive-related parts in India. Invested in the company when it was established in 1985 as a joint venture.	No
	7,693	7,358		
Sumitomo Realty & Development Co., Ltd.	1,362,000	1,362,000	Held primarily for the purpose of maintaining and strengthening the business relationship in the leasing of event facilities and brokerage for business base locations.	Yes
	7,617	7,895		
Mizuho Financial Group, Inc.	1,107,701	1,107,701	Held primarily for the purpose of maintaining and strengthening the business relationship, including financing.	Yes (Note 4)
	4,487	3,374		
Resona Holdings, Inc.	2,313,450	2,313,450	Held primarily for the purpose of maintaining and strengthening the business relationship, including financing.	Yes (Note 5)
	2,977	2,198		
NOK CORPORATION	1,012,300	1,012,300	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
	2,216	2,118		
Taikisha Ltd.	417,900	417,900	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
	1,910	1,941		
Sumitomo Mitsui Financial Group, Inc.	478,656	159,552	Held primarily for the purpose of maintaining and strengthening the business relationship, including financing. (The increase in the number of shares is due to the stock split.)	Yes (Note 6)
	1,816	1,421		

Stock name	Fiscal year ended March 31, 2025 Number of shares (shares) Amount posted on balance sheet (Millions of yen)	Fiscal year ended March 31, 2024 Number of shares (shares) Amount posted on balance sheet (Millions of yen)	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reasons for increase in number of shares	Shareholding in the Company
KYB Corporation	540,040 1,587	270,020 1,396	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities. (The increase in the number of shares is due to the stock split.)	Yes
IBIDEN CO., LTD.	386,100 1,540	386,100 2,567	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	No
STANLEY ELECTRIC CO., LTD.	518,364 1,454	518,364 1,459	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
Makita Corporation	283,800 1,397	283,800 1,211	Held primarily for the purpose of maintaining and strengthening the business relationship relating to work tools, and creating new opportunities.	Yes
Sumitomo Mitsui Trust Group, Inc.	292,500 1,088	292,500 967	Held primarily for the purpose of maintaining and strengthening the business relationship, including financing.	Yes (Note 7)
NSK Ltd.	1,702,650 1,086	1,702,650 1,504	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	No
YUSHIRO INC.	549,000 1,057	549,000 1,220	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
Sanoh Industrial Co., Ltd.	1,600,000 1,056	1,600,000 1,828	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
Yorozu Corporation	800,000 808	800,000 772	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
UNIVANCE CORPORATION	1,937,200 738	1,937,200 1,462	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
Sompo Holdings, Inc.	157,500 712	52,500 502	Held primarily for the purpose of maintaining and strengthening the business relationship in insurance. (The increase in the number of shares is due to the stock split.)	Yes (Note 8)
YAMATO HOLDINGS CO., LTD.	348,080 682	348,080 751	Held primarily for the purpose of maintaining and strengthening the business relationship relating to logistics operations, and creating new opportunities.	Yes
ispace, inc.	873,960 659	873,960 737	Held for the purpose of contributing to the company's initiatives through technologies we have cultivated in automobile development, and to enhance our own technologies.	No

Stock name	Fiscal year ended March 31, 2025 Number of shares (shares) Amount posted on balance sheet (Millions of yen)	Fiscal year ended March 31, 2024 Number of shares (shares) Amount posted on balance sheet (Millions of yen)	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reasons for increase in number of shares	Shareholding in the Company
EXEDY Corporation	127,050	127,050	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
	557	388		
Tokai Tokyo Financial Holdings, Inc.	1,118,090	1,118,090	Held primarily for the purpose of maintaining and strengthening the relationship in financial transactions, etc.	Yes
	541	680		
AISIN CORPORATION	300,000	100,000	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities. (The increase in the number of shares is due to the stock split.)	Yes
	486	622		
KOITO MANUFACTURING CO., LTD.	200,000	200,000	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
	367	507		
Ahresty Corporation	565,767	565,767	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
	366	483		
Futaba Industrial Co., Ltd.	459,000	459,000	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
	357	538		
MIKUNI CORPORATION	1,007,365	1,007,365	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
	306	490		
NPR-RIKEN CORPORATION	120,000	120,000	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
	299	374		
HI-LEX CORPORATION	154,187	154,187	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
	242	260		
TOPY INDUSTRIES, LIMITED.	109,621	109,621	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
	233	297		
Akebono Brake Industry Co., Ltd.	1,751,000	1,751,000	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	No
	187	255		
NISHIKAWA RUBBER CO., LTD.	30,750	30,750	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
	150	63		
Kawai Musical Instruments Manufacturing Co., Ltd.	47,000	47,000	Held for the purpose of maintaining and strengthening the relationship with the regional economy.	Yes
	134	168		

Stock name	Fiscal year ended March 31, 2025 Number of shares (shares) Amount posted on balance sheet (Millions of yen)	Fiscal year ended March 31, 2024 Number of shares (shares) Amount posted on balance sheet (Millions of yen)	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reasons for increase in number of shares	Shareholding in the Company
TOKAI RIKA CO., LTD.	50,000 111	50,000 130	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
TODA CORPORATION	124,185 109	124,185 126	Held primarily for the purpose of maintaining and strengthening the business relationship relating to the construction of facilities and bases, and creating new opportunities.	Yes
Toyoda Gosei Co., Ltd.	38,573 103	38,573 125	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials.	No
OKAYA & CO., LTD.	14,400 100	7,200 121	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities. (The increase in the number of shares is due to the stock split.)	Yes
RYOBI LIMITED	44,000 98	44,000 131	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
Chuo Spring Co., Ltd.	38,484 64	38,484 40	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
NICHIAS Corporation	6,050 27	6,050 24	Held primarily for the purpose of maintaining and strengthening the business relationship relating to automotive parts and materials, and creating new opportunities.	Yes
The Shimizu Bank, Ltd.	11,248 16	11,248 18	Held for the purpose of maintaining and strengthening the relationship with the regional economy.	Yes
Dynamic Map Platform Co., Ltd.	10,000 14	– –	Held primarily for the purpose of maintaining and strengthening the business relationship relating to the development of autonomous driving technology, and creating new opportunities. (Reclassified from unlisted stock to listed stock due to listing)	No
Mitsubishi Electric Corporation	– –	9,210,000 23,135	–	Yes (Note 9)
Shin-Etsu Chemical Co., Ltd.	– –	3,084,000 20,305	–	Yes
DENSO CORPORATION	– –	2,166,044 6,244	–	No
AGC Inc.	– –	914,000 5,052	–	No
NIPPON STEEL CORPORATION	– –	1,255,500 4,605	–	No
Daido Steel Co., Ltd.	– –	2,231,100 4,052	–	No
Mitsui Chemicals, Inc.	– –	753,000 3,261	–	Yes

Stock name	Fiscal year ended March 31, 2025 Number of shares (shares) Amount posted on balance sheet (Millions of yen)	Fiscal year ended March 31, 2024 Number of shares (shares) Amount posted on balance sheet (Millions of yen)	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reasons for increase in number of shares	Shareholding in the Company
NTN Corporation	–	6,249,600	–	No
	–	1,960		
Toyota Tsusho Corporation	–	135,003	–	No
	–	1,385		
TEIJIN LIMITED	–	785,200	–	No
	–	1,107		
The Yokohama Rubber Co., Ltd.	–	171,150	–	Yes
	–	689		
Nippon Paint Holdings Co., Ltd.	–	500,000	–	No
	–	536		
HAMAMATSU PHOTONICS K.K.	–	42,000	–	No
	–	224		
Aichi Steel Corporation	–	11,000	–	No
	–	43		

Notes: 1. Since it is difficult to state the quantitative effects, the method used to verify the rationality of the shareholding is stated.
For the current fiscal year, the staff department compiled information on the history and purpose of acquisition of each individual stock, the status of transactions with the issuing company, the performance trends of the issuing company, the acquisition price and market value, criteria such as dividend yield, and the benefits and risks of holding the stock, and this information was verified firstly by the Executive Committee and then by the Board of Directors.
2. Mitsubishi UFJ Financial Group, Inc. does not hold shares in the Company but a subsidiary of the company does.
3. Shizuoka Financial Group, Inc. does not hold shares in the Company but a subsidiary of the company does.
4. Mizuho Financial Group, Inc. does not hold shares in the Company but a subsidiary of the company does.
5. Resona Holdings, Inc. does not hold shares in the Company but a subsidiary of the company does.
6. Sumitomo Mitsui Financial Group, Inc. does not hold shares in the Company but a subsidiary of the company does.
7. Sumitomo Mitsui Trust Group, Inc. does not hold shares in the Company but a subsidiary of the company does.
8. Sompo Holdings, Inc. does not hold shares in the Company but a subsidiary of the company does.
9. Mitsubishi Electric Corporation does not hold shares in the Company but a subsidiary of the company does.

3) Investment shares held for pure investment purposes

Not applicable.

V. Financial Information

1. Basis of preparation of the consolidated financial statements and the non-consolidated financial statements
   (1) The consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS) as prescribed in Article 312 of the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976, hereinafter referred to as the “Regulation on Consolidated Financial Statements”).
   (2) The nonconsolidated financial statements of the Company are prepared in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963, hereinafter referred to as the “Regulation on Financial Statements”). Moreover, the Company is qualified as a special company submitting financial statements and prepares nonconsolidated financial statements pursuant to Article 127 of the Regulation on Financial Statements.

2. Audit Certification
   Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the Company’s consolidated financial statements for the consolidated fiscal year (from April 1, 2024 to March 31, 2025) and non-consolidated financial statements for the fiscal year (from April 1, 2024 to March 31, 2025) were audited by Seimei Audit Corporation.

3. Specific Efforts to Ensure the Appropriateness of the Consolidated Financial Statements, etc.
   In order to ensure the appropriateness of the Company’s consolidated financial statements, the Company has joined the Financial Accounting Standards Foundation. Using the information obtained from the foundation, the Company has built and maintained a system to properly understand the corporate accounting standards, etc., and to appropriately handle revisions to the corporate accounting standards, etc. The Company also participate in training programs conducted by accounting standard setters, specialized accounting organizations.

4. Development of a System to Properly Prepare the Consolidated Financial Statements, etc. in Accordance with IFRS
   The Company obtains press releases and standards issued by the International Accounting Standards Board as needed to understand the latest standards. In addition, the Company develops a system to properly prepare the consolidated financial statements in accordance with IFRS as preparing the Group’s internal accounting instruction manual based on IFRS.

1. Consolidated Financial Statements and other information

(1) Consolidated Financial Statements

1)Consolidated Statement of Financial Position

(Millions of Yen)

	Notes	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Assets				
Current assets				
Cash and cash equivalents	7	868,911	840,020	842,710
Trade and other receivables	8, 28	517,825	588,333	590,303
Inventories	9	472,720	573,828	571,468
Income taxes receivable		4,920	7,421	7,748
Other financial assets	17	139,676	219,611	331,252
Other current assets	10	145,433	162,305	179,605
Subtotal		2,149,488	2,391,521	2,523,089
Assets held for sale	11	—	—	5,591
Total current assets		2,149,488	2,391,521	2,528,681
Non-current assets				
Property, plant and equipment	12	1,323,704	1,545,693	1,673,471
Right-of-use assets	14	52,183	60,437	50,009
Intangible assets	13	140,537	147,700	178,162
Investments accounted for using equity method	16	86,007	108,404	115,563
Other financial assets	17, 35	1,010,861	1,387,845	1,344,493
Deferred tax assets	18	59,163	75,436	63,742
Other non-current assets	10	39,566	40,618	39,533
Total non-current assets		2,712,025	3,366,135	3,464,976
Total assets		4,861,513	5,757,656	5,993,657

(Millions of Yen)

	Notes	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Liabilities and equity				
Liabilities				
Current liabilities				
Trade and other payables	19	384,612	444,225	422,142
Bonds and borrowings	20	347,050	456,780	297,834
Income taxes payable		44,242	67,117	52,789
Other financial liabilities	21, 35	63,177	79,067	99,457
Provisions	22	208,282	190,053	165,340
Other current liabilities	24	477,554	544,761	564,992
Total current liabilities		1,524,919	1,782,006	1,602,557
Non-current liabilities				
Bonds and borrowings	20	416,787	329,117	427,465
Other financial liabilities	21, 35	51,028	55,638	52,113
Retirement benefit liability	23	51,465	45,348	46,259
Provisions	22	18,518	20,502	23,332
Deferred tax liabilities	18	9,327	77,208	91,587
Other non-current liabilities	24	45,934	63,408	62,270
Total non-current liabilities		593,061	591,222	703,029
Total liabilities		2,117,980	2,373,229	2,305,586
Equity				
Equity attributable to owners of parent				
Share capital	26	138,370	138,370	138,370
Capital surplus	26	138,180	67,988	59,013
Retained earnings	26	1,971,121	2,241,744	2,619,684
Treasury shares	26	(19,396)	(39,300)	(39,166)
Other components of equity	26	65,911	310,971	192,758
Total equity attributable to owners of parent		2,294,186	2,719,773	2,970,660
Non-controlling interests		449,346	664,654	717,410
Total equity		2,743,533	3,384,427	3,688,070
Total liabilities and equity		4,861,513	5,757,656	5,993,657

2)Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

[Consolidated Statement of Income]

(Millions of Yen)

	Notes	FY2023 (April 1, 2023 – March 31, 2024)	FY2024 (April 1, 2024 – March 31, 2025)
Revenue	28	5,357,523	5,825,161
Cost of sales		(3,946,782)	(4,256,502)
Gross profit		1,410,740	1,568,659
Selling, general and administrative expenses	29	(916,177)	(944,341)
Other income	30	19,234	26,516
Other expenses	30	(19,963)	(7,982)
Operating profit		493,834	642,851
Finance income	31	105,140	118,813
Finance costs	31	(20,016)	(43,440)
Share of profit (loss) of investments accounted for using equity method	16	12,755	11,996
Profit before tax		591,713	730,220
Income tax expense	18	(172,404)	(200,503)
Profit		419,309	529,717
Profit attributable to			
Owners of parent		317,017	416,050
Non-controlling interests		102,291	113,667
Profit		419,309	529,717
Earnings per share attributable to owners of parent			
Basic (Yen)	33	163.88	215.66
Diluted (Yen)	33	163.88	215.65

[Consolidated Statement of Comprehensive Income]

(Millions of Yen)

	Notes	FY2023 (April 1, 2023 – March 31, 2024)	FY2024 (April 1, 2024 – March 31, 2025)
Profit		419,309	529,717
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		3,163	(724)
Financial assets measured at fair value through other comprehensive income	17	80,952	(19,837)
Share of other comprehensive income of investments accounted for using equity method	16	24	(16)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		230,317	(91,670)
Cash flow hedges		(14)	88
Share of other comprehensive income of investments accounted for using equity method	16	4,948	(802)
Total other comprehensive income	26, 32	319,391	(112,963)
Comprehensive income		738,701	416,753
Comprehensive income attributable to			
Owners of parent		566,519	330,639
Non-controlling interests		172,181	86,114
Comprehensive income		738,701	416,753

3) Consolidated Statement of Changes in Equity

FY2023 (April 1, 2023 – March 31, 2024)

(Millions of Yen)

	Notes	Equity attributable to owners of parent						Non-controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
As of April 1, 2023		138,370	138,180	1,971,121	(19,396)	65,911	2,294,186	449,346	2,743,533
Comprehensive income									
Profit				317,017			317,017	102,291	419,309
Other comprehensive income	26					249,501	249,501	69,889	319,391
Total comprehensive income		–	–	317,017	–	249,501	566,519	172,181	738,701
Transfer to retained earnings	26			4,441		(4,441)	–		–
Transactions with owners									
Dividends of surplus	27			(50,836)			(50,836)	(21,122)	(71,958)
Purchase of treasury shares					(20,029)		(20,029)		(20,029)
Disposal of treasury shares			42		125		168		168
Purchase of shares of consolidated subsidiaries			(70,234)				(70,234)	63,948	(6,286)
Other							–	300	300
Total transactions with owners		–	(70,192)	(50,836)	(19,903)	–	(140,932)	43,125	(97,806)
As of March 31, 2024		138,370	67,988	2,241,744	(39,300)	310,971	2,719,773	664,654	3,384,427

FY2024 (April 1, 2024 – March 31, 2025)

(Millions of Yen)

	Notes	Equity attributable to owners of parent						Non-controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
As of April 1, 2024		138,370	67,988	2,241,744	(39,300)	310,971	2,719,773	664,654	3,384,427
Comprehensive income									
Profit				416,050			416,050	113,667	529,717
Other comprehensive income	26					(85,411)	(85,411)	(27,552)	(112,963)
Total comprehensive income		–	–	416,050	–	(85,411)	330,639	86,114	416,753
Transfer to retained earnings	26			32,801		(32,801)	–		–
Transactions with owners									
Dividends of surplus	27			(70,912)			(70,912)	(30,075)	(100,987)
Purchase of treasury shares					(6)		(6)		(6)
Disposal of treasury shares			105		141		246		246
Purchase of shares of consolidated subsidiaries			(9,080)				(9,080)	(3,270)	(12,350)
Other							–	(12)	(12)
Total transactions with owners		–	(8,974)	(70,912)	134	–	(79,752)	(33,358)	(113,110)
As of March 31, 2025		138,370	59,013	2,619,684	(39,166)	192,758	2,970,660	717,410	3,688,070

4) Consolidated Statement of Cash Flows

(Millions of Yen)

	Notes	FY2023 (April 1, 2023 – March 31, 2024)	FY2024 (April 1, 2024 – March 31, 2025)
Cash flows from operating activities			
Profit before tax		591,713	730,220
Depreciation and amortization		229,435	249,856
Impairment losses (reversals of impairment losses)		1,353	335
Finance income and finance costs		(106,995)	(91,243)
Share of loss (profit) of investments accounted for using equity method		(12,755)	(11,996)
Decrease (increase) in trade and other receivables		(41,738)	(8,841)
Increase (decrease) in trade and other payables		10,199	(4,592)
Decrease (increase) in inventories		(46,349)	(16,214)
Increase (decrease) in liabilities related to provisions and employee benefits		(9,077)	(10,948)
Other		1,459	(14,510)
Subtotal		617,246	822,064
Dividends received		5,365	6,893
Interest received		25,331	26,991
Interest paid		(8,488)	(10,951)
Income taxes paid		(137,667)	(175,213)
Net cash provided by (used in) operating activities		501,786	669,784
Cash flows from investing activities			
Net decrease (increase) in time deposits		(41,310)	(44,507)
Purchase of property, plant and equipment		(317,118)	(344,687)
Proceeds from sale of property, plant and equipment		6,597	7,239
Purchase of intangible assets and expenditure on internally generated intangible assets		(36,844)	(57,856)
Proceeds from sale of intangible assets		151	31
Payments for loans receivable		(206)	(2,745)
Collection of loans receivable		354	285
Purchase of other financial assets		(1,274,353)	(1,424,865)
Proceeds from sale or collection of other financial assets		1,185,330	1,391,500
Net cash provided by (used in) investing activities		(477,399)	(475,605)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	34	(15,608)	(41,501)
Proceeds from long-term borrowings	34	203,856	294,500
Repayments of long-term borrowings	34	(176,560)	(311,016)
Repayments of lease liabilities	34	(11,672)	(14,870)
Purchase of treasury shares		(20,004)	(1)
Dividends paid to owners of parent		(50,829)	(70,899)
Dividends paid to non-controlling interests		(21,044)	(29,897)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation		(1,034)	(12,291)
Net cash provided by (used in) financing activities		(92,898)	(185,978)
Effect of exchange rate changes on cash and cash equivalents		39,620	(5,510)
Net increase (decrease) in cash and cash equivalents		(28,890)	2,689
Cash and cash equivalents at beginning of period		868,911	840,020
Cash and cash equivalents at end of period	7	840,020	842,710

Notes to Consolidated Financial Statements

1. Reporting entity

Suzuki Motor Corporation (hereinafter the "Company") is a public company domiciled in Japan.

The consolidated financial statements consist of the accounts of the Company and its consolidated subsidiaries (hereinafter, the "Group") and the Group's interests in its associates.

The Group primarily manufactures and sells automobiles, motorcycles, and outboard motors (please refer to "6. Operating segment").

2. Basis of preparation

(1) Compliance with IFRS and first-time adoption of IFRS

The consolidated financial statements have been prepared in accordance with IFRS as prescribed in Article 312 of Ordinance on Consolidated Financial Statements as they satisfy the requirement of a "Specified Company" set forth in Article 1-2 (i) of Ordinance on Consolidated Financial Statements." The Group adopted IFRS for the first time in the fiscal year ended March 31, 2025, with an IFRS transition date of April 1, 2023.

In addition, in transitioning to IFRS, the Group has applied IFRS 1, *First-time Adoption of International Financial Reporting Standards* (hereinafter "IFRS 1"). The impact of the transition to IFRS on the Group's financial position, operating results, and cash flows is described in "39. First-time adoption of IFRS."

The publication of these consolidated financial statements was approved by Toshihiro Suzuki, Representative Director and President of the Company on June 27, 2025.

(2) Basis of measurement

The consolidated financial statements are prepared in accordance with the accounting policies described in "3. Significant accounting policies." Balances of assets and liabilities are measured based on cost, unless otherwise stated.

(3) Functional currency and presentation currency

The consolidated financial statements are presented in Japanese yen, the Company's functional currency, rounded down to the nearest million yen.

3. Material Accounting Policy Information

The following accounting policies have been applied to all periods covered in these condensed quarterly consolidated financial statements (including the consolidated statement of financial position at the transition date).

(1) Basis for consolidation

1) Subsidiaries

A subsidiary refers to an entity controlled by the Group. The Group determines that it controls an investee entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of a subsidiary begins from the acquisition date, which is the date when the Group obtains control of the subsidiary, and continues until the date when it loses control of the subsidiary.

If any accounting policies applied by a subsidiary differ from those applied by the Group, adjustments are made to the subsidiary's financial statements where needed. The intra-group balances of receivables and payables and transactions as well as unrealized gains or losses arising from the intra-group transactions are eliminated when preparing the consolidated financial statements.

Any changes in ownership interest in a consolidated subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control over a subsidiary, it recognizes the gain or loss resulting from such loss of control in profit or loss.

Comprehensive income of subsidiaries is attributed to owners of parent and non-controlling interests even if this results in a negative balance in non-controlling interests.

2) Associates and joint ventures

An associate refers to an entity over which the Group has significant influence in respect of decision-making on the financial and management policies of the entity, but does not have control or joint control over the entity.

A joint venture is an entity that is jointly controlled by two or more parties, including the Company, by a contractual arrangement and whose financial and management decisions regarding its activities require the unanimous agreement of the parties sharing control.

Investments in associates and joint ventures are accounted for using the equity method. If any accounting policies adopted by associates or joint ventures differ from those adopted by the Group, adjustments are made to the financial statements of the entities where needed.

(2) Foreign exchange translation

1) Foreign currency transactions

Each entity of the Group has a designated functional currency, and transactions of each entity are measured in the respective functional currency. Foreign currency transactions are translated into the functional currencies using the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currencies using the exchange rates at the consolidated account closing date. Exchange differences arising from the translation and settlement are recognized as profit or loss. However, exchange differences arising from financial assets measured at fair value through other comprehensive income and those from cash flow hedges are recognized as other comprehensive income.

2) Foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rates at the account closing dates, whereas revenue and expenses of foreign operations are translated into Japanese yen using the exchange rates at the dates of transactions.

Exchange differences arising from such translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation are recognized in profit or loss for the period in which the foreign operation is disposed of.

(3) Financial instruments

1) Financial assets

(i) Initial recognition and measurement

The Group initially recognizes financial assets when it becomes party to the contract, and classifies non-derivative assets into , and financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

Financial assets, except for those measured at fair value through profit or loss, are measured at fair value plus transaction costs that are directly attributable to the financial assets. Trade receivables that do not contain a significant financing component are initially recognized at their transaction price.

Financial assets are recognized or derecognized on the trade date.

・Financial assets measured at amortized cost

Financial assets are classified into those measured at amortized cost if they meet both of the following conditions.

(a) The assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.

(b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

・Equity financial assets measured at fair value through other comprehensive income

Equity instruments, for which the Group has made an irrevocable election at initial recognition to present subsequent changes in the fair value in other comprehensive income, are classified as equity financial assets measured at fair value through other comprehensive income.

・Financial assets measured at fair value through profit or loss

Financial assets that do not fall into the above categories are classified as financial assets measured at fair value through profit or loss.

(ii) Subsequent measurement

After the initial recognition, financial assets are measured as follows, depending on their respective classifications.

・Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

・Equity financial assets measured at fair value through other comprehensive income

Subsequent changes in the fair value of such financial assets are recognized in other comprehensive income. If such financial assets are derecognized or the fair value decreased significantly, such changes are transferred to retained earnings.

Dividends from such financial assets are recognized in profit or loss for the relevant fiscal year.

・Financial assets measured at fair value through profit or loss

Subsequent changes in the fair value of such financial assets are recognized in profit or loss.

(iii) Impairment of financial assets

Allowance for doubtful accounts are recognized for expected credit losses on financial assets measured at amortized cost and lease receivables.

The Group assesses, at each reporting date, whether credit risk of the financial assets has increased significantly since the initial recognition. If the credit risk has not increased significantly since the initial recognition, allowance for doubtful accounts for the financial assets is measured at an amount equal to expected credit losses for 12 months. If the credit risk has increased significantly since the initial recognition, loss allowance for the financial assets is measured at an amount equal to lifetime expected credit losses.

However, allowance for doubtful accounts for trade and lease receivables is always measured at an amount equal to lifetime expected credit losses.

The Group assesses whether the credit risk on a financial asset has increased significantly since the initial recognition by comparing the risk of default at the initial recognition with that at each reporting date. When making the assessment, the Group incorporates and considers reasonable and supportable forward-looking information available.

Gains or losses on the measurement are recognized in profit or loss.

(iv) Derecognition

The Group derecognizes financial assets when the contractual rights to cash flows from that have been expired or when almost all of the ownership risks and economic value have been transferred.

2) Financial liabilities

(i) Initial recognition and measurement

The Group initially recognizes financial liabilities when it becomes party to the contract and classifies non-derivative financial liabilities as financial liabilities measured at amortized cost. That is also measured by deducting transaction costs directly attributable at initial recognition.

(ii) Subsequent measurement

After initial recognition, financial liabilities measured at amortized cost are measured by using the effective interest method. Gains and losses resulting from the discontinuation of amortization under the effective interest method and that of recognition are recognized in profit or loss as part of financial gain or loss.

(iii) Derecognition

Financial liabilities are derecognized when they have been expired, that is, when the obligation specified in the contract is discharged or cancelled or enforced.

3) Offsetting of financial instruments

Financial assets and financial liabilities are carried on a net basis in the consolidated statement of financial position only when the Group currently has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4) Derivatives and hedge accounting

The Group uses derivatives including forward exchange contracts and interest rate and currency swaps to hedge risks arising from future fluctuations in foreign exchange and interest rates. These derivatives are initially measured at fair value and subsequently measured at fair value after the initial recognition.

Some derivatives are designated as cash flow hedges. At the inception of the hedge, the Group documents the relationship between hedging instruments and hedged items, as well as risk management objective and strategy for undertaking the hedge. In addition, the Group assesses at the inception of the hedge and on an ongoing basis, whether the hedging instrument is highly effective in offsetting changes in the cash flows of the relevant hedged items.

Changes in the fair value of derivatives, for which hedge accounting is not applied, are recognized in profit or loss.

(Cash flow hedges)

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income, while the ineffective portion is immediately recognized in profit or loss.

The amounts accumulated in other components of equity are reclassified to profit or loss as reclassification adjustments at the time the hedged transaction affects profit or loss.

The Group discontinues hedge accounting prospectively when the hedging instrument expires or is sold, or ceases to meet the qualifying criteria for hedge accounting.

(4) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with maturities not exceeding three months from the acquisition date, which are readily convertible into cash and subject to an insignificant risk of changes in value.

(5) Inventories

Inventories are measured at the lower of acquisition cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary for sale. The acquisition cost is determined principally by the weighted average method, and comprises costs of purchase, processing costs and all other costs incurred in bringing the inventories to their present location and condition.

(6) Property, plant and equipment

The Group uses the cost model to measure property, plant and equipment, and that is carried at its acquisition cost less any accumulated depreciation and any accumulated impairment losses.

The acquisition cost of an asset includes any costs directly attributable to acquiring the asset, the costs of dismantling and removing the asset and the restoration costs.

Except for non-depreciable assets such as land, each asset is depreciated on a straight-line basis over its useful life. The useful lives of major asset items are as follows:

Buildings and structures: 3 to 75 years

Machinery, equipment and vehicles : 3 to 15 years

Tools, furniture and fixtures : 2 to 20 years

The useful life and depreciation method etc. are subject to review at the end of each fiscal year, and any changes to them are prospectively applied as a change in an accounting estimate.

(7) Intangible assets

The Group uses the cost model to measure intangible assets, and that is carried at its acquisition cost less any accumulated amortization and any accumulated impairment losses. The useful life and depreciation method etc. are subject to review at the end of each fiscal year, and any changes to them are prospectively applied as a change in an accounting estimate.

There are no intangible assets with an indefinite useful life.

1) Development assets

Expenditures for product development are recognized as intangible assets only when it is technically and operationally feasible for the Group to complete the development, the Group has the intention, ability, and sufficient resources to use the outcome, it is highly probable that the Group receives future economic benefits, and the cost of the asset can be measured reliably.

Development assets are amortized using the straight-line method over their estimated model lifecycle of the developed product (five years). Expenditures related to research and development expenditures that do not satisfy the above requirements for recognition are recognized as expense as incurred.

2) Other intangible assets

Other intangible assets of the Company primarily consist of software, which is amortized using the straight-line method over its useful life (2 to 5 years).

(8) Leases

At inception of a contract, the Group assesses whether the contract is a lease, includes a lease, or is not a lease. A contract is determined to be, or to contain, a lease if the contract transfer the right to control the use of an identified asset for a period of time in exchange for consideration.

1) Lessee

The Group recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is measured at acquisition cost, which is the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, etc. After the commencement date, the Group applies the cost model to measure a right-of-use asset, which is carried at acquisition cost less any accumulated depreciation and any accumulated impairment losses. The straight-line method is used for depreciation.

If the ownership of the underlying asset transfers to the lessee by the end of the lease term, or if the acquisition cost of the right-of-use asset reflects the exercise of the lessee’s purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is measured at the present value of the lease payments that are not paid as of the commencement date. After the commencement date, the carrying amount of lease liability is increased or reduced to reflect interest on the lease liability or the lease payments made. A lease liability is measured at amortized cost using the effective interest method.

For short-term leases with a lease term of 12 months or less, and leases for which the underlying asset is of low value, the Group does not recognize right-of-use assets and lease liabilities, but recognizes the total lease payments in profit or loss over the lease term using the straight-line method.

2) Lessor

The Group classifies a contract that consists of lease as a finance lease if it transfers substantially all the risks and economic value incidental to ownership of the asset to a lessee. Otherwise, a lease is classified as an operating lease.

Receivables from customers on finance leases are recognized at the present value of the gross investment discounted at the interest rate implicit in the lease, and included in trade and other receivables.

Assets leased as operating leases are measured at acquisition cost at initial recognition and depreciated to the estimated residual value using the straight-line method over the period defined in the lease agreement.

Subleases, in which the Company is an intermediate lessor, are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

(9) Impairment of non-financial assets

The Group determines, at the account closing date of each reporting period, whether there is any indication of impairment of non-financial assets excluding inventories, deferred tax assets, and retirement benefit assets. If any such indication exists, the Group estimates the recoverable amount of the asset.

Investments accounted for using the equity method are tested for impairment with the carrying amount of the entire investment as a single asset when there is objective evidence of impairment.

The recoverable amount is determined at the higher of either the fair value of an asset or a cash-generating unit less costs of disposal and its value in use. In determining the value in use, estimated future cash flows are discounted to the present value using the pre-tax discount rate that reflects current market assessment of the time value of money, the risks specific to the asset, etc.

In determining the fair value less costs of disposal, the Group uses an appropriate valuation model supported by available indicators of the fair value.

An impairment loss is recognized in profit or loss when the carrying amount of an asset or cash-generating unit exceeds the recoverable amount.

The Group assesses, at the account closing date of each reporting period, whether there is any indication that an impairment loss for an asset other than goodwill may have decreased or may no longer exist. If any such indication exists, and there has been a change in the estimates used to determine the asset's recoverable amount, an impairment loss for the asset is reversed. The reversal of impairment losses shall be limited to an amount not exceeding the carrying amount of the asset net of necessary amortization or depreciation that would have been determined had no impairment loss been recognized.

(10) Employee benefits

1) Short-term employee benefits

With regards to the amount of short-term employee benefits such as salaries, bonuses, and paid annual leave, the Group recognizes an amount expected to pe paid in exchange for the service as an expense when the employee has rendered the service.

2) Post-employment benefits

The Group operates defined contribution and defined benefit plans as employee retirement benefit plans.

(a) Defined contribution plans

With regards to defined contribution plans, contributions to the defined contribution plans are recognized as expenses when the employee provides related service.

(b) Defined benefit plans

The present value of the defined benefit obligation and the current service cost are determined for each plan using the projected unit credit method.

The discount rate is determined by reference to the market yields of high-quality corporate bonds at the account closing date of the period corresponding to the discount period, which is based on the period through the expected date of benefit payments in each future fiscal year.

The liabilities or assets related to defined benefit plans are determined by deducting the fair value of plan assets from the present value of the defined benefit obligation.

If a defined benefit plan is overfunded, the asset ceiling is the present value of the economic benefits available in the form of refunds or reductions in future contributions to the plan.

Net interests on the net amount of service costs and the defined benefit assets or liabilities are recorded in profit or loss.

The remeasurements of the defined benefit assets or liabilities, such as actuarial gains and losses, are recognized in other comprehensive income for the period in which they arise, and immediately transferred to retained earnings.

Past service cost is recognized in profit or loss at the earlier of the period in which the plan amendment or curtailment occurs, or when related restructuring costs or termination benefits are recognized.

(11) Provisions and contingent liabilities

The Group recognizes a provision when it has a present obligation (legal or constructive) as a result of a past event, it is highly probable that the settlement of the obligation is expected to result in an outflow of resources embodying economic benefits, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the amount of a provision is measured at the present value of the expenditures expected to be required to settle the obligation. In determining the present value, the Group uses a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Obligations that may occur as of the end of the reporting period but cannot be confirmed as obligations as of the end of the reporting period or that do not meet the criteria for recognition of provisions are stated in the notes as contingent liabilities, unless it is judged that the possibility of outflow of resources embodying economic benefits due to the performance of the obligations is remote.

(12) Revenue

1) Revenue from contracts with customers

The Group is primarily engaged in manufacturing and sale of automobiles, motorcycles, outboard motors, electric wheelchairs, etc., and also operates the logistics and other services associated with these businesses. The Group recognizes revenue when control of the promised goods or services is transferred to the customer in the amount expected to be received in exchange for those goods or services. Such amounts exclude the amount of consumption tax and value added tax levied on behalf of tax authorities. For contracted considerations with customers, which include variable consideration, the Group recognizes the amount only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty associated with the variable consideration is subsequently resolved, and measures revenue net of variable consideration.

Variable consideration mainly consists of sales rebates, and calculated based on past transactions using the most likely amount method.

The Group recognizes revenue when it satisfies performance obligation identified in the contract with customers over time or at a point in time. As for the sale of vehicles, the revenue is recognized at the delivery of the products, since the performance obligation is considered to be satisfied at the time when the products are delivered and the control of such products is obtained by the customers. If the Group provides services other than the warranty that the finished goods comply with the agreed-upon specifications, such as a customer-paid extended warranty covering longer than the standard period of time, revenue from such services is recognized over the duration of the warranty in proportion to expenses to be incurred to satisfy performance obligations under the contract. The Group receives consideration mainly as advance payment during the period from the time of receipt of a purchase order until the satisfaction of the performance obligation, or within one year after the satisfaction of the performance obligation. No significant financing component is included in such transaction.

2) Revenue related to finance lease transactions

Revenue and corresponding cost of sale and selling profit or loss are recognized at the commencement date of the lease for the portion considered to be a sale of goods.

Finance income related to finance leases is recognized by reflecting a certain periodic rate of return in the Group's net investment in the lease.

3) Revenue related to operating lease transactions

Revenue from operating leases is recognized over the lease term using the straight-line method.

4) Revenue from interest

Interest income is recognized using the effective interest method.

(13) Government grants

Income from government grants is measured and recognized at fair value when the Group satisfies the conditions for the grant and there is a reasonable basis for receiving the grant.

Grants for expenses incurred are recorded as revenue in the same fiscal year as the expenses are incurred.

Grants for the purchase of an asset are recorded in other income on a systematic basis over the useful life of the asset, and unearned government grant income is recorded in liabilities as deferred income.

(14) Income taxes

Income taxes comprise current and deferred taxes. The Group recognizes these taxes in profit or loss, except for taxes arising from items directly recognized in other comprehensive income or equity, and those arising from business combinations.

1) Current tax

The current taxes are measured at the amount expected to be paid to or recovered from taxation authorities. The tax rates and tax laws used to determine the amount of taxes are those that have been enacted or substantively enacted by the account closing date.

2) Deferred tax

Deferred taxes are determined based on temporary differences between the tax base of an asset or liability and its accounting carrying amount, unused tax credits carryforward, and unused tax losses carryforward at the account closing date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available for the recovery of the deductible temporary difference, unused tax credits carryforward, and unused tax losses carryforward. Deferred tax liabilities are, in principle, recognized for taxable temporary differences. The Group does not recognize deferred tax assets or liabilities for the following temporary differences:

・temporary difference arising from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss);

・deductible temporary difference associated with its investments in subsidiaries and associates, and its interests in joint arrangements if it is probable that the temporary difference will not reverse in the foreseeable future, or if it is not probable that future taxable profits will be available against which the temporary difference can be utilized; and

・taxable temporary difference associated with its investments in subsidiaries and associates, and its interests in joint arrangements if the timing of the reversal of the temporary difference can be controlled, and if it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied during the fiscal year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the account closing date.

The Group offsets deferred tax assets and deferred tax liabilities when the Group has a legally enforceable right to set off current tax liabilities and current tax assets, and income taxes are levied by the same taxation authority to the same taxable entity.

The Group reflects the effect of uncertainty in its financial statements when it concludes it is not probable that the taxation authority will accept the Group’s tax treatment.

In accordance with IAS 12 Income Taxes, the Group applies recognition and disclosure exceptions to deferred tax assets and deferred tax liabilities relating to tax laws enacted or substantially enacted to implement the Pillar 2 Model Rules issued by the OECD.

(15) Equity

1) Share capital and capital surplus

Equity instruments issued by the Company are recognized at the issue price in share capital and capital surplus. Transaction costs that are directly attributable to the issue are deducted from the capital surplus.

2) Treasury shares

Treasury shares are valued at acquisition cost and deducted from equity. The Group does not recognize gains or losses on the purchase, sale, or cancellation of treasury shares of the Company.

The difference between the carrying amount and the consideration received at the time of sale is recognized as equity.

(16) Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary shareholders of parent by the weighted average number of ordinary shares issued, adjusted for the number of treasury shares for the period concerned. Diluted earnings per share is calculated, adjusted for the effect of all dilutive potential shares.

4. Significant accounting estimates and judgments involving estimates

In preparing the consolidated financial statements in accordance with IFRS, the Company uses judgments, accounting estimates, and assumptions that affect the application of accounting policies, the measurement of assets, liabilities, revenue and expenses, and the disclosure of contingent assets and liabilities. These estimates and assumptions are based on the management's best judgment, taking into consideration past performance and various factors that are considered reasonable as of the balance sheet date.

However, due to their nature, future results may differ from these estimates and assumptions.

Estimates and assumptions are continually reviewed by the management. The effects of these revised estimates and assumptions are recognized in the period in which the estimates and assumptions are revised and in subsequent periods.

Judgments made in applying accounting policies that have a significant effect on the consolidated financial statements are as follows:

- Scope of consolidated subsidiaries, associates, and joint ventures (Note 3, (1))
- Recognition of intangible assets arising from development (Note 3, (7))
- Accounting for contracts involving leases (Note 3, (8) and 14)

Information about accounting estimates and assumptions that could have a significant impact on the consolidated financial statements is as follows:

- Impairment of non-financial assets (Notes 3, (9) and 15)
- Retirement benefit liability (Notes 3, (10) and 23)
- Fair value of financial instruments (Notes 3, (3) and 35)
- Provisions (Notes 3, (11) and 22)
- Potential future outflows of economic resources related to contingent liabilities (Notes 3, (11) and 38, (3))
- Recoverability of deferred tax assets (Notes 3, (14) and 18)

5. Published standards and interpretations not yet adopted

None of the new standards and interpretations that were newly established or revised by the date of approval for publication of the consolidated financial statements have a material impact on the consolidated financial statements.

The main new standards and interpretations that were newly established or revised by the date of approval of the consolidated financial statements and have not been early adopted by the Group in the current fiscal year are listed below. The impact of the newly adopted IFRS on the Group is still under consideration and cannot be estimated at this time.

Standards	Titles	Effective date (fiscal year beginning on or after)	Date of adoption by the Group	Outline of new/revised standards
IFRS 9 IFRS 7	Financial instrument Financial instrument: disclosure	January 1, 2026	FY2026	Clarification of classification of financial assets including ESG interlocking elements and clarification of the date of derecognition in the settlement of financial instruments through electronic funds transfer systems Targeted modifications to help companies better report natural power contracts
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	FY2027	Improving comparability and transparency of information on business performance and profit and loss statements

6. Operating segment

(1) Overview of reportable segment

The Company's reportable segments are the components of the Company for which discrete financial information is available, and whose operating results are regularly reviewed by decision-making bodies such as the Board of Directors to make decisions about resources to be allocated and to assess their performance.

The Company has four reportable segments of Automobile business, Motorcycle business, Marine business, and Other business, based on the form of management organization and the nature of products and services.

The main products and services of each reportable segment are as follows:

Reportable segment	Main products and services
Automobile business	Mini vehicles, sub-compact vehicles, standard-sized vehicles
Motorcycle business	Motorcycles, all-terrain vehicles
Marine business	Outboard motors
Other business	Motorized wheelchairs, solar power generation, real estate

(2) Segment revenues and results

The accounting policies for reportable segments are the same as those described in "3. Material Accounting Policy Information".

Information by the Group reportable segment is as follows:

Transition date (April 1, 2023)

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Consolidated
	Automobile business	Motorcycle business	Marine business	Other business	Total		
Segment assets	3,561,332	303,451	89,438	17,690	3,971,913	889,600	4,861,513
Investments accounted for using equity method	63,123	22,311	562	10	86,007	—	86,007

FY2023 (April 1, 2023–March 31, 2024)

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Consolidated
	Automobile business	Motorcycle business	Marine business	Other business	Total		
Revenue							
Revenue from external customers	4,869,579	365,041	111,665	11,235	5,357,523	—	5,357,523
Total revenue	4,869,579	365,041	111,665	11,235	5,357,523	—	5,357,523
Operating profit	423,940	39,086	27,435	3,371	493,834	—	493,834
Finance income							105,140
Finance costs							(20,016)
Share of loss of investments accounted for using equity method							12,755
Profit before tax							591,713
Segment assets	4,417,839	358,732	83,845	18,076	4,878,494	879,162	5,757,656
Other items							
Depreciation and amortization (Note 2)	192,568	12,844	2,714	264	208,392	—	208,392
Impairment losses	50	1,303	—	—	1,353	—	1,353
Investments accounted for using equity method	84,096	23,743	535	28	108,404	—	108,404
Capital expenditures (Note 2)	332,206	13,349	4,846	389	350,792	—	350,792

FY2024 (April 1, 2024–March 31, 2025)

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Consolidated
	Automobile business	Motorcycle business	Marine business	Other business	Total		
Revenue							
Revenue from external customers	5,305,217	398,131	109,684	12,128	5,825,161	—	5,825,161
Total revenue	5,305,217	398,131	109,684	12,128	5,825,161	—	5,825,161
Operating profit	567,634	40,822	30,568	3,825	642,851	—	642,851
Finance income							118,813
Finance costs							(43,440)
Share of loss of investments accounted for using equity method							11,996
Profit before tax							730,220
Segment assets	4,632,197	380,629	93,646	19,411	5,125,885	867,771	5,993,657
Other items							
Depreciation and amortization (Note 2)	209,513	13,355	3,158	308	226,335	—	226,335
Impairment losses	135	200	—	—	335	—	335
Investments accounted for using equity method	89,829	24,938	766	29	115,563	—	115,563
Capital expenditures (Note 2)	394,766	17,555	6,851	526	419,699	—	419,699

Notes: 1. The elimination or corporate item of assets includes the amount of corporate assets (¥889,600 million at the transition date, ¥879,162 million in the previous fiscal year, and ¥867,771 million in the current fiscal year). Corporate assets consist mainly of cash and cash equivalents at the Company and financial assets measured at fair value through other comprehensive income.

2. Depreciation for right-of-use assets and capital expenditures are not included.

(3) Information about products and services

This information is omitted because the product and service categories are the same as those of the reportable segments.

(4) Information about geographical regions

Non-current assets and revenues from external customers by geographical region for each year are as follows:

Non-current assets

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Japan	811,274	858,340	937,580
India	613,945	790,415	856,553
Other	130,268	145,366	146,943
Consolidated	1,555,488	1,794,122	1,941,077

Note: Non-current assets are based on the location of assets and do not include financial instruments, deferred tax assets, and retirement benefit assets.

Revenue from external customers

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Japan	1,312,842	1,491,008
India	2,235,205	2,447,563
Other	1,809,475	1,886,589
Consolidated	5,357,523	5,825,161

Note: Revenue is classified by country based on the location of customers.

(5) Information about major customers

This information is omitted because no external customer accounts for 10% or more of revenue in the consolidated statement of income.

7. Cash and cash equivalents

The breakdown of cash and cash equivalents is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Cash and deposits	868,911	810,020	807,710
Cash equivalents	–	30,000	35,000
Total	868,911	840,020	842,710

Cash and cash equivalents are classified as financial assets measured at amortized cost.

Cash equivalents held by the Group are primarily negotiable deposits.

Cash and cash equivalents are consistent with cash and cash equivalents in the consolidated statements of cash flows.

8. Trade and other receivables

The breakdown of trade and other receivables is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Notes and accounts receivable - trade	220,069	300,680	303,911
Operating loans	268,377	265,285	274,434
Other	36,756	29,560	18,920
Allowance for doubtful accounts	(7,377)	(7,192)	(6,961)
Total	517,825	588,333	590,303

Trade and other receivables other than lease receivables are classified as financial assets measured at amortized cost.

9. Inventories

The breakdown of inventories is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Merchandise and finished goods	313,877	436,939	415,621
Work in process	61,290	52,109	73,576
Raw materials and supplies	97,552	84,779	82,270
Total	472,720	573,828	571,468

The amounts of write-downs of inventories recognized as expenses for FY2023 and FY2024 were ¥6,808 million and ¥7,363 million, respectively.

10. Other assets

The breakdown of other current assets and other non-current assets is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Tax receivable	65,408	86,855	106,213
Prepaid expenses	22,440	27,820	27,563
Returned goods assets	13,446	15,163	17,600
Advance payments to suppliers	16,647	19,444	16,700
Other	67,057	53,639	51,061
Total	185,000	202,923	219,139
Other current assets	145,433	162,305	179,605
Other non-current assets	39,566	40,618	39,533
Total	185,000	202,923	219,139

11. Assets held for sale and liabilities directly associated with assets held for sale

The breakdown of assets held for sale and liabilities directly associated with assets held for sale is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Assets held for sale			
Property, plant and equipment	—	—	5,591
Total	—	—	5,591

Assets held for sale in the current consolidated fiscal year relate to the closure of the plant of Suzuki Motor (Thailand) Co., Ltd., a consolidated subsidiary of our company, in the automobile business.

The assets are categorized as assets held for sale due to the extremely high possibility of asset transfer in the current consolidated fiscal year.

The assets are measured at their carrying amount because their fair value less costs to sell exceeds its carrying amount.

12. Property, plant and equipment

Changes in acquisition cost, accumulated depreciation and impairment loss and carrying amount of property, plant and equipment are as follows:

These include assets under operating leases as lessors.

Acquisition Cost

(Millions of yen)

	Builsdings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land	Construction in progress (Note 1)	Total
Balance as of April 1, 2023	621,310	1,619,274	784,840	386,607	107,400	3,519,433
Purchase (Note 2)	10,620	19,483	13,207	7,054	263,581	313,947
Disposal	(4,254)	(40,036)	(29,495)	(1,494)	(22)	(75,304)
Transfer to assets held for sale	—	—	—	—	—	—
Exchange difference	19,810	94,495	60,619	16,461	15,389	206,777
Other (Note 3)	22,321	94,359	35,788	4,492	(146,286)	10,676
Balance as of March 31, 2024	669,808	1,787,577	864,960	413,121	240,062	3,975,530
Purchase (Note 2)	14,196	54,806	20,161	5,121	267,556	361,843
Disposal	(5,637)	(44,665)	(21,464)	(1,297)	(185)	(73,251)
Transfer to assets held for sale	(13,416)	(38,532)	(8,071)	(2,807)	(666)	(63,494)
Exchange difference	(7,657)	(36,193)	(16,629)	(5,698)	(7,904)	(74,084)
Other (Note 3)	75,495	163,080	32,519	8,080	(275,804)	3,371
Balance as of March 31, 2025	732,788	1,886,072	871,475	416,519	223,058	4,129,914

Notes: 1. Construction in progress includes the expenditure related to property, plant, and equipment under construction.

2. For commitments related to the purchase of property, plant, and equipment, please refer to “38. Commitments and contingencies.”

3. Other includes transfers from construction in progress to other property, plant, and equipment.

Accumulated depreciation and impairment loss

(Millions of yen)

	Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance as of April 1, 2023	(327,315)	(1,201,560)	(660,565)	(6,287)	—	(2,195,728)
Depreciation (Note 4)	(20,293)	(104,712)	(52,674)	—	—	(177,680)
Impairment losses	(375)	(747)	(180)	(50)	—	(1,353)
Reversal of impairment losses	—	—	—	65	—	65
Disposal	3,740	31,335	28,804	319	—	64,199
Transfer to assets held for sale	—	—	—	—	—	—
Exchange difference	(8,837)	(65,414)	(49,508)	—	—	(123,760)
Other	387	7,488	(3,451)	(2)	—	4,421
Balance as of March 31, 2024	(352,693)	(1,333,611)	(737,576)	(5,955)	—	(2,429,836)
Depreciation (Note 4)	(23,094)	(120,072)	(52,929)	—	—	(196,096)
Impairment losses	—	(200)	—	(135)	—	(335)
Reversal of impairment losses	—	—	—	—	—	—
Disposal	3,743	39,887	21,211	295	—	65,138
Transfer to assets held for sale	12,558	37,638	7,744	—	—	57,941
Exchange difference	2,282	23,449	13,216	—	—	38,948
Other	(987)	4,210	4,573	—	—	7,797
Balance as of March 31, 2025	(358,190)	(1,348,697)	(743,759)	(5,795)	—	(2,456,443)

Notes: 4. Depreciation is included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of income.

Carrying amount

(Millions of yen)

	Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance as of April 1, 2023	293,995	417,713	124,274	380,320	107,400	1,323,704
Balance as of March 31, 2024	317,114	453,965	127,384	407,165	240,062	1,545,693
Balance as of March 31, 2025	374,598	537,374	127,716	410,723	223,058	1,673,471

13. Intangible assets

(1) Changes in acquisition cost, accumulated amortization and impairment losses and carrying amount of intangible assets are as follows:

Acquisition cost

(Millions of yen)

	Capitalized development costs	Other	Total
Balance as of April 1, 2023	208,359	34,640	243,000
Purchase	—	8,798	8,798
Internally generated	31,275	—	31,275
Disposal	(53,938)	(3,503)	(57,441)
Exchange difference	—	2,093	2,093
Other	—	27	27
Balance as of March 31, 2024	185,696	42,056	227,752
Purchase	—	13,992	13,992
Internally generated	49,346	—	49,346
Disposal	(28,691)	(1,902)	(30,593)
Exchange difference	—	(520)	(520)
Other	—	(491)	(491)
Balance as of March 31, 2025	206,351	53,135	259,486

Accumulated amortization and impairment loss

(Millions of yen)

	Capitalized development costs	Other	Total
Balance as of April 1, 2023	(80,367)	(22,095)	(102,462)
Amortization (Note)	(26,272)	(4,439)	(30,711)
Disposal	51,329	3,492	54,821
Exchange difference	—	(1,600)	(1,600)
Other	—	(100)	(100)
Balance as of March 31, 2024	(55,309)	(24,742)	(80,052)
Amortization (Note)	(24,792)	(5,446)	(30,239)
Disposal	27,022	1,630	28,652
Exchange difference	—	252	252
Other	—	62	62
Balance as of March 31, 2025	(53,080)	(28,244)	(81,324)

Note: Amortization of intangible assets is included in “Cost of sales” or “Selling, general and administrative expenses” in the consolidated statement of income.

Carrying amount

(Millions of yen)

	Capitalized development costs	Other	Total
Balance as of April 1, 2023	127,992	12,545	140,537
Balance as of March 31, 2024	130,386	17,313	147,700
Balance as of March 31, 2025	153,271	24,890	178,162

(2) Research and development expenses

The breakdown of research and development expenses is as follows:

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Research and development expenditure incurred during the period	231,965	265,571
Amount capitalized	(31,275)	(49,346)
Amortization of capitalized development costs	26,272	24,792
Total	226,962	241,018

14. Leases

(1) Leases as lessee

1) Nature of leasing activity

The Group mainly leases tools for production, stores of subsidiaries, and real estate including land as lessee.

Some real estate contracts include an extension option, and if it is reasonable to exercise the option, the payment obligation for the lease period to be extended is included in lease liabilities.

2) The breakdown of profit or loss and cash flows relating to the leases as lessee

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Depreciation charge for right-of-use assets		
Land	1,546	1,506
Buildings and structures	2,303	3,251
Machinery, equipment and vehicles	139	198
Tools, furniture and fixtures	17,054	18,564
Total	21,043	23,520
Interest expense on lease liabilities	775	624
Short-term lease expenses	1,984	1,186
Expenses relating to leases of low-value assets (excluding those of short-term leases of low-value assets)	897	443
Total cash outflow for leases	25,465	22,404

Income from subleasing right-of-use assets and variable lease payments not included in the measurement of lease liabilities are not material.

3) The breakdown of the carrying amount of right-of-use assets

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Land	27,799	27,767	22,234
Buildings and structures	10,483	11,054	12,177
Machinery, equipment and vehicles	363	533	557
Tools, furniture and fixtures	13,536	21,081	15,039
Total	52,183	60,437	50,009

The increase in right-of-use assets for the previous consolidated fiscal year and the current consolidated fiscal year were 30,631 million yen and 22,934 million yen, respectively.

4) Maturity analysis of lease liabilities

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Carrying amount	34,423	41,738	32,539
Contractual cash flows	44,254	55,874	39,940
Within 1 year	13,549	12,787	11,190
Over 1 to 2 years	5,954	6,938	5,184
Over 2 to 3 years	1,913	2,801	2,643
Over 3 to 4 years	1,576	2,667	1,870
Over 4 to 5 years	1,467	1,841	1,660
Over 5 years	19,793	28,838	17,390

(2) Leases as lessor

The Group mainly leases vehicles as lessor. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. All other leases are classified as operating leases.

The Group determines the contractual residual value of a leased vehicle by estimating its future resale price at the beginning of the lease. This estimate considers actual residual values from prior leases as well as information from third-party organizations. At the end of the lease period, returned leased vehicles are primarily sold at auctions.

There is a risk that the sale price of a returned leased vehicle may fall below its contractual residual value, leading to a loss.

1) Income from leases

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Finance leases		
Finance income relating to net investment in leases	180	198
Operating leases		
Lease income	17,867	19,751

2) Maturity analysis of lease payments receivable

(a) Finance leases

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Within 1 year	1,513	1,636	1,635
Over 1 to 2 years	1,150	1,282	1,312
Over 2 to 3 years	809	952	1,013
Over 3 to 4 years	512	663	714
Over 4 to 5 years	271	386	518
Over 5 years	52	161	174
Total	4,310	5,082	5,369
Unearned finance income	26	398	495
Discounted unguaranteed residual value	445	440	523
Net investment in the lease	4,729	5,125	5,397

(b) Operating leases

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Within 1 year	13,077	15,260	13,718
Over 1 to 2 years	3,229	2,886	3,077
Over 2 to 3 years	2,186	2,386	2,519
Over 3 to 4 years	2,051	2,112	2,214
Over 4 to 5 years	1,796	1,927	2,031
Over 5 years	17,888	17,676	19,498
Total	40,230	42,250	43,059

3) Assets covered by operating leases

Property, plant and equipment accounted for as operating leases consists of the following:

These are included in "Property, plant and equipment" in the consolidated statement of financial position.

Acquisition Cost

(Millions of yen)

	Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land	Total
Balance as of April 1, 2023	7,189	49,606	629	13,237	70,662
Balance as of March 31, 2024	8,737	54,862	685	14,261	78,547
Balance as of March 31, 2025	9,321	58,809	753	16,156	85,041

Accumulated depreciation and impairment

(Millions of yen)

	Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land	Total
Balance as of April 1, 2023	3,524	6,832	404	303	11,064
Balance as of March 31, 2024	4,939	7,239	493	376	13,049
Balance as of March 31, 2025	4,493	8,088	517	404	13,502

15. Impairment of non-financial assets

(1) Cash-generating unit

The Group allocates non-financial assets into cash-generating units based on the smallest identifiable group of assets that generates cash inflows that are largely independent. In principle, the Group identifies cash-generating units based on the business categories used for management purposes.

(2) Impairment losses

The Group recognizes impairment losses when the recoverable value of an asset falls below its carrying amount. Impairment losses are included in “Other expenses” in the consolidated statement of income.

For a breakdown of impairment losses by segment, please refer to “6. Operating segments.”

The breakdown of impairment losses is as follows:

(Millions of yen)

		FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Property, plant and equipment	Buildings and structures	375	—
	Machinery, equipment and vehicles	747	200
	Tools, furniture and fixtures	180	—
	Land	50	135
	Total	1,353	335

Assets are grouped mainly by business office, with operating assets and assets for rent being separated. Furthermore, the need for impairment is determined on an individual basis for assets that have been decided to be disposed of, idle assets that are not expected to be used in the future, and comparable assets.

The recoverable amount is determined at fair value less costs of disposal, with the fair value measured mainly based on the appraisal value of real estate. The fair value hierarchy is classified as Level 3.

16. Investments accounted for using equity method

The carrying amount of investments in equity method affiliates is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Associates	72,579	92,802	99,812
Joint ventures	13,427	15,601	15,750
Total	86,007	108,404	115,563

The amounts included in net income (loss) and other comprehensive income of affiliates accounted for by the equity method are as follows.

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Associates		
Profit	12,396	11,646
Other comprehensive income	3,158	(617)
Comprehensive income	15,554	11,028
Joint ventures		
Profit	359	350
Other comprehensive income	1,814	(201)
Comprehensive income	2,174	148

No investments accounted for using equity method are individually material for FY2023 and FY2024.

17. Other financial assets

(1) Components of other financial assets

The components of other financial assets is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Financial assets measured at amortized cost			
Time deposits	76,306	129,202	167,367
Other	43,258	64,010	71,828
Financial assets measured at fair value through profit or loss			
Mutual funds	752,750	976,885	1,091,885
Derivative financial assets	8,513	1,846	613
Other debt instruments	60,883	109,969	106,330
Financial assets measured at fair value through other comprehensive income			
Equity securities	208,826	325,542	237,721
Total	1,150,538	1,607,456	1,675,746
Current assets	139,676	219,611	331,252
Non-current assets	1,010,861	1,387,845	1,344,493
Total	1,150,538	1,607,456	1,675,746

(2) Equity financial assets measured at fair value through other comprehensive income

The Group designates equity securities and other financial assets held over the long term to maintain and strengthen relationships with business partners, thereby expanding its earnings base as equity financial assets measured at fair value through other comprehensive income.

1) Major stock name and fair value

The major stock names and fair values of equity financial assets measured at fair value through other comprehensive income are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Toyota Motor Corporation	58,182	117,355	80,960
Asahi India Glass Ltd.	20,024	26,434	28,611
Total	78,206	143,790	109,572

2) Derecognized equity financial assets measured at fair value through other comprehensive income

The fair value and cumulative gains or losses (before tax effects) of equity financial assets measured at fair value through other comprehensive income derecognized during the year at the derecognition date are as follows:

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Fair value	2,121	59,284
Cumulative gains or losses	1,434	42,752

Note : The Company disposed of by sale and derecognized certain equity financial assets measured at fair value through other comprehensive income in the previous and current fiscal years, primarily to review its business relationships.

18. Income taxes

(1) Deferred tax assets and deferred tax liabilities

The components by major factor of deferred tax assets and deferred tax liabilities are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Deferred tax assets			
Impairment losses and excess depreciation	11,688	21,370	26,405
Provisions	68,209	63,201	56,810
Unrealized profits of inventories	19,328	39,098	31,000
Accrued expenses	59,552	64,935	66,547
Other	89,199	75,243	76,374
Subtotal	247,978	263,850	257,138
Deferred tax liabilities			
Capitalized development costs	39,306	40,041	48,418
Other financial assets	26,813	67,185	70,760
Undistributed profits of consolidated subsidiaries, etc.	86,205	114,024	126,449
Other	45,816	44,371	39,355
Subtotal	198,142	265,622	284,983
Net deferred tax assets (liabilities)	49,835	(1,771)	(27,845)

Changes in deferred tax assets and deferred tax liabilities recognized as income tax expense in the consolidated statement of income are as follows:

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Deferred tax assets		
Impairment losses and excess depreciation	(9,168)	(5,490)
provisions	5,281	6,292
Unrealized profits of inventories	(19,770)	8,098
Insufficient depreciation	2,502	(5,975)
Capitalized development costs	735	8,376
Other financial assets	10,051	22,694
Undistributed profits of consolidated subsidiaries, etc.	27,818	12,425
Other	678	529
Total	18,128	46,952

(2) Deductible temporary differences and other items for which no deferred tax assets is recognized

Deductible temporary differences, carryforward of unused tax losses and carryforward of unused tax credit for which no deferred tax asset is recognized are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Deductible temporary differences	24,100	24,846	24,450
Net operating loss carryforwards	8,242	13,920	9,948
Tax credit carryforwards	3,367	2,969	3,332
Total	35,710	41,736	37,732

Carryforward of unused tax losses for which no deferred tax asset is recognized will expire as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Within 1 year	82	—	1,403
Over 1 to 5 years	5,556	5,715	2,233
Over 5 year	2,603	8,205	6,312
Total	8,242	13,920	9,948

Carryforward of unused tax credit for which no deferred tax asset is recognized will expire as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Within 1 year	—	2,161	1,454
Over 1 to 5 years	3,367	807	1,877
Over 5 year	—	—	—
Total	3,367	2,969	3,332

(3) Deductible temporary differences for which no deferred tax liabilities is recognized

Not applicable.

(4) The components of income tax expense

The components of income tax expense are as follows:

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Current tax expense	154,276	153,551
Deferred tax expense	18,128	46,952
Total income tax expense	172,404	200,503

Deferred tax expense includes the benefits arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period, as well as the deferred tax expense resulting from write-downs of deferred tax assets or reversals of previously recognized write-downs. This amount was an increase of ¥4,384 million and a decrease of ¥1,243 million for FY2023 and FY2024, respectively.

(5) Reconciliation between the statutory income tax rate and the average effective tax rate

Reconciliation between the statutory income tax rate and the average effective tax rate is as follows:

(%)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Statutory income tax rate	30.7	30.7
Statutory income tax rates difference from consolidated subsidiaries	(3.1)	(3.0)
Income and expense not taxable and deductible for tax purpose	(0.6)	1.2
Tax credit	(4.1)	(2.9)
Undistributed earnings of consolidated subsidiaries	4.7	1.7
Other	1.5	(0.3)
Average effective tax rate	29.1	27.5

The statutory income tax rate for the previous fiscal year and the current fiscal year was calculated at 30.7% based on Japanese corporate income tax, inhabitant tax and enterprise tax.

The "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) was promulgated on March 31, 2025, and the Defense Special Corporation Tax is to be imposed from fiscal years beginning on or after April 1, 2026. As a result, the statutory tax rate used to calculate deferred tax assets and liabilities will be changed from 30.7% to 31.6% for temporary differences expected to be eliminated in the years beginning on or after April 1, 2026. The impact of this tax rate change is immaterial.

19. Trade and other payables

The breakdown of trade and other payables is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Accounts payable - trade	356,236	409,793	412,182
Electronically recorded obligations - operating	20,674	23,308	—
Accounts payable - other	7,700	11,124	9,960
Total	384,612	444,225	422,142

Trade and other payables are classified as financial liabilities measured at amortized cost.

20. Bonds and borrowings

(1) The breakdown of bonds and borrowings

The breakdown of bonds and borrowings is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)	Average interest rate	Maturity
Short-term borrowings	173,730	166,543	122,095	1.53	
Current portion of long-term borrowings	173,319	290,237	175,738	0.25	
Long-term borrowings	416,787	329,117	427,465	0.50	Apr.2026-Aug.2032
Total	763,838	785,897	725,300		

Notes: 1. Bonds and borrowings are classified as financial liabilities measured at amortized cost. The Group has no loans in default.

2. For the balance of bonds and borrowings by due date, please refer to "35. Financial instruments."

3. The average interest rate is the weighted average rate on the balance of borrowings as of March 31, 2025.

(2) Assets pledged as collateral

Assets pledged as collateral and corresponding liabilities are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Assets pledged as collateral			
Property, plant and equipment	1,645	814	1,897
Total	1,645	814	1,897
Liabilities corresponding to assets pledged as collateral			
Current portion of long-term borrowings	—	—	176
Long-term borrowings	1,233	734	653
Other	267	—	—
Total	1,500	734	829

21. Other financial liabilities

The components of other financial liabilities are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Financial liabilities measured at amortized cost			
Accounts payable - facilities	34,515	45,123	66,767
Guarantee deposits received	25,108	25,817	28,910
Other	17,399	16,451	22,547
Financial liabilities measured at fair value through profit or loss			
Derivative financial liabilities	2,757	5,574	805
Lease liabilities (Note)	34,423	41,738	32,539
Total	114,205	134,705	151,570
Current liabilities	63,177	79,067	99,457
Non-current liabilities	51,028	55,638	52,113
Total	114,205	134,705	151,570

Note: For information on lease liabilities, please refer to “14. Leases.”

22. Provisions

The breakdown and changes of provisions are as follows:

(Millions of yen)

	Provision for product warranties	Other(Note)	Total
Balance as of March 31, 2024	190,053	20,502	210,555
Increase during the period	5,653	3,331	8,985
Decrease during the period (intended use)	(28,091)	(471)	(28,562)
Decrease during the period (reversed)	(1,949)	(29)	(1,979)
Other	(324)	—	(324)
Balance as of March 31, 2025	165,340	23,332	188,673

Note: Other includes asset retirement obligations.

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Current liabilities	208,282	190,053	165,340
Non-current liabilities	18,518	20,502	23,332
Total	226,800	210,555	188,673

Provision for product warranties

The Group sets aside a provision for product warranties for future product warranty-related expenses.

The costs related to product warranties include the following:

(i) The cost of free repairs covered under product warranties

(ii) The cost of free repairs resulting from notification to the competent authorities and related actions

(i) The provision for the cost of free repairs covered under product warranties is recognized at the time of the sale. (ii) The provision for the cost of free repairs resulting from notification to the competent authorities and related actions is recognized based on comprehensive and individual estimates derived from historical data when the possibility that an outflow of resources with economic benefits will occur is high and the amount can be reasonably estimated.

The provision will be used when a claim is made by a customer or a dealer.

The provision amounts are estimated based on the expected number of vehicles affected and the associated costs per vehicle. The provision amounts are based on the estimated number of units and the estimated cost per unit based on information currently available, such as past sales results, repair results and past experience with product defects, and also reflects the amounts expected to be recovered from claims for compensation to suppliers.

23. Employee benefits

(1) Post-employment benefits

The Group has adopted funded and unfunded defined benefit plans and defined contribution plans for post-employment benefits. The amount of defined benefits is determined based on the payout rate at the time of retirement, the number of years of service, the final average salary before retirement, and other specific conditions. The relevant obligation is included in retirement benefit liability, determined by the actuarial present value of that obligation. Additional retirement benefits may be paid to employees who retire before reaching the normal retirement date.

Funded defined benefit plans are managed either by the Group or a legally separate pension fund in accordance with the law. The Group or the pension fund's board of trustees and the pension fund management company are legally obligated to act in the best interests of the plan participants. They are responsible for managing plan assets according to established policies.

The investment policy for the Company's plan assets seeks to achieve stable earnings over the medium to long term, ensuring that future obligations of the defined benefit plan are met according to internal regulations.

The Group's major defined benefit plans are subject to various actuarial risks, including investment risk, interest rate risk, inflation risk, and longevity risk.

(2) Defined benefit

1) Defined benefit obligations and plan assets

The changes in the present value of defined benefit obligations and the changes in the fair value of plan assets are as follows.

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)		FY2024 (April 1, 2024–March 31, 2025)	
	Japan	Overseas	Japan	Overseas
The present value of defined benefit obligations				
Beginning balance	159,720	72,570	149,007	88,815
Current service cost	7,876	4,118	7,421	5,918
Past service cost	―	―	―	(200)
Interest expense	2,032	5,722	2,361	6,553
Contributions from employees	―	5,424	―	6,180
Changes due to remeasurement				
Actuarial gains and losses arising from changes in demographic assumptions	(587)	489	(302)	34
Actuarial gains and losses arising from changes in financial assumptions	(11,281)	738	(13,581)	665
Other actuarial gains or losses	932	680	4,894	2,150
Benefit payments	(9,681)	(10,298)	(11,267)	(9,598)
Exchange differences on translation of foreign operations and others	(2)	9,369	―	(467)
Balance as of March 31, 2024	149,007	88,815	138,533	100,052
The fair value of plan assets				
Balance as of April 1, 2023	134,356	68,221	134,941	85,827
Interest income	1,703	5,485	2,133	6,209
Changes due to remeasurement				
The return on plan assets, excluding amounts included in interest income	103	2,616	(1,214)	1,512
Contributions from employers (Notes 2 and 3)	6,103	4,001	7,275	5,413
Contributions from employees	―	5,424	―	6,180
Benefit payments	(7,325)	(8,308)	(8,592)	(8,027)
Exchange differences on translation of foreign operations or other increase(decrease)	―	8,385	―	(2,823)
Ending Balance	134,941	85,827	134,543	94,291
Effect of the asset ceiling	25,809	2,334	33,564	2,846
Net defined benefit liabilities (assets) presented in the consolidated statement of financial position	39,875	5,323	37,554	8,606

Notes: 1. Retirement benefit assets included in net defined benefit liabilities (assets) at the transition date, FY2023 and FY2024 are ¥363 million, ¥149 million and ¥98 million, respectively, and are included in other non-current assets in the consolidated statement of financial position.
2. In accordance with laws and regulations, our group and the Pension Fund conduct periodic financial reviews and recalculate contributions in order to allocate funds for future benefits and to maintain pension finance balance in the event of a shortfall.
3. The Group plans to contribute ¥11,350 million yen in installments in the FY2025.
4. Weighted average durations of defined benefit obligation were 13 years in Japan and 14 years overseas for FY2023, and 13 years in Japan and 13 years overseas for FY2024.

2) Reconciliation of effect of the asset ceiling

The changes in the effect of the asset ceiling are as follows.

	FY2023 (April 1, 2023–March 31, 2024)		FY2024 (April 1, 2024–March 31, 2025)	
	Japan	Overseas	Japan	Overseas
Beginning balance	20,804	583	25,809	2,334
Interest expense	259	46	387	169
Changes due to remeasurement				
Changes in the effect of asset ceilings (excluding amounts included in the limit on interest income)	4,745	1,572	7,367	452
Exchange differences on translation of foreign operations	—	131	—	(109)
Ending balance	25,809	2,334	33,564	2,846

3) The breakdown of plan assets

The breakdown of the fair value of plan assets by major category as of April 1, 2023, March 31, 2024 and 2025 is as follows.

Transition date (As of April 1, 2023)

(Millions of yen)

	Japan			Overseas		
	Quoted price in an active market		Total	Quoted price in an active market		Total
	Available	Not available		Available	Not available	
Equity securities	1,366	—	1,366	4,483	—	4,483
Bonds	61,978	—	61,978	52,127	—	52,127
General account for life insurance (Note 1)	—	50,927	50,927	—	9,877	9,877
Other (Note 2)	—	20,083	20,083	—	1,732	1,732
Total	63,344	71,011	134,356	56,611	11,610	68,221

FY2023 (As of March 31, 2024)

(Millions of yen)

	Japan			Overseas		
	Quoted price in an active market		Total	Quoted price in an active market		Total
	Available	Not available		Available	Not available	
Equity securities	12,803	－	12,803	6,997	－	6,997
Bonds	48,353	－	48,353	63,280	－	63,280
General account for life insurance (Note 1)	－	43,869	43,869	－	13,103	13,103
Other (Note 2)	－	29,915	29,915	－	2,446	2,446
Total	61,157	73,784	134,941	70,277	15,549	85,827

FY2024 (As of March 31, 2025)

(Millions of yen)

	Japan			Overseas		
	Quoted price in an active market		Total	Quoted price in an active market		Total
	Available	Not available		Available	Not available	
Equity securities	12,509	－	12,509	7,495	－	7,495
Bonds	46,493	－	46,493	68,832	－	68,832
General account for life insurance (Note 1)	－	43,817	43,817	－	15,893	15,893
Other (Note 2)	－	31,723	31,723	－	2,070	2,070
Total	59,002	75,541	134,543	76,327	17,964	94,291

Notes: 1. For general accounts for life insurance, life insurance companies guarantee a specific crediting rate and principal.
2. Other includes real estate funds, etc.

4) Matters concerning actuarial assumptions

The significant actuarial assumptions for each fiscal year are as follows.

(Millions of yen)

	Transition date (As of April 1, 2023)		FY2023 (As of March 31, 2024)		FY2024 (As of March 31, 2025)	
	Japan	Overseas	Japan	Overseas	Japan	Overseas
Discount rate	1.27%	7.45%	1.58%	7.15%	2.37%	6.90%

The sensitivity of changes in the major base rates to the present value of the defined benefit obligation in each year is as follows.

(Millions of yen)

		Transition date (As of April 1, 2023)		FY2023 (As of March 31, 2024)		FY2024 (As of March 31, 2025)	
		Japan	Overseas	Japan	Overseas	Japan	Overseas
Discount rate	1% increase	(12,788)	(1,808)	(11,867)	(1,769)	(10,604)	(2,226)
	1% decrease	15,486	2,127	14,306	2,125	12,704	2,665

Note: The measurement of defined benefit obligations includes an assessment of future uncertain events. The sensitivity for each fiscal year is based on the assumption that other variables are not changed, but in reality, they may not necessarily change independently. A negative figure represents a decrease and a positive figure represents an increase in the present value of the defined benefit obligation.

(3) Defined contribution plans

The required contributions to the defined contribution plans for the years ended March 31, 2024 and 2025 are ¥1,867 million and ¥2,800 million, respectively.

(4) Employee benefit expenses

The employee benefit expenses included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of income for the years ended March 31, 2024 and 2025 are ¥443,994 million and ¥513,562 million, respectively.

24. Other liabilities

The breakdown of other current liabilities and other non-current liabilities is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Accrued expenses	250,272	285,788	297,483
Advances received	149,059	178,307	193,102
Accrued paid absences	31,516	35,612	38,382
Accrued consumption tax etc.	20,592	32,342	32,852
Other	72,048	76,118	65,440
Total	523,489	608,170	627,262
Other current liabilities	477,554	544,761	564,992
Other non-current liabilities	45,934	63,408	62,270
Total	523,489	608,170	627,262

Note: Other includes government subsidies received for the purchase of property, plant and equipment.
For details, refer to "25. Government Grants."

25. Government grants

(1) Grants for assets

The amounts of government grants related to assets recognized as deferred income in the consolidated statements of financial position are as follows:

This is mainly due to the exemption of import duties in India and is subject to export sales within a certain period.

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Other current liabilities	2,157	2,824	4,261

(2) Government grants on earnings

This is mainly on the condition of capital investment and vehicle sales in Gujarat, India.

¥7,311 million and ¥8.07 billion were recognized in profit or loss for FY2023 and FY2024, respectively.

26. Equity and other component of equity

(1) Capital management

Our group invests in capital investment and research and development to enhance corporate value through global growth. In order to meet these funding needs, capital management takes into account an appropriate balance between debt and capital related to funding.

The key indicators used by our group in capital management are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Equity	2,294,186	2,719,773	2,970,660
Equity ratio	47.2%	47.2%	49.6%

Note: Equity means total equity attributable to owners of parent.

Equity ratio means Equity / total liabilities and equity.

The Group does not have significant capital requirements(excluding general provisions such as the Companies Act, etc.)

(2) Number of shares authorized and number of shares issued (fully paid-up)

Changes in the number of shares authorized and the number of shares issued are as follows:

(Shares)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Number of shares authorized		
Ordinary shares (Note 2)	1,500,000,000	6,000,000,000
Number of shares issued		
Beginning balance	491,146,600	491,146,600
Increase during the period (Note 3)	–	1,473,439,800
Decrease during the period	–	–
Ending balance	491,146,600	1,964,586,400

Notes: 1. The shares issued by the Company are ordinary shares with no par value that have no restrictions on any rights. The shares issued have been fully paid up.

2. At the meeting of the Board of Directors held on December 13, 2023, the Company approved a four-for-one stock split of common stock effective April 1, 2024. As a result of the amendment to the Articles of Incorporation, the total number of shares authorized to be issued increased by 4,500,000,000 to 6,000,000,000.

3. The increase in the number of shares issued during the current fiscal year was 1,473,439,800, resulting from the above-mentioned stock split.

(3) Treasury shares

Changes in the number of treasury shares are as follows:

(Shares)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Beginning balance	5,114,334	8,858,399
Increase during the period (Note 1, 2)	3,775,265	26,579,183
Decrease during the period (Note 3, 4)	31,200	126,300
Ending balance	8,858,399	35,311,282

Notes: 1. The increase of 3,775,265 shares in treasury shares of common shares during FY2023 consists of 3,767,600 shares acquired by resolution of the Board of Directors, 783 shares increased by purchase of less than one unit, and 6,882 shares attributable to the Company of treasury shares (the Company shares) acquired by a company accounted for using equity method.

2. The increase of 26,579,183 shares in treasury shares of common shares during FY2024 consists of 26,575,197 shares due to the stock split, 778 shares increased by purchase of less than one unit, and 3,208 shares attributable to the Company of treasury shares (the Company shares) acquired by a company accounted for using equity method.

3. The decrease of 31,200 shares in treasury shares of common shares during FY2023 was due to restricted stock compensation.

4. The decrease of 126,300 shares in treasury shares of common shares during FY2024 was due to restricted stock compensation.

5. As of April 1, 2024, the Company conducted four-for-one common shares split.

(4) Description and purpose of surplus

1) Capital surplus

The Companies Act of Japan (the “Companies Act”) provides that at least 50% of the contribution for issuing shares must be credited to share capital, with the remainder credited to legal capital surplus within capital surplus. The Companies Act also provides that legal capital surplus may be credited to share capital pursuant to a resolution at the shareholders meeting.

2) Retained earnings

The Companies Act provides that 10% of the deduction from surplus resulting from the payment of relevant dividends shall be appropriated as legal capital surplus or as legal retained earnings until the combined total of the legal capital surplus and the legal retained earnings equals 25% of share capital. Accumulated legal retained earnings can be used to cover losses. The Companies Act also states that the legal retained earnings can be reversed by a resolution of the general meeting of shareholders.

3) Other components of equity

(a) Exchange differences on translation of foreign operations

They are differences arising from translating financial statements of foreign operations into Japanese yen, the presentation currency.

(b) Cash flow hedges

They represent the fair value of forward exchange contracts and interest rate swaps, which are used to mitigate the risk of future planned transactions.

(c) Financial assets measured at fair value through other comprehensive income

They represent the difference between the cost of financial assets measured at fair value through other comprehensive income and their fair value at end of period.

(d) Remeasurements of the net defined benefit liability (asset)

Remeasurements of the net defined benefit liability (asset) comprise: actuarial gains and losses; the return on plan assets excluding amounts included in net interest on the net defined benefit liability (asset); and any change in the effect of the asset ceiling, excluding amounts included in interest on the net defined benefit liability (asset). Actuarial differences represent increases or decreases in the present value of the defined benefit obligation because of experience adjustments—differences between initial actuarial assumptions and actual outcomes—and changes in actuarial assumptions. These are recognized in other comprehensive income when they arise and are subsequently reclassified from other components of equity to retained earnings.

(e) stock acquisition rights

Our company has stock options and issues stock acquisition rights in accordance with the Companies Act.

(5) Other components of equity

Changes in other components of equity are as follows:

(Millions of yen)

	Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Cash flow hedges	Stock acquisition rights	Total
Balance as of April 1, 2023	—	65,927	—	(57)	41	65,911
Other comprehensive income	3,447	77,950	168,119	(16)	—	249,501
Transfer to retained earnings	(3,447)	(994)	—	—	—	(4,441)
Balance as of March 31, 2024	—	142,884	168,119	(73)	41	310,971
Other comprehensive income	(283)	(20,083)	(65,118)	73	—	(85,411)
Transfer to retained earnings	283	(33,084)	—	—	—	(32,801)
Balance as of March 31, 2025	—	89,716	103,000	—	41	192,758

27. Dividends

(1) Dividends paid

FY2023 (April 1, 2023–March 31, 2024)

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 23, 2023	Common shares	24,305	50.00	March 31, 2023	June 26, 2023
Board of Directors meeting held on November 7, 2023	Common shares	26,530	55.00	September 30, 2023	November 30, 2023

Note: The Company executed a four-for-one stock split of its common stock as of April 1, 2024. The dividend per share is the amount prior to the stock split.

FY2024 (April 1, 2024–March 31, 2025)

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2024	Common shares	32,319	67.00	March 31, 2024	June 28, 2024
Board of Directors meeting held on November 8, 2024	Common shares	38,592	20.00	September 30, 2024	November 29, 2024

Note: The Company executed a four-for-one stock split of its common stock as of April 1, 2024. The dividend per share based on Ordinary General Meeting of Shareholders held on June 27, 2024 is the amount prior to the stock split.

(2) The dividend with a record date in the current fiscal year but an effective date in the following fiscal year

FY2024 (April 1, 2024–March 31, 2025)

Resolution	Type of shares	Source of dividends	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2024	Common shares	Retained earnings	40,522	21.00	March 31, 2025	June 30, 2025

28. Revenue

(1) Breakdown of revenue

The breakdown of revenue by key products and services, along with its relation to reporting segments, is as follows:

FY2023 (April 1, 2023–March 31, 2024)

(Millions of yen)

	Reportable segments				Total
	Automobile business	Motorcycle business	Marine business	Other business	
Japan	1,253,124	19,765	3,357	11,235	1,287,482
Europe	626,232	46,686	18,872	—	691,790
Asia	2,392,299	185,380	13,731	—	2,591,411
Other	566,417	112,856	75,700	—	754,974
Revenue from contracts with customers	4,838,072	364,688	111,662	11,235	5,325,659
Revenue recognized from other sources (Note 1)	31,507	353	3	—	31,863
Sales to external customers	4,869,579	365,041	111,665	11,235	5,357,523

FY2024 (April 1, 2024–March 31, 2025)

(Millions of yen)

	Reportable segments				Total
	Automobile business	Motorcycle business	Marine business	Other business	
Japan	1,429,590	18,399	3,247	12,128	1,463,366
Europe	579,767	43,607	18,622	—	641,996
Asia	2,613,848	216,543	11,581	—	2,841,974
Other	649,255	119,497	76,224	—	844,977
Revenue from contracts with customers	5,272,461	398,047	109,676	12,128	5,792,314
Revenue recognized from other sources (Note 1)	32,755	83	7	—	32,846
Sales to external customers	5,305,217	398,131	109,684	12,128	5,825,161

Notes: 1. Revenue recognized from other sources is lease income etc. in accordance with IFRS 16 "Leases."

2. Countries and regions are classified by physical proximity.

3. Major countries or regions that belong to categories other than Japan is as follows:

(1)Europe ・・・・・・ Hungary, Italy, UK, Germany

(2)Asia ・・・・・・ India, Pakistan, Indonesia, Thailand

(3)Other regions ・・・・・・ United States, Australia, Mexico, Colombia, South Africa

4. Categorization is based on customer locations.

(2) Contract balances

The breakdown of receivables from contracts with customers and contract liabilities is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Receivables from contracts with customers			
Trade and other receivables	436,437	529,699	548,582
Contract liabilities			
Other current liabilities	106,269	120,074	133,683
Other non-current liabilities	42,392	57,858	59,419

Notes: 1. Contract liabilities are mainly related to advances received from customers. For FY2023 and FY2024, ¥92,985 million and ¥100,435 million of recognized revenue, respectively, were included in the balance of contract liabilities at the beginning of the period.

2. The amount of revenue recognized from performance obligations that were fulfilled (or partially fulfilled) in prior periods was not material for FY2023 and FY2024.

(3) Transaction price allocated to the remaining performance obligations

The total transaction price allocated to the remaining performance obligations and the time frame in which the Group expects to recognize the amount as revenue are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Within 1 year	28,684	42,883	39,547
Over 1 year	57,915	67,107	80,838
Total	86,599	109,991	120,385

Notes: 1. Remaining performance obligations mainly consist of extended guarantee income and maintenance income.

2. The group has applied the practical expedient of IFRS 15, paragraph 121 (a) and does not include contracts with an initial expected term of one year or less in the total transaction price allocated to the remaining performance obligations.

3. There is no material amount that is not included in the transaction price as consideration arising from the contract with the customer.

29. Selling, general and administrative expenses

The breakdown of selling, general and administrative expenses is as follows:

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Research and development expenses	226,962	241,018
Shipment expenses	199,585	201,107
Employee benefit expenses	184,371	205,295
Selling expenses	75,860	67,209
Advertising expense	75,246	79,310
Other	154,149	150,399
Total	916,177	944,341

30. Other income and expenses

The breakdown of other income is as follows:

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Rental income	2,607	3,620
Gain on sale of fixed assets	2,077	1,779
Other	14,549	21,115
Total	19,234	26,516

The breakdown of other expenses is as follows:

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Expenses related to production preparation changes	5,376	–
Loss on sales of fixed assets	1,498	1,668
Impairment losses (Note)	1,353	335
Other	11,734	5,977
Total	19,963	7,982

Note: Details of impairment losses are described in "15. Impairment of non-financial assets."

31. Finance income and finance costs

The breakdown of finance income and finance costs is as follows:

(1) Finance income

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Gain on valuation of securities		
Financial assets measured at fair value through profit or loss	71,264	80,009
Interest income		
Financial assets measured at amortized cost	23,907	28,055
Dividend income		
Financial assets measured at fair value through other comprehensive income	5,365	6,893
Other	4,603	3,854
Total	105,140	118,813

(2) Finance costs

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Interest expenses		
Financial assets measured at amortized cost	10,862	13,321
Loss on valuation of securities		
Financial assets measured at fair value through profit or loss	–	12,431
Foreign exchange loss	9,154	17,687
Total	20,016	43,440

32. Other comprehensive income

Reclassification adjustments and tax effects by component of other comprehensive income are as follows:

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans		
Amount arising during the period	4,928	(1,094)
Tax effects	(1,765)	369
After tax effects	3,163	(724)
Financial assets measured at fair value through other comprehensive income		
Amount arising during the period	113,972	(31,912)
Tax effects	(33,019)	12,075
After tax effects	80,952	(19,837)
Share of other comprehensive income of investments accounted for using equity method		
Amount arising during the period	24	(16)
After tax effects	24	(16)
Total of items	84,140	(20,578)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations		
Amount arising during the period	230,317	(91,670)
After tax effects	230,317	(91,670)
Net change in fair value of cash flow hedges		
Amount arising during the period	264	124
Reclassification adjustments	(278)	(13)
Before tax effects	(13)	111
Tax effects	(1)	(23)
After tax effects	(14)	88
Share of other comprehensive income of investments accounted for using equity method		
Amount arising during the period	4,948	(802)
After tax effects	4,948	(802)
Total of items	235,251	(92,385)
Total other comprehensive income:	319,391	(112,963)

33. Earnings per share

(1) Basis for calculation of basic earnings per share

Basic earnings per share and the basis for its calculation are as follows:

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Profit attributable to common shareholders of parent		
Profit attributable to owners of parent (Millions of Yen)	317,017	416,050
Profit not attributable to common shareholders of parent (Millions of Yen)	–	–
Profit used for calculating basic earnings per share attributable to owners of parent (Millions of Yen)	317,017	416,050
Average number of common shares during the period	1,934,424,464	1,929,227,975
Basic earnings per share attributable to owners of parent (Yen)	163.88	215.66

Note: The Company executed a four-for-one stock split of its common stock as of April 1, 2024. Both basic and diluted earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Basis for calculation of diluted earnings per share

Diluted earnings per share and the basis for its calculation are as follows:

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Diluted profit attributable to common shareholders		
Profit used for calculating basic earnings per share attributable to owners of parent (Millions of Yen)	317,017	416,050
Profit adjustments (Millions of Yen)	–	–
Profit used for calculating diluted earnings per share attributable to owners of parent (Millions of Yen)	317,017	416,050
Average number of common shares during the period	1,934,424,464	1,929,227,975
The number of dilutive potential common shares	85,140	85,151
After adjustment for dilutive effects	1,934,509,604	1,929,313,126
Diluted earnings per share attributable to owners of parent (Yen)	163.88	215.65

Note: The Company executed a four-for-one stock split of its common stock as of April 1, 2024. Both basic and diluted earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

34. Cash flow information

Changes in liabilities from financing activities are as follows:

FY2023 (April 1, 2023–March 31, 2024)

(Millions of yen)

	April 1, 2023	Cash flows	Non-cash changes			March 31, 2024
			New contracts	Exchange rate changes	Other	
Short-term borrowings	173,730	(15,608)	–	8,421	–	166,543
Long-term borrowings	590,107	27,296	–	1,950	–	619,354
Lease liabilities	34,423	(11,672)	19,220	544	(777)	41,738
Total	798,261	14	19,220	10,916	(777)	827,636

FY2024 (April 1, 2024–March 31, 2025)

(Millions of yen)

	April 1, 2024	Cash flows	Non-cash changes			March 31, 2025
			New contracts	Exchange rate changes	Other	
Short-term borrowings	166,543	(41,501)	–	(2,946)	–	122,095
Long-term borrowings	619,354	(16,516)	–	366	–	603,204
Lease liabilities	41,738	(14,870)	14,314	(164)	(8,478)	32,539
Total	827,636	(72,888)	14,314	(2,744)	(8,478)	757,839

35. Financial instruments

(1) Financial risk management

The Group is exposed to various financial risks (credit risk, liquidity risk and market risk) in the course of its business activities. To avoid or mitigate such risks, the Group regularly monitors financial risks and takes actions as necessary in accordance with the internal management rules and other relevant rules.

The Group does not enter into derivatives transactions for speculative purposes.

1) Credit risk

The Group assumes the risk of financial loss on financial assets held by the Group due to the default of the counterparty on its contractual obligations.

With regard to trade receivables, other receivables and other financial assets, in accordance with the receivables management rules, the Group periodically monitors the status of each business partner, manages due dates and outstanding balances, and strives to promptly identify and mitigate collection concerns due to deterioration in financial conditions and other factors.

Based on internal control rules, the Group considers a significant period of overdue maturity or bankruptcy as a debt default. The Group considers credit impairment to be impaired when there is evidence of impairment, such as a debtor's default or significant financial hardship. The Group directly amortizes the carrying amount of financial assets when future collections are not reasonably expected. The amount collected is recorded in profit or loss.

The risks associated with derivatives and banking transactions are limited because these transactions are entered into only with highly rated financial institutions.

There is no significant credit risk exposure to specific counterparties and no excessive concentration of credit risk that requires special management.

The maximum exposure to credit risk as of the end of the reporting period is the carrying amount of financial assets, net of impairment. Regarding guarantee obligations, the balance of guarantee obligations shown in "38. Commitments and Contingencies" represents the maximum exposure to credit risk of the Group.

The Group holds products sold for trade receivables and guarantee deposits received as collateral. Guarantee deposits received are recorded in other financial liabilities in the consolidated financial statements.

Changes in allowance for doubtful accounts are as follows:

(Millions of yen)

	12-month expected credit losses	Lifetime expected credit losses			Total
		Financial assets other than credit-impaired financial assets	Credit-impaired financial assets	Trade receivables and lease assets	
Balance as of April 1, 2023	1,133	1,248	3,496	1,813	7,691
Increase during the period	2	–	44	84	131
Decrease during the period (intended use)	–	–	–	–	–
Decrease during the period (reversed)	(339)	(235)	(0)	(119)	(694)
Other increase (decrease)	83	95	56	183	418
Balance as of March 31, 2024	879	1,108	3,597	1,961	7,547
Increase during the period	136	324	429	0	890
Decrease during the period (intended use)	–	–	(646)	–	(646)
Decrease during the period (reversed)	(3)	–	(17)	(290)	(311)
Other increase (decrease)	(49)	(70)	(14)	(43)	(178)
Balance as of March 31, 2025	963	1,361	3,347	1,628	7,300

There were no significant changes in the aggregate carrying amount that would affect the changes in allowance for doubtful accounts for the fiscal years ended March 31, 2024 and 2025.
In addition, there were no material financial assets that were directly amortized but still under collection activities as of March 31, 2024 and 2025.

2) Liquidity risk

Since the Group finances for its operations mainly through borrowings from financial institutions and the issuance of bonds, it assumes the risk of failure to fulfill its payment obligations due to deterioration in the financing environment and other difficulties. To address this risk, the Group ensures a certain level of liquidity on hand in accordance with its cash management plan and maintains cash management by centralizing the cash management operations at the Company.
In addition, the Group has secured sufficient liquidity by entering into commitment agreements with several financial institutions.

Total commitment lines and drawn balance are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Total commitment lines	300,000	300,000	300,000
Drawn balance	–	–	–
Undrawn balance	300,000	300,000	300,000

(Maturity analysis for financial liabilities)

The balances of financial liabilities (including derivative financial instruments) by due date are as follows:

Transition date (As of April 1, 2023)

(Millions of yen)

	Contractual cash flows	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years
Non-derivative financial liabilities							
Trade and other payables	384,612	384,612	—	—	—	—	—
Bonds and borrowings	773,566	353,216	279,212	131,641	8,772	167	554
Subtotal	1,158,178	737,828	279,212	131,641	8,772	167	554
Derivative financial liabilities							
Forward exchange contracts	2,072	2,072	—	—	—	—	—
Cross-currency interest rate swaps	96	50	18	27	—	—	—
Commodity futures transactions	588	588	—	—	—	—	—
Subtotal	2,757	2,711	18	27	—	—	—
Total	1,160,935	740,540	279,230	131,669	8,748	167	554

FY2023 (As of March 31, 2024)

(Millions of yen)

	Contractual cash flows	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years
Non-derivative financial liabilities							
Trade and other payables	444,225	444,225	—	—	—	—	—
Bonds and borrowings	794,729	462,750	168,523	142,715	20,170	190	379
Subtotal	1,238,955	906,975	168,523	142,715	20,170	190	379
Derivative financial liabilities							
Forward exchange contracts	5,486	5,486	—	—	—	—	—
Cross-currency interest rate swaps	87	24	6	56	—	—	—
Commodity futures transactions	1	1	—	—	—	—	—
Subtotal	5,574	5,512	6	56	—	—	—
Total	1,244,530	912,488	168,530	142,771	20,170	190	379

FY2024 (As of March 31, 2025)

(Millions of yen)

	Contractual cash flows	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years
Non-derivative financial liabilities							
Trade and other payables	422,142	422,142	—	—	—	—	—
Bonds and borrowings	732,601	301,414	137,008	52,942	110,871	130,251	113
Subtotal	1,154,744	723,557	137,008	52,942	110,871	130,251	113
Derivative financial liabilities							
Forward exchange contracts	788	788	—	—	—	—	—
Cross-currency interest rate swaps	—	—	—	—	—	—	—
Commodity futures transactions	17	17	—	—	—	—	—
Subtotal	805	805	—	—	—	—	—
Total	1,155,550	724,363	137,008	52,942	110,871	130,251	113

3) Market risk

(a) Foreign exchange rate risk

In the course of its global operations, the Group assumes the risk of foreign exchange rate fluctuations affecting profit or loss and cash flows from foreign currency denominated receivables, payables and financial transactions. To reduce the risk of foreign exchange rate fluctuations, the Group uses derivative transactions such as forward exchange contracts, currency options and cross-currency interest rate swaps in accordance with the derivative transaction management rules.

(Foreign exchange rate sensitivity analysis)

If the Japanese yen had appreciated 1.0% against each currency, with all other variables unchanged, for foreign currency denominated receivables, payables and financial transactions held by the Group as of March 31, 2024 and 2025, the impact on “Profit before tax” in the consolidated statement of income would be as follows: The exposure to foreign exchange rate fluctuations of any other currency is not material.

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
USD	(603)	(664)
EUR	(434)	(55)
INR	(234)	(186)

(b) Interest rate risk

The Group uses financial instruments subject to interest rate fluctuation risk in the procurement of operating capital and capital expenditures and the management of short-term surplus funds. To reduce the risk of interest rate fluctuations, the Group in principle uses derivative transactions such as interest rate swaps to fix interest payments on long-term borrowings with floating interest rates.

As a result, the Group doesn’t perform interest rate sensitivity analysis because the impact of interest payments on the group is considered small and interest rate risk is not material to the Group.

(c) Price risk

The Group is exposed to the risk of share price fluctuations of equity instruments through its holdings of listed shares for the purpose of expanding its revenue base by maintaining and strengthening relationships with business partners. The Group regularly reviews its holdings of these equity instruments to determine their fair value and the financial condition of the issuers.

In addition, the Group invests part of its surplus funds in debt schemes of mutual funds and is exposed to the risk of bond price fluctuations.

(Market price sensitivity analysis)

If share prices had increased by 10%, with all other variables unchanged, for listed shares held by the Group as of March 31, 2024 and 2025, the impact on other comprehensive income (before tax effects) would be as follows:

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Impact on other comprehensive income (before tax effects)	29,562	19,222

If base values had increased by 1%, with all other variables unchanged, for listed debt mutual funds held by the Group as of March 31, 2024 and 2025, the impact on “Profit before tax” in the consolidated statement of income would be as follows:

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Impact on profit before tax	9,688	10,828

(2) Definition of fair value hierarchy

1) Classification by level of financial instruments measured at fair value

The Group defines the levels of the fair value hierarchy as follows:

Level 1: Fair value measured using quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value measured using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3: Fair value measured using significant unobservable inputs for the assets or liabilities.

If multiple inputs are used that has a significant impact on the fair value measurement, the Group classifies the fair value as the lowest priority level for determining fair value of each input.

The Group also recognizes transfers between levels of the fair value hierarchy on the date of an event or change in circumstances occurs that caused the transfer.

2) Measurement methods for fair value

The Group determines the fair value of its assets and liabilities using relevant market information and appropriate valuation methods.

The methods and assumptions used to measure the fair value of assets and liabilities are as follows:

(Cash and cash equivalents, time deposits, trade and other receivables and trade and other payables)

Their fair values approximate their carrying amount because they are settled in a short period of time.

However, the Group estimates the fair value of installment receivables by discounting future cash flows to present value at an interest rate that reflects periods of maturities and credit risks, such as expected credit losses. Therefore, since unobservable inputs are used, they are classified as Level 3.

(Mutual funds and other debt instruments)

Other debt instruments include bonds and investments in investment partnerships.

The fair value of mutual funds with active markets is classified as Level 1 because it is measured based on their fair value in the market.

The fair value of bonds and mutual funds as debt instruments without active markets is classified as Level 2 because it is measured using reference inputs for pricing models adopted by financial institutions and other parties.

The fair value of other mutual funds and investments in investment partnerships is measured at the estimated fair value of the share of the investee’s equity. Their fair value is classified as Level 3 because it is measured using unobservable inputs.

(Equity securities)

The fair value of listed shares is classified as Level 1 because it is measured based on their quoted prices in the markets.

The fair value of unlisted shares is classified as Level 3 because it is measured using the market approach, such as the comparable companies analysis.

The significant unobservable inputs for the fair value measurement of unlisted shares classified as Level 3 are the price book-value ratio (PBR) of comparable companies and the liquidity discount (30%). A higher (lower) PBR increases (decreases) the fair value, and a higher (lower) liquidity discount decreases (increases) the fair value.

(Derivatives)

Derivatives include forward exchange contracts, currency options, interest rate and currency swaps, etc.
Their fair values are classified as Level 2 because they are measured based on observable market inputs such as prices, exchange rates and interest rates provided by financial institutions.

(Borrowings)

The fair value of short-term borrowings approximates the carrying amount because it is settled in a short period of time.
The fair value of long-term borrowings is classified as Level 2 because it is measured by discounting future cash flows using currently available interest rates applicable to obligations with similar terms and remaining maturities.

Recurring fair value measurements classified as Level 3 are performed by the finance division in accordance with the Group's valuation policies and procedures, using valuation models that most appropriately reflect the individual asset characteristics, features and risks of financial instruments. In addition, the finance division examines on an ongoing basis movements in key indicators that could affect changes in fair value.
When the results of the examination indicate that the fair value of financial instruments is significantly impaired, the department manager's review and approval is performed.
For financial instruments classified as Level 3, changes in fair value resulting from changes in unobservable inputs to reasonable alternative assumptions are immaterial.

The breakdown of financial assets and liabilities measured at fair value on a recurring basis by level of the fair value hierarchy is as follows:

Transition date (As of April 1, 2023)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Mutual funds	746,221	5,782	746	752,750
Derivative financial assets	－	8,513	－	8,513
Other debt instruments	－	53,999	6,884	60,883
Financial assets measured at fair value through other comprehensive income				
Equity securities	179,528	－	29,298	208,826
Total	925,749	68,295	36,929	1,030,974
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative financial liabilities	－	2,757	－	2,757
Total	－	2,757	－	2,757

FY2023 (As of March 31, 2024)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Mutual funds	968,864	6,928	1,092	976,885
Derivative financial assets	－	1,846	－	1,846
Other debt instruments	－	60,106	49,863	109,969
Financial assets measured at fair value through other comprehensive income				
Equity securities	295,628	－	29,913	325,542
Total	1,264,493	68,881	80,869	1,414,243
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative financial liabilities	－	5,574	－	5,574
Total	－	5,574	－	5,574

FY2024 (As of March 31, 2025)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Mutual funds	1,082,821	7,212	1,851	1,091,885
Derivative financial assets	－	613	－	613
Other debt instruments	－	48,308	58,021	106,330
Financial assets measured at fair value through other comprehensive income				
Equity securities	192,222	－	45,499	237,721
Total	1,275,043	56,134	105,372	1,436,550
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative financial liabilities	－	805	－	805
Total	－	805	－	805

3) Reconciliation of financial instruments classified as Level 3

Changes in Level 3 financial instruments measured at fair value on a recurring basis are as follows:

FY2023 (April 1, 2023–March 31, 2024)

(Millions of yen)

	Mutual funds	Other debt instruments	Equity securities	Total
Beginning balance	746	6,884	29,298	36,929
Gains or losses				
Profit or loss (Note 1)	134	1,608	–	1,742
Other comprehensive income (Note 2)	–	–	(3,747)	(3,747)
Purchases	211	41,375	4,458	46,045
Sales	–	(5)	(303)	(308)
Transfers from Level 3 (Note 3)	–	–	(97)	(97)
Other	–	–	305	305
Ending balance	1,092	49,863	29,913	80,869
Unrealized gains or losses on assets held at the end of the reporting period included in profit or loss (Note 1)	134	1,604	–	1,738

FY2024 (April 1, 2024–March 31, 2025)

(Millions of yen)

	Mutual funds	Other debt instruments	Equity securities	Total
Beginning balance	1,092	49,863	29,913	80,869
Gains or losses				
Profit or loss (Note 1)	12	(639)	–	(626)
Other comprehensive income (Note 2)	–	–	12,504	12,504
Purchases	754	8,802	3,513	13,070
Sales	–	(5)	(291)	(296)
Transfers from Level 3 (Note 3)	–	–	(4)	(4)
Other	(8)	–	(137)	(145)
Ending balance	1,851	58,021	45,499	105,372
Unrealized gains or losses on assets held at the end of the reporting period included in profit or loss (Note 1)	12	(643)	–	(630)

Notes: 1. Gains or losses included in profit or loss are presented in "Finance income" and "Finance expenses" in the consolidated statements of income.

2. Gains or losses recognized in other comprehensive income are presented in “Financial assets measured at fair value through other comprehensive income” in the consolidated statement of comprehensive income.

3. The transfer from Level 3 in the previous fiscal year and the current fiscal year is due to the listing of the investee.

4) Financial instruments measured at amortized cost

The breakdown of financial assets and liabilities measured at amortized cost is as follows: Financial instruments whose carrying amount and fair value closely approximate each other are not included in the following table.

(Millions of yen)

	Transition date (As of April 1, 2023)		FY2023 (As of March 31, 2024)		FY2024 (As of March 31, 2025)	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables						
Installment receivables	268,377	267,517	265,285	260,020	274,434	267,037
Bonds and borrowings						
Long-term borrowings (including current portion)	590,107	586,290	619,354	616,810	603,204	593,705

Note: In the fair value hierarchy for financial assets and financial liabilities measured at amortized cost above, Installment receivables are classified as Level 3, and Long-term borrowings are classified as Level 2.

(3) Offsetting financial assets and financial liabilities

There are no material financial instruments offset in the consolidated statement of financial position at the transition date, the previous fiscal year and the current fiscal year.

In addition, there are no material financial instruments recognized with respect to the same counterparty that are subject to enforceable master netting or similar agreements but have not been offset by failure to meet some or all of the requirements for offsetting financial assets and financial liabilities.

(4) Hedge accounting

The Group uses cross-currency interest rate swaps as hedging instruments to hedge the risk of fluctuation in interest rate and foreign exchange rate associated with foreign currency denominated borrowings, which are designated as cash flow hedges. The hedge ratio is appropriately determined based on the volume of hedged items and the volume of hedging instruments at the inception of the hedge transaction, which is set to be a one-to-one relationship in principle. Therefore, the ineffective portion of the hedges is not material.

The impact of the hedging instruments designated as hedges on the Group’s consolidated statement of financial position is as follows:

Transition date (As of April 1, 2023)

(Millions of yen)

	Notional amount	Carrying amount (fair value) of hedging instruments	
		Assets	Liabilities
Cross-currency interest rate swaps	24,020	1,808	96

FY2023 (As of March 31, 2024)

(Millions of yen)

	Notional amount	Carrying amount (fair value) of hedging instruments	
		Assets	Liabilities
Cross-currency interest rate swaps	10,598	—	87

FY2024 (As of March 31, 2025)

(Millions of yen)

	Notional amount	Carrying amount (fair value) of hedging instruments	
		Assets	Liabilities
Cross-currency interest rate swaps	–	–	–

Note: Derivative assets and derivative liabilities are included in “Other financial assets” and “Other financial liabilities,” respectively, in the consolidated statement of financial position.

36. Related parties

(1) Remuneration for key management personnel

Remuneration for the Company’s key management personnel is as follows:

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Remuneration and bonuses	590	683
Share-based payment	152	227
Total	742	910

(2) Related Party Transactions

The company and its consolidated subsidiaries purchase raw materials, parts and services from affiliated companies and sell products, production parts, equipment and services.

The balance of receivables and payables to affiliated companies as of the transition date, the end of the previous consolidated fiscal year and the end of the current consolidated fiscal year are as follows.

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Trade and other receivables	1,702	3,183	1,151
Trade and other liabilities	21,476	22,277	26,482

The amount of transactions with affiliated companies in the previous fiscal year and the current fiscal year is as follows.

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Revenue	90,885	74,340
Cost of sales (Purchased)	219,868	232,428

37. Major subsidiaries

(1) Major subsidiaries

The status of major subsidiaries as of March 31, 2025 is as follows:

Name	Location	Reportable segments	Ownership ratio of voting rights (%)
Suzuki Auto Parts Mfg. Co., Ltd.	Japan	Automobile business Motorcycle business Marine business	100.0
Snic Co., Ltd.	Japan	Automobile business	100.0
Suzuki Toyama Auto Parts Mfg. Co., Ltd.	Japan	Automobile business Motorcycle business	100.0
Suzuki Motor Sales Tokyo Inc.	Japan	Automobile business Other business (motorized wheelchairs)	100.0
Suzuki Motor Sales Hamamatsu Inc.	Japan	Automobile business Other business (motorized wheelchairs)	100.0
Suzuki Motor Sales Kinki Inc.	Japan	Automobile business Other business (motorized wheelchairs)	100.0
Suzuki Motorcycle Sales Inc.	Japan	Motorcycle business	100.0
Suzuki Marine Co., Ltd.	Japan	Marine business	100.0
Suzuki Finance Co., Ltd.	Japan	Automobile business	95.9
Suzuki Transportation & Packing Co., Ltd.	Japan	Automobile business Motorcycle business	100.0
Suzuki Business Co., Ltd.	Japan	Automobile business Motorcycle business Marine business Other business (real estate)	100.0
Magyar Suzuki Corporation Ltd.	Hungary	Automobile business	97.5
Suzuki Italia S.p.A.	Italy	Automobile business Motorcycle business Marine business	100.0
Suzuki GB PLC	United Kingdom	Automobile business Motorcycle business Marine business	100.0
Suzuki Deutschland GmbH	Germany	Automobile business Motorcycle business Marine business	100.0
Suzuki France S.A.S.	France	Automobile business Motorcycle business Marine business	100.0
Suzuki Motor Poland Ltd.	Poland	Automobile business Motorcycle business Marine business	100.0 (2.9)
Maruti Suzuki India Ltd.	India	Automobile business	58.3
Suzuki Motor Gujarat Private Ltd.	India	Automobile business	100.0 (100.0)

Name	Location	Reportable segments	Ownership ratio of voting rights (%)
TDS Lithium-Ion Battery Gujarat Private Ltd. (Note 1)	India	Automobile business	50.0
Suzuki Motorcycle India Private Ltd.	India	Motorcycle business	100.0 (0.0)
Suzuki R&D Center India Private Ltd.	India	Automobile business	100.0
Pak Suzuki Motor Co.,Ltd.	Pakistan	Automobile business Motorcycle business	99.0
PT Suzuki Indomobil Motor	Indonesia	Automobile business Motorcycle business	94.9
PT Suzuki Finance Indonesia	Indonesia	Automobile business Motorcycle business	93.0 (56.0)
Suzuki Motor (Thailand) Co.,Ltd.	Thailand	Automobile business	100.0
Thai Suzuki Motor Co.,Ltd.	Thailand	Motorcycle business Marine business	97.5
Suzuki Philippines Inc.	Philippines	Automobile business Motorcycle business	100.0
Suzuki Motor USA, LLC	United States	Motorcycle business	100.0 (100.0)
Suzuki Marine USA, LLC	United States	Marine business	100.0 (100.0)
Suzuki Manufacturing of America Corp.	United States	Motorcycle business	100.0 (100.0)
Suzuki Australia Pty. Ltd.	Australia	Automobile business Motorcycle business Marine business	100.0
Suzuki Motor de Mexico, S.A. de C.V.	Mexico	Automobile business Motorcycle business Marine business	100.0 (0.0)
Suzuki Auto South Africa (Pty.) Ltd.	South Africa	Automobile business Motorcycle business Marine business	100.0

Notes: 1. TDS Lithium-Ion Battery Gujarat Private Ltd. is a subsidiary although the Company owns 50% or less of the voting rights in the investee. This is because the Company has power over the investee through contractual arrangements.

2. The figures in parentheses in the column for "Ownership ratio of voting rights (%)" indicate the percentage of indirect ownership.

(2) Summarized financial information of the Company's subsidiaries with material non-controlling interests

The summarized financial information of the Company's subsidiaries with material non-controlling interests is as follows: The summarized financial information is the amount before elimination of transactions in the Group.

Maruti Suzuki India Ltd. (Maruti Suzuki India Ltd. and its subsidiaries)

1) General information

(Millions of yen)

Type	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Non-controlling interests ratio (%)	43.5	41.8	41.7
Cumulative amount of non-controlling interests (Millions of yen)	436,840	649,612	702,705

(Millions of yen)

Type	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Profit or loss allocated to non-controlling interests	100,383	111,988
Dividends paid to non-controlling interests	20,651	32,036

2) Summarized financial information

(Millions of yen)

Type	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Current assets	190,496	414,199	519,840
Non-current assets	1,196,893	1,696,761	1,803,449
Total assets	1,387,389	2,110,960	2,323,289
Current liabilities	329,760	474,958	538,630
Non-current liabilities	44,252	68,863	90,712
Total liabilities	374,012	543,821	629,343
Total equity	1,013,377	1,567,139	1,693,946

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Revenue	2,568,750	2,725,360
Profit before tax	304,463	357,046
Profit	235,955	264,023
Other comprehensive income	152,981	(90,099)
Total comprehensive income	388,935	173,924

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Net cash provided by (used in) operating activities	268,488	296,426
Net cash provided by (used in) investing activities	(151,514)	(268,233)
Net cash provided by (used in) financing activities	(71,489)	(72,690)
Effect of exchange rate changes on cash and cash equivalents	1,886	(375)
Net increase (decrease) in cash and cash equivalents	47,372	(44,872)
Cash and cash equivalents at beginning of period	785	48,157
Cash and cash equivalents at end of period	48,157	3,285

In the previous consolidated fiscal year, the Company transferred all its shares in Suzuki Motor Gujarat Private Ltd. (hereinafter referred to as "SMG") to Maruti Suzuki India Ltd. As a result, SMG became a subsidiary of Maruti Suzuki India Ltd. Therefore, the amounts for both the previous consolidated fiscal year and the current consolidated fiscal year include SMG on a consolidated basis.

38. Commitments and contingencies

(1) Commitments for acquisition of assets

Commitments for acquisition of assets are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Property, plant and equipment	305,472	407,973	411,589

(2) Guarantee obligations

The Group guarantees bank loans, etc. from companies accounted for using equity method, etc., as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Amount of guarantees for companies other than consolidated subsidiaries	2,058	2,212	2,088

(3) Other contingencies

The Group has various outstanding tax issues with tax authorities, mainly overseas. These relate primarily to the interpretation and application of the law. Given the existence of multiple legal issues, the Group believe that it is difficult to predict the final outcome at this time.

39. First-time Adoption of IFRS

The Group has adopted IFRS with the transition date being April 1, 2023.

The most recent consolidated financial statements prepared in accordance with Japanese GAAP are those for the fiscal year ended March 31, 2024.

(1) Exemptions under IFRS 1

In principle, under IFRS, a company adopting IFRS for the first time (hereinafter, “first-time adopter”) is required to apply the standards under IFRS retrospectively. However, for some of the standards required under IFRS, IFRS 1 First-Time Adoption of International Financial Reporting Standards (hereinafter, “IFRS 1”) specifies standards for which the exception is applied mandatorily and those for which the exemption is applied voluntarily.

The effect of the adoption of these provisions is adjusted in retained earnings or other components of equity at the transition date to IFRS. The voluntary exemptions that the Group applies in connection with the transition from Japanese GAAP to IFRS are as follows:

・Business combinations

A first-time adopter may elect not to apply IFRS 3 Business Combinations (hereinafter, “IFRS 3”) retrospectively to past business combinations (business combinations that occurred before the transition date). The Group has elected to apply the exemption and not to apply IFRS 3 retrospectively to business combinations that took place before the transition date. As a result, the amount of goodwill arising from the business combinations prior to the transition date is based on the carrying amount as of the transition date in accordance with Japanese GAAP.

・Deemed cost

IFRS 1 permits the use of fair value of property, plant and equipment, investment property, and intangible assets as of the transition date as deemed cost as of that date. The Group has elected to apply the exemption for certain items of property, plant and equipment.

・Exchange differences on translation of foreign operations

IFRS 1 permits a first-time adopter to elect to deem the cumulative translation differences on foreign operations as of the transition date to be zero. The Group has elected to deem the cumulative translation differences on foreign operations to be zero as of the transition date.

・Leases

IFRS 1 permits a first-time adopter to assess whether a contract contains a lease as of the transition date. The Group applies this exemption and determines whether a contract contains a lease based on the facts and circumstances existing as of the transition date.

・Designation of financial instruments recognized prior to transition date

IFRS 1 permits classification in IFRS 9 Financial Instruments (hereinafter, "IFRS 9") to be based on facts and circumstances as of the transition date, rather than those existing at the time of initial recognition. In addition, it permits a first-time adopter to designate equity instruments as financial assets measured at fair value through other comprehensive income based on facts and circumstances existing as of the transition date.

The Group determines the classification under IFRS 9 based on the facts and circumstances existing as of the transition date, and designates some equity instruments as financial assets measured at fair value through other comprehensive income.

(2) Mandatory exceptions of IFRS 1

IFRS 1 prohibits retrospective application of IFRS for “estimates,” “derecognition of financial assets and financial liabilities,” “hedge accounting,” “non-controlling interests,” “classification and measurement of financial assets” and others. The Group has prospectively applied IFRS from the transition date for these items.

(3) Reconciliations

The reconciliation required to be disclosed at the first-time adoption of IFRS is as follows.

The "Reclassification" column in the reconciliation tables below presents items that do not affect retained earnings and comprehensive income and the "Difference in recognition and measurement" column presents items that affect retained earnings and comprehensive income.

1. Reconciliation of Equity as of the Transition Date (April 1, 2023)

(Millions of Yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Cash and deposits	958,452	(76,306)	(13,234)	868,911	1), 8)	Cash and cash equivalents
Notes receivable-trade	772	519,892	(2,838)	517,825	2), 3)	Trade and other receivables
Accounts receivable-trade	490,513	(490,513)	—			
Allowance for doubtful accounts	(7,377)	7,377	—		3)	
Merchandise and finished goods	313,896	171,418	(12,595)	472,720	9)	Inventories
Work in process	61,290	(61,290)	—			
Raw materials and supplies	110,127	(110,127)	—		9)	
		4,920	—	4,920		Income taxes receivable
Securities	45,397	95,062	(782)	139,676	1), 3), 4)	Other financial assets
Other	215,443	(65,220)	(4,789)	145,433	2), 4)	Other current assets
Total current assets	2,188,517	(4,787)	(34,241)	2,149,488		Total current assets
Property, plant and equipment	1,134,516	(11,004)	200,192	1,323,704	9), 10)	Property, plant and equipment
		11,004	41,179	52,183	11)	Right-of-use assets
Intangible assets	3,839	—	136,698	140,537	12)	Intangible assets
		71,272	14,735	86,007	5), 8)	Investments accounted for using equity method
Investment securities	1,045,337	(42,263)	7,788	1,010,861	4), 5), 8)	Other financial assets
Long-term loans receivable	1,352	(1,352)	—		4)	
Deferred tax assets	132,605	—	(73,442)	59,163	13)	Deferred tax assets
Retirement benefit asset	7,570	(7,570)	—			
Other	64,357	(15,680)	(9,110)	39,566	14)	Other non-current assets
Allowance for doubtful accounts	(314)	314	—			
Allowance for investment loss	(68)	68	—			
Total non-current assets	2,389,195	4,787	318,041	2,712,025		Total non-current assets
Total assets	4,577,713	—	283,800	4,861,513		Total assets

(Millions of Yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Accounts payable-trade	362,913	28,375	(6,676)	384,612	2)	Trade and other payables
Electronically recorded obligations-operating	20,242	(20,242)	–			
Short-term borrowings	173,730	173,319	–	347,050	6)	Bonds and borrowings
Current portion of long-term borrowings	173,319	(173,319)	–		6)	
Income taxes payable	44,242	–	–	44,242		Income taxes payable
		55,242	7,934	63,177	4), 11)	Other financial liabilities
Provision for product warranties	208,282	–	–	208,282		Provisions
Provision for bonuses for directors	131	(131)	–		7)	
Accrued expenses	232,026	(232,026)	–		7)	
Other	272,547	168,782	36,224	477,554	2), 4), 7), 15)	Other current liabilities
Total current liabilities	1,487,436	–	37,482	1,524,919		Total current liabilities
Long-term borrowings	416,787	–	–	416,787		Bonds and borrowings
		26,448	24,579	51,028	4), 11)	Other financial liabilities
Retirement benefit liability	66,531	–	(15,066)	51,465	14)	Retirement benefit liability
Provision for disaster	265	18,252	–	18,518	7)	Provisions
Provision for product liabilities	3,888	(3,888)	–			
Provision for recycling expenses	14,322	(14,322)	–			
Deferred tax liabilities	7,170	–	2,157	9,327	13)	Deferred tax liabilities
Provision for retirement benefits for directors	16	(16)	–			
Other	72,673	(26,473)	(265)	45,934	4), 7)	Other non-current liabilities
Total non-current liabilities	581,656	–	11,404	593,061		Total non-current liabilities
Total liabilities	2,069,092	–	48,887	2,117,980		Total liabilities
Share capital	138,370	–	–	138,370		Share capital
Capital surplus	138,180	–	–	138,180		Capital surplus
Retained earnings	1,813,209	–	157,911	1,971,121	17)	Retained earnings
Treasury shares	(19,396)	–	–	(19,396)		Treasury shares
Share acquisition rights	41	(41)	–			
Total accumulated other comprehensive income	7,653	41	58,215	65,911	14), 16)	Other components of equity
Non-controlling interests	430,561	–	18,785	449,346		Non-controlling interests
Total net assets	2,508,620	–	234,912	2,743,533		Total equity
Total liabilities and net assets	4,577,713	–	283,800	4,861,513		Total liabilities and equity

2.Reconciliations of equity as of March 31, 2024

(Millions of Yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Cash and deposits	952,839	(99,202)	(13,616)	840,020	1), 8)	Cash and cash equivalents
Notes receivable-trade	949	587,384	−	588,333	2), 3)	Trade and other receivables
Accounts receivable-trade	565,011	(565,011)	−			
Allowance for doubtful accounts	(7,192)	7,192	−		3)	
Merchandise and finished goods	437,006	154,755	(17,934)	573,828	9)	Inventories
Work in process	52,109	(52,109)	−			
Raw materials and supplies	102,646	(102,646)	−		9)	
		7,421	−	7,421		Income taxes receivable
Securities	101,592	114,719	3,299	219,611	1), 3), 4)	Other financial assets
Other	232,675	(60,977)	(9,392)	162,305	2), 4)	Other current assets
Total current assets	2,437,638	(8,472)	(37,644)	2,391,521		Total current assets
Property, plant and equipment	1,329,840	(13,680)	229,532	1,545,693	9), 10)	Property, plant and equipment
		13,860	46,576	60,437	11)	Right-of-use assets
Intangible assets	7,804	(197)	140,093	147,700	12)	Intangible assets
		91,044	17,360	108,404	5), 8)	Investments accounted for using equity method
Investment securities	1,402,059	(19,406)	5,192	1,387,845	4), 5), 8)	Other financial assets
Long-term loans receivable	1,364	(1,364)	−		4)	
Deferred tax assets	85,444	(14)	(9,992)	75,436	13)	Deferred tax assets
Retirement benefit asset	19,241	(19,241)	−			
Other	102,579	(42,869)	(19,092)	40,618	14)	Other non-current assets
Allowance for doubtful accounts	(354)	354	−			
Total non-current assets	2,947,980	8,485	409,669	3,366,135		Total non-current assets
Total assets	5,385,618	12	372,024	5,757,656		Total assets

(Millions of Yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Accounts payable-trade	419,898	34,432	(10,105)	444,225	2)	Trade and other payables
Electronically recorded obligations-operating	22,659	(22,659)	—			
Short-term borrowings	166,543	290,237	—	456,780	6)	Bonds and borrowings
Current portion of long-term borrowings	290,237	(290,237)	—		6)	
Income taxes payable	67,120	—	(2)	67,117		Income taxes payable
		68,029	11,037	79,067	4), 11)	Other financial liabilities
Provision for product warranties	190,053	—	—	190,053		Provisions
Provision for bonuses for directors	94	(94)	—		7)	
Accrued expenses	263,194	(263,194)	—		7)	
Other	321,244	183,451	40,065	544,761	2), 4), 7), 15)	Other current liabilities
Total current liabilities	1,741,046	(34)	40,995	1,782,006		Total current liabilities
Long-term borrowings	329,401	—	(283)	329,117		Bonds and borrowings
		29,185	26,453	55,638	4), 11)	Other financial liabilities
Retirement benefit liability	59,894	—	(14,546)	45,348	14)	Retirement benefit liability
Provision for product liabilities	4,533	15,968	—	20,502	7)	Provisions
Provision for recycling expenses	15,594	(15,594)	—			
Deferred tax liabilities	4,114	—	73,093	77,208	13)	Deferred tax liabilities
Provision for retirement benefits for directors	16	(16)	—			
Other	92,619	(29,494)	283	63,408	4), 7)	Other non-current liabilities
Total non-current liabilities	506,174	47	85,000	591,222		Total non-current liabilities
Total liabilities	2,247,220	12	125,995	2,373,229		Total liabilities
Share capital	138,370	—	—	138,370		Share capital
Capital surplus	69,084	—	(1,096)	67,988		Capital surplus
Retained earnings	2,030,090	—	211,653	2,241,744	17)	Retained earnings
Treasury shares	(39,300)	—	—	(39,300)		Treasury shares
Share acquisition rights	41	(41)	—			
Total accumulated other comprehensive income	292,768	41	18,161	310,971	14), 16)	Other components of equity
Non-controlling interests	647,342	—	17,311	664,654		Non-controlling interests
Total net assets	3,138,397	—	246,029	3,384,427		Total equity
Total liabilities and net assets	5,385,618	12	372,024	5,757,656		Total liabilities and equity

3.Reconciliation of profit or loss and Comprehensive Income for FY2023 (April 1, 2023 - March 31, 2024)

(Millions of Yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Net sales	5,374,255	―	(16,732)	5,357,523	18)	Revenue
Cost of sales	3,959,818	―	(13,035)	3,946,782	19), 22)	Cost of sales
Gross profit	1,414,437	―	(3,696)	1,410,740		Gross profit
Selling, general and administrative expenses	948,874	―	(32,697)	916,177	18), 19), 22)	Selling, general and administrative expenses
		15,930	3,304	19,234	19), 20)	Other income
		18,698	1,265	19,963	19), 20)	Other expenses
Operating profit	465,563	(2,768)	31,039	493,834		Operating profit
Non-operating income	58,111	(58,111)	―		20)	
Non-operating expenses	35,149	(35,149)	―		20)	
Extraordinary income	3,486	(3,486)	―		20)	
Extraordinary losses	2,734	(2,734)	―		20)	
		33,437	71,702	105,140	20), 21)	Finance income
		19,186	830	20,016	20), 21)	Finance costs
		12,229	525	12,755	20)	Share of profit (loss) of investments accounted for using equity method
Profit before income taxes	489,276	―	102,437	591,713		Profit before tax
Income taxes	145,049	―	27,355	172,404	23)	Income tax expense
Profit	344,227	―	75,082	419,309		Profit
						Profit attributable to
Profit attributable to owners of parent	267,717	―	49,299	317,017		Owners of parent
Profit attributable to non-controlling interests	76,509	―	25,782	102,291		Non-controlling interests

(Millions of Yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Profit	344,227	–	75,082	419,309		Profit
Other comprehensive income						Other comprehensive Income
						Items that will not be reclassified to profit or loss
Remeasurements of defined benefit plans, net of tax	15,322	–	(12,159)	3,163		Remeasurements of defined benefit plans
Valuation difference on available-for-sale securities	146,800	–	(65,847)	80,952	21)	Financial assets measured at fair value through other comprehensive income
		24	–	24		Share of other comprehensive income of investments accounted for using equity method
						Items that may be reclassified to profit or loss
Foreign currency translation adjustment	212,801	–	17,515	230,317		Exchange differences on translation of foreign operations
Deferred gains or losses on hedges	(15)	–	0	(14)		Cash flow hedges
Share of other comprehensive income of entities accounted for using equity method	2,926	(24)	2,047	4,948		Share of other comprehensive income of investments accounted for using equity method
Total other comprehensive income	377,835	–	(58,443)	319,391		Total other comprehensive income
Comprehensive income	722,062	–	16,638	738,701		Comprehensive income
Comprehensive income attributable to:						Comprehensive income attributable to
Owners of parent	552,832	–	13,687	566,519		Owners of parent
Non-controlling interests	169,230	–	2,951	172,181		Non-controlling interests

4. Notes on reconciliation of equity

(1) Reclassification

1) Cash and cash equivalents

Time deposits with maturities of over three months, which were included in “Cash and deposits” under Japanese GAAP, are reclassified as “Other financial assets” in current assets under IFRS. Short-term investment (with a maturity of three months or less), which were included in "Securities" under Japanese GAAP, are reclassified as "Cash and cash equivalents" under IFRS.

2) Reclassification of accounts receivable - other and accounts payable - other

Accounts receivable - other, which was included in “Other” in current assets under Japanese GAAP, is reclassified as “Trade and other receivables” under IFRS. Accounts payable - other, which was included in “Other” in current liabilities under Japanese GAAP, is reclassified as “Trade and other payables” under IFRS.

3) Reclassification of allowance for doubtful accounts

“Allowance for doubtful accounts,” which was separately presented in current assets under Japanese GAAP, is reclassified to be presented on a net basis by directly deducting the item from “Trade and other receivables” under IFRS.

4) Reclassification of other financial assets and other financial liabilities

Short-term loans receivable, which was included in “Other” in current assets under Japanese GAAP, is reclassified as “Other financial assets” in current assets under IFRS. “Investment securities” and “Long-term loans receivable”, which were separately presented under Japanese GAAP, are reclassified as “Other financial assets” in non-current assets under IFRS. Lease liabilities, which were included in “Other” in current and non-current liabilities under Japanese GAAP, are reclassified under IFRS as “Other financial liabilities” in current and non-current liabilities, respectively.

5) Reclassification of investments accounted for using equity method

“Investments accounted for using equity method,” which was included in “Investment securities” under Japanese GAAP, is separately presented under IFRS.

6) Reclassification of bonds and borrowings

”Short-term borrowings” and “Current portion of long-term borrowings,” which were separately presented in current liabilities under Japanese GAAP, are reclassified as “Bonds and borrowings” in current liabilities under IFRS.

7) Reclassification of other liabilities

”Provision for bonuses for directors” and “Accrued expenses,” which were separately presented in current liabilities under Japanese GAAP, are reclassified as “Other current liabilities” under IFRS. Asset retirement obligations, which was included in “Other” in non-current liabilities under Japanese GAAP, is reclassified as “Provisions” in non-current liabilities under IFRS.

(2) Difference in recognition and measurement

8) Adjustment to the scope of consolidation

Taking into account the company’s effective control in terms of its power over investee, some companies which were consolidated as subsidiaries under Japanese GAAP are accounted for under the equity method as jointly controlled companies under IFRS.

9) Reclassification of inventories

Office supplies and promotional materials, which were recorded as “Raw materials and supplies” under Japanese GAAP, are reclassified as retained earnings because they do not meet the definition of assets under IFRS. Meanwhile, spare parts, stand-by equipment, and servicing equipment, which were also recorded as “Raw materials and supplies” under Japanese GAAP, are reclassified as “Property, plant and equipment” under IFRS due to revision of categorization.

10) Adjustment to the recorded amount of property, plant and equipment

Property, plant and equipment (excluding lease assets), which were depreciated primarily using the declining-balance method under Japanese GAAP, are depreciated using the straight-line method under IFRS. In addition, the useful lives have been revised in line with the adoption of IFRS.

11) Adjustment to the recorded amounts of right-of-use assets and lease liabilities

Under Japanese GAAP, lease transactions as a lessee were classified into finance leases and operating leases, and operating leases were accounted for in a manner similar to ordinary rental transactions. Under IFRS, lease transactions as a lessee are not classified but recorded as “Right-of-use assets.” Lease liabilities associated with the capitalization of such lease transactions are recorded as “Other financial liabilities”.

12) Adjustment to the recorded amount of intangible assets

R&D expenses were expensed as incurred under Japanese GAAP. Under IFRS, amounts that satisfy requirements for capitalization are recognized in assets.

13) Adjustment to deferred tax assets and liabilities

Mainly due to temporary differences arising from the adjustment from Japanese GAAP to IFRS, deferred tax assets and liabilities have been adjusted.

14) Adjustment to retirement benefit asset and retirement benefit liability

Due to differences in actuarial assumptions, such as the discount rate, between Japanese GAAP and IFRS, retirement benefit obligations have been recalculated in accordance with IFRS. Under Japanese GAAP, actuarial gains and losses were recognized in other comprehensive income as incurred, and expensed on a straight-line basis over a certain number of years within the average remaining service period of employees, starting in the following fiscal year of the incurrence. Under IFRS, actuarial gains and losses are recognized in other comprehensive income as incurred and immediately transferred to retained earnings.

In addition, if defined benefit plans are overfunded, the net amount of defined benefit assets are limited to the asset ceiling. The adjustments are recognized in other comprehensive income and immediately transferred to retained earnings.

15) Unused paid absences

Unused paid absences were not accounted for under Japanese GAAP. Under IFRS, liabilities are recognized as "other current liabilities" when employees perform work that gives rise to entitlement to future paid leave.

16) Reclassification of cumulative exchange differences on translation of foreign operations

Upon the first-time adoption of IFRS, the Group elected to apply exemptions provided under IFRS 1 and transferred all cumulative exchange differences on translation of foreign operations as of the transition date to retained earnings.

17) Adjustment to retained earnings (after tax effects)

The main items in the reconciliation of difference in recognition and measurement in retained earnings are as follows:

(Millions of Yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)
Adjustments to the recorded amount of property, plant and equipment	132,062	142,911
Adjustments to the recorded amount of intangible assets	94,649	98,116
Adjustments to accrued paid absences	(14,435)	(15,007)
Adjustments related to accounting for retirement benefits	(24,694)	(19,421)
Fair value measurement of debt instruments	55,062	91,774
Reclassification of cumulative exchange difference on translation of foreign operations	(79,461)	(79,461)
Other	(5,271)	(7,258)
Total	157,911	211,653

5. Notes on reconciliation of profit or loss and comprehensive income

18) Reconciliation relating to revenue

Under Japanese GAAP, transport costs related to shipments made after a customer obtains control of the product were presented as a gross amount in “Net sales” and “Selling, general and administrative expenses.” Under IFRS, such costs are presented in a net amount in “Revenue.”

19) Change in method of depreciation

Property, plant and equipment (excluding lease assets), which were depreciated primarily using the declining-balance method under Japanese GAAP, are depreciated using the straight-line method under IFRS.

20) Reclassification to line items

Of items presented as “Non-operating income,” “Non-operating expenses,” “Extraordinary income” and “Extraordinary losses” under Japanese GAAP, finance-related profits or losses are recorded as “Finance income” and “Finance costs,” and other items are presented as “Other income,” “Other expenses” and “Share of profit (loss) of investments accounted for using equity method” under IFRS.

21) Debt financial instrument

Under Japanese GAAP, changes in fair value of certain debt instruments included in investment securities were recognized in other comprehensive income. Under IFRS, the changes in fair value are recognized as "Finance income" and "Finance costs."

22) Unused paid absences

Unused paid absences, which were not accounted for under Japanese GAAP, are recognized as personnel expenses and recorded as “Cost of sales” and “Selling, general and administrative expenses” under IFRS.

23) Income tax expense

“Income taxes - current” and “Income taxes - deferred,” which were separately presented under Japanese GAAP, are presented in total as “Income tax expense” under IFRS. Upon the adoption of IFRS, recoverability of all deferred tax assets has been reassessed.

6. Reconciliation of cash flows

Of the R&D expenses which were classified as “Cash flows from operating activities” under Japanese GAAP, expenditures related to development activities that satisfy the requirements for capitalization under IFRS are classified as “Cash flows from investing activities” under IFRS.

Lease payments paid under operating lease transactions as a lessee, which were classified in “Cash flows from operating activities” under Japanese GAAP, are classified in “Cash flows from financing activities” as “Repayments of lease liabilities” under IFRS.

(2) Other

Semi-annual information for the current fiscal year, etc.

	FY2024 first six months (April 1, 2024 – September 30, 2024)	FY2024 (April 1,2024 - March 31, 2025)
Revenue (Millions of Yen)	2,855,000	5,825,161
Profit before tax (Millions of Yen)	376,459	730,220
Profit attributable to owners of parent (Millions of Yen)	217,451	416,050
Earnings per share attributable to owners of parent, Basic (Yen)	112.72	215.66

2. Non-Consolidated Financial Statements and Other Information

(1) Non-consolidated financial statements

1) Non-consolidated balance sheets

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	463,434	539,270
Notes receivable - trade	949	1,125
Accounts receivable - trade	*1 335,963	*1 278,266
Securities	30,000	35,000
Merchandise and finished goods	52,066	51,551
Work in process	16,145	25,760
Raw materials and supplies	20,568	21,130
Prepaid expenses	679	1,313
Other	*1 144,449	*1 148,540
Allowance for doubtful accounts	(4,986)	(5,862)
Total current assets	1,059,269	1,096,097
Non-current assets		
Property, plant and equipment		
Buildings, net	79,177	81,655
Structures, net	15,952	20,038
Machinery and equipment, net	66,036	81,127
Vehicles, net	783	820
Tools, furniture and fixtures, net	15,816	18,404
Land	137,788	144,550
Construction in progress	12,874	22,022
Total property, plant and equipment	328,428	368,619
Intangible assets		
Right to use facilities	269	671
Total intangible assets	269	671
Investments and other assets		
Investment securities	380,524	276,650
Shares of subsidiaries and associates	598,564	622,888
Bonds of subsidiaries and associates	15,000	15,000
Investments in other securities of subsidiaries and associates	15,253	22,239
Investments in capital	13	13
Investments in capital of subsidiaries and associates	19,248	19,248
Long-term loans receivable	7	1
Long-term loans receivable from subsidiaries and associates	6,002	2,023
Long-term prepaid expenses	442	623
Prepaid pension costs	30,474	30,643
Deferred tax assets	96,383	122,566
Other	45,698	50,561
Allowance for doubtful accounts	(5)	(2)
Total investments and other assets	1,207,609	1,162,458
Total non-current assets	1,536,307	1,531,748
Total assets	2,595,577	2,627,846

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	*1 184,407	*1 166,601
Electronically recorded obligations - operating	22,659	—
Short-term borrowings	81,500	81,500
Current portion of long-term borrowings	236,000	133,000
Accounts payable - other	*1 9,795	*1 18,955
Accrued expenses	*1 121,082	*1 119,855
Income taxes payable	32,526	11,650
Advances received	*1 9,841	*1 9,338
Deposits received	*1 271,690	*1 293,659
Provision for product warranties	177,034	153,270
Other	5,961	900
Total current liabilities	1,152,499	988,731
Non-current liabilities		
Long-term borrowings	238,000	341,000
Provision for retirement benefits	22,510	22,202
Provision for retirement benefits for directors	16	16
Provision for product liabilities	4,533	5,354
Provision for recycling expenses	15,594	17,289
Asset retirement obligations	68	411
Other	15,865	16,581
Total non-current liabilities	296,589	402,856
Total liabilities	1,449,088	1,391,588
Net assets		
Shareholders' equity		
Share capital	138,370	138,370
Capital surplus		
Legal capital surplus	144,720	144,720
Other capital surplus	1,611	1,716
Total capital surplus	146,331	146,436
Retained earnings		
Legal retained earnings	8,269	8,269
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	12,942	12,784
Provision of reserve for promoting open innovation	412	412
General reserve	552,000	684,000
Retained earnings brought forward	201,242	229,613
Total retained earnings	774,867	935,079
Treasury shares	(39,209)	(39,069)
Total shareholders' equity	1,020,359	1,180,816
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	126,173	55,423
Deferred gains or losses on hedges	(86)	(23)
Total valuation and translation adjustments	126,087	55,399
Share acquisition rights	41	41
Total net assets	1,146,488	1,236,257
Total liabilities and net assets	2,595,577	2,627,846

2) Non-consolidated statements of income

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Net sales	*1 2,604,849	*1 2,627,921
Cost of sales		
Beginning finished goods inventory	40,453	44,115
Cost of products manufactured	1,990,595	2,006,819
Total	2,031,049	2,050,934
Transfer to other account	*2 1,165	*2 1,253
Ending finished goods inventory	44,115	42,331
Total cost of sales	*1 1,985,768	*1 2,007,350
Gross profit	619,081	620,571
Selling, general and administrative expenses		
Selling expenses	*3 187,622	*3 149,906
General and administrative expenses	*3 227,505	*3 282,568
Total selling, general and administrative expenses	*1 415,128	*1 432,475
Operating profit	203,953	188,095
Non-operating income		
Interest income	7,119	5,852
Interest on securities	2,985	1,836
Dividend income	54,571	61,379
Rental income from non-current assets	4,063	4,175
Miscellaneous income	12,092	4,461
Total non-operating income	*1 80,833	*1 77,704
Non-operating expenses		
Interest expenses	1,987	3,623
Loss on valuation of securities	2,400	2,392
Depreciation of assets for rent	2,527	2,540
Expenses related to production preparation changes	5,376	—
Foreign exchange losses	9,264	16,653
Miscellaneous expenses	6,001	1,615
Total non-operating expenses	*1 27,558	*1 26,825
Ordinary profit	257,228	238,975
Extraordinary income		
Gain on sale of non-current assets	*4 956	*4 491
Gain on sale of investment securities	1,438	42,646
Total extraordinary income	2,395	43,137
Extraordinary losses		
Loss on sale of non-current assets	*5 7	*5 923
Loss on sale of investment securities	—	155
Impairment losses	459	18
Total extraordinary losses	466	1,097
Profit before income taxes	259,156	281,016
Income taxes - current	53,817	47,008
Income taxes - deferred	2,226	2,883
Total income taxes	56,044	49,892
Profit	203,112	231,123

3) Non-consolidated statement of changes in net assets

FY2023 (April 1, 2023–March 31, 2024)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
						Reserve for tax purpose reduction entry of non-current assets	Reserve for promoting open innovation	General reserve
Balance at the beginning of current fiscal year	138,370	144,720	1,568	146,289	8,269	12,841	−	458,000
Changes during period								
Provision of reserve for tax purpose reduction entry of non-current assets						4,743		
Reversal of reserve for tax purpose reduction entry of non-current assets						(4,641)		
Provision of general reserve								94,000
Dividends of surplus								
Provision of reserve for promoting open innovation							412	
Profit								
Purchase of treasury shares								
Disposal of treasury shares			42	42				
Net changes in items other than shareholders' equity								
Total changes during period	−	−	42	42	−	101	412	94,000
Balance at the end of current fiscal year	138,370	144,720	1,611	146,331	8,269	12,942	412	552,000

(Millions of yen)

	Shareholders' equity				Valuation and translation adjustments			Share acquisition rights	Total net assets
	Retained earnings		Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
	Other retained earnings	Total retained earnings							
	Retained earnings brought forward								
Balance at the beginning of current fiscal year	143,480	622,592	(19,331)	887,920	44,850	69	44,920	41	932,882
Changes during period									
Provision of reserve for tax purpose reduction entry of non-current assets	(4,743)	–		–					–
Reversal of reserve for tax purpose reduction entry of non-current assets	4,641	–		–					–
Provision of general reserve	(94,000)	–		–					–
Dividends of surplus	(50,836)	(50,836)		(50,836)					(50,836)
Provision of reserve for promoting open innovation	(412)	–		–					–
Profit	203,112	203,112		203,112					203,112
Purchase of treasury shares			(20,004)	(20,004)					(20,004)
Disposal of treasury shares			125	168					168
Net changes in items other than shareholders' equity					81,323	(156)	81,167	–	81,167
Total changes during period	57,761	152,275	(19,878)	132,439	81,323	(156)	81,167	–	213,606
Balance at the end of current fiscal year	201,242	774,867	(39,209)	1,020,359	126,173	(86)	126,087	41	1,146,488

FY2023 (April 1, 2023–March 31, 2024)

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for tax purpose reduction entry of non-current assets	Reserve for promoting open innovation	General reserve
Balance at the beginning of current fiscal year	138,370	144,720	1,611	146,331	8,269	12,942	412	552,000
Changes during period								
Provision of reserve for tax purpose reduction entry of non-current assets						337		
Reversal of reserve for tax purpose reduction entry of non-current assets						(496)		
Provision of general reserve								132,000
Dividends of surplus								
Provision of reserve for promoting open innovation								
Profit								
Purchase of treasury shares								
Disposal of treasury shares			105	105				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	105	105	—	(158)	—	132,000
Balance at the end of current fiscal year	138,370	144,720	1,716	146,436	8,269	12,784	412	684,000

(Millions of yen)

	Shareholders' equity				Valuation and translation adjustments			Share acquisition rights	Total net assets
	Retained earnings		Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
	Other retained earnings	Total retained earnings							
	Retained earnings brought forward								
Balance at the beginning of current fiscal year	201,242	774,867	(39,209)	1,020,359	126,173	(86)	126,087	41	1,146,488
Changes during period									
Provision of reserve for tax purpose reduction entry of non-current assets	(337)	–		–					–
Reversal of reserve for tax purpose reduction entry of non-current assets	496	–		–					–
Provision of general reserve	(132,000)	–		–					–
Dividends of surplus	(70,912)	(70,912)		(70,912)					(70,912)
Provision of reserve for promoting open innovation		–		–					–
Profit	231,123	231,123		231,123					231,123
Purchase of treasury shares			(1)	(1)					(1)
Disposal of treasury shares			141	246					246
Net changes in items other than shareholders' equity					(70,750)	62	(70,688)	–	(70,688)
Total changes during period	28,370	160,211	139	160,457	(70,750)	62	(70,688)	–	89,768
Balance at the end of current fiscal year	229,613	935,079	(39,069)	1,180,816	55,423	(23)	55,399	41	1,236,257

Notes to Non-Consolidated Financial Statements

(Significant Accounting Policies)

1. Evaluation Standards and Evaluation Methods of Assets

(1) Securities

1) Stocks of subsidiaries and associates

Cost method by the moving average method

2) Investments in other securities of subsidiaries and associates

Investments in partnerships like Investment Limited Partnership (which are regarded as securities under Article 2-2 of the Financial Instruments and Exchange Act) are recorded on a net basis equivalent to the equity interest based on the most recent financial statements available on the reporting date stipulated in the contract.

3) Available-for-sale securities

Items other than equity securities for which market values are unavailable:

Fair value method (The evaluation differences shall be reported as a component of net assets, and costs of securities sold shall be calculated by the moving average method.)

Equity securities for which market values are unavailable:

Cost method by the moving average method

(2) Derivatives

Fair value method

(3) Inventories

Cost method mainly by the gross average method (Figures on the balance sheet are calculated by the method of book devaluation based on the reduction of profitability.)

2. Method of Depreciation and Amortization of Non-Current Assets

(1) Property, plant and equipment (excluding lease assets)

Declining-balance method

(2) Intangible assets (excluding lease assets)

Straight-line method

(3) Lease assets

1) Lease assets related to finance leases which transfer ownership

The same method as depreciation and amortization of self-owned non-current assets

2) Lease assets related to finance leases which do not transfer ownership

Straight-line method with the lease period as the durable years. With regard to lease assets with guaranteed residual value under lease agreement, remaining value is the guaranteed residual value. And with regard to other lease assets, remaining value would be zero.

3. Accounting Treatment for Deferred Assets

They are treated as expenses at the time of expenditure.

4. Allowances and Provisions

(1) Allowance for doubtful accounts

In order to allow for loss from bad debts, estimated uncollectible amount based on actual ratio of bad debt is appropriated as to general receivable. With regard to specific receivable with higher default possibility, possibility of collection is estimated respectively and estimated uncollectible amount is appropriated.

(2) Provision for product warranties

The provision is appropriated into this account based on the warranty agreement, laws and past experience in order to allow for expenses related to the maintenance service of products sold.

(3) Provision for retirement benefits

In order to allow for payment of employees' retirement benefits, provision is recognized based on estimated amount of retirement benefits liabilities and pension assets at the end of current fiscal year is appropriated.

1) Method of attributing expected benefit to periods

With regard to calculation of retirement benefit liability, benefit formula basis method was used to attribute expected benefit to period up to the end of this fiscal year.

2) Method to recognize actuarial gains or losses and past service costs as expenses

With regard to past service costs, they are treated as expense on a straight line basis over the certain years within the period of average length of employees' remaining service years at the time when it occurs.

With regard to the actuarial gains or losses, the amounts, prorated on a straight-line basis over the certain years within the period of average length of employees' remaining service years in each year in which the differences occur, are respectively treated as expenses from the next term of the year in which they arise.

(4) Provision for retirement benefits for directors

The amount to be paid at the end of year had been posted pursuant to the Company's regulations on the retirement allowance of directors and audit & supervisory board members. However, the Company's retirement benefit system for them was abolished at the closure of the ordinary general shareholders' meeting held on June 29, 2006. And it was approved at the shareholders' meeting that reappointed directors and audit & supervisory board members were paid their retirement benefit at the time of their retirement, based on their years of service. Estimated amount of such retirement benefits is appropriated.

(5) Provision for product liabilities

With regards to the products exported to North American market, to prepare for the payment of compensation not covered by "Product Liability Insurance," the anticipated amount to be borne by the Company is computed and provided on the basis of actual results in the past.

(6) Provision for recycling expenses

The provision is recorded for an estimated expense related to the recycle of products of the Company based on number of vehicles owned in the market, etc.

5. Recognition Criteria for Revenue and Expenses

The Company is engaged in manufacturing and sale of automobiles, motorcycles, outboard motors, electric wheelchairs, etc. in addition to the logistics services associated to these businesses and other service businesses. The Company recognizes revenue from sale of the above goods at the time when it satisfies a performance obligation by transferring control of the goods or services to a customer in an amount that the Group expects to be entitled in exchange for those goods and services.

Such amounts exclude the amount of consumption tax and value added tax levied on behalf of tax authorities.

For contracted prices with customers, which include the variable consideration, the Company measures the revenue less variable consideration only to the extent that it is highly probable that there will be no significant reversal when the uncertainty associated with the variable consideration is subsequently resolved.

Variable consideration mainly consists of sales rebates calculated based on past transactions using the most likely amount method.

The Company recognizes revenue from sale of automobiles when it satisfies performance obligation mainly at a point in time. As for the sale of automobiles, since the performance obligation is considered fulfilled at the point in time when the products are delivered and the control of such products is acquired by the customers, the revenue is recognized at the delivery of the products.

The Company receives consideration mainly as advance payment during the period from the time of receipt of a purchase order until the fulfillment of the performance obligation or within one year after the fulfilment of the performance obligation. No significant financing component is included in such transaction.

6. Standards for Translation of Significant Assets and Liabilities in Foreign Currencies into the Japanese Currency

Receivable and payable in foreign currencies are translated into yen on the spot exchange rate of the account settlement date, and the translation difference shall be processed as gain or loss.

7. Method of Significant Hedge Accounting

The deferred hedge processing is applied in principle.

8. Other Significant Matters for Preparing Financial Statements

(1) Accounting for retirement benefits

The accounting methods for unrecognized actuarial gains and losses and unrecognized past service costs related to retirement benefits differ from these accounting methods in the consolidated financial statements.

(2) Application of group tax sharing system

The group tax sharing system is applied.

(Significant Accounting Estimates)

1. Provision for Product Warranties

(1) Amount recorded in the non-consolidated financial statements for the current fiscal year

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Provision for Product Warranties	177,034	153,270

(2) Information regarding the details of the accounting estimate for the identified item

The details are the same as described in "(1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, 22. Provisions."

2. Prepaid Pension Costs and Provision for Retirement Benefits

(1) Amount recorded in the non-consolidated financial statements for the current fiscal year

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Prepaid pension costs	30,474	30,643
Provision for retirement benefits	22,510	22,202

(2) Information regarding the details of the accounting estimate for the identified item

The details are the same as described in "(1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, 23. Employee benefits."

3. Deferred Tax Assets

(1) Amount recorded in the non-consolidated financial statements for the current fiscal year

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Deferred tax assets	96,383	122,566

(2) Information regarding the details of the accounting estimate for the identified item

The details are the same as described in "(1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, 3. Material Accounting Policy Information, (14) Income taxes."

(New Accounting Standards Not Yet Adopted)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

Revisions to relevant accounting standards, implementation guidelines on accounting standard, practical response reports, and transfer guidelines.

(1) Outline

The aforementioned accounting standards and guidance provide for the recording of assets and liabilities for all leases of lessees in the same manner as international accounting standards.

(2) Scheduled date of application

Scheduled to be applied from the beginning of FY2027.

(3) Effect of application of the accounting standards

The effect of the application of the aforementioned accounting standards and guidance on the Company's financial statements is under evaluation.

(Non-Consolidated Balance Sheets)

1. *1 Receivables from and payables to subsidiaries and associates are as follows.

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Short-term receivables	376,482	330,254
Short-term payables	325,394	355,727

2. Contingent liabilities

The Company guarantees the other companies' borrowings from financial institutions.

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Suzuki Thilawa Motor Co., Ltd.	4,466	690
Other	299	255
Total	4,766	946

3. The Company has the commitment line contract with six banks for effective financing. The outstanding balance of the contract is as follows.

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Commitment line contract total	300,000	300,000
Actual loan balance	―	―
Undrawn balance	300,000	300,000

(Non-Consolidated Statements of Income)

1. *1 This includes the amounts of transactions with subsidiaries and associates as follows.

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Amount of operating transactions		
Amount of net sales	1,949,541	1,910,960
Amount of purchase	658,815	647,787
Amount of other operating transactions	120,525	162,438
Amount of transactions other than operating transactions	69,447	73,659

2. *2 The breakdown of transfers to other accounts is as follows.

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Transferred to non-current assets	209	180
Transferred to selling, general and administrative expenses	966	1,063
Transferred to non-operating expenses	(10)	9
Total	1,165	1,253

3. *3 Major items and amounts of selling, general and administrative expenses are as follows.

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
(Selling expenses)		
Shipment expenses	98,468	94,181
Depreciation	1,603	1,603
Provision of allowance for doubtful accounts	1,033	876
Provision for product warranties	10,327	2,827
Retirement benefit expenses	924	795
Provision for product liabilities	1,176	1,126
Provision for recycling expenses	1,294	1,727
(General and administrative expenses)		
Depreciation	603	676
Research and development expenses	204,760	256,254
Retirement benefit expenses	269	248

4. *4 The breakdown of gain on sale of non-current assets is as follows.

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Land	905	365
Building	9	81
Other	41	44
Total	956	491

5. *5 The breakdown of loss on sale of non-current assets is as follows.

(Millions of yen)

	FY2023 (April 1, 2023–March 31, 2024)	FY2024 (April 1, 2024–March 31, 2025)
Buildings	3	814
Machinery and equipment	—	95
Vehicles	3	—
Other	0	12
Total	7	923

(Securities)

Stocks of subsidiaries and associates

FY2023 (As of March 31, 2024)

(Millions of yen)

Classification	Carrying amount on the non-consolidated balance sheets	Market value	Difference
Stocks of subsidiaries	257,635	4,239,805	3,982,169
Stocks of associates	36	1,635	1,599
Total	257,671	4,241,441	3,983,769

Note: Carrying amount of equity securities for which market values are unavailable and other securities not included in the above

(Millions of yen)

Classification	FY2023
Stocks of subsidiaries	328,455
Stocks of associates	12,437
Investments in other securities of subsidiaries and associates	15,253
Total	356,146

FY2024 (As of March 31, 2025)

(Millions of yen)

Classification	Carrying amount on the non-consolidated balance sheets	Market value	Difference
Stocks of subsidiaries	260,551	3,716,052	3,455,500
Stocks of associates	36	1,632	1,596
Total	260,588	3,717,685	3,457,097

Note: Carrying amount of equity securities for which market values are unavailable and other securities not included in the above

(Millions of yen)

Classification	FY2024
Stocks of subsidiaries	350,126
Stocks of associates	12,173
Investments in other securities of subsidiaries and associates	22,239
Total	384,539

(Tax Effect Accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by their main occurrence causes

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
(Deferred tax assets)		
Impairment losses and excess depreciation	47,501	49,712
Various reserves	67,089	61,281
Loss on valuation of securities	50,509	47,788
Others	64,735	67,414
Sub-total deferred tax assets	229,835	226,196
Valuation allowance	(65,123)	(63,965)
Total deferred tax assets	164,712	162,231
(Deferred tax liabilities)		
Valuation difference on available-for-sale securities	(53,714)	(24,621)
Prepaid pension costs	(9,099)	(9,407)
Others	(5,514)	(5,635)
Total deferred tax liabilities	(68,328)	(39,665)
Deferred tax assets, net	96,383	122,566

2. Details of differences which cause important differences between statutory tax rate and the effective tax rate after application of tax effect accounting

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Statutory income tax rate	29.9%	29.9%
(Adjustment)		
Tax credit	(8.4%)	(7.2%)
Tax-deductible of dividend income	(5.5%)	(5.7%)
Valuation allowance	3.9%	(1.1%)
Effect of tax rate change	—	(0.3%)
Others	1.8%	2.2%
Effective tax rate after application of tax effect accounting	21.6%	17.8%

3. Adjustments to deferred tax assets and liabilities due to changes in corporate tax rates

The “Act on Partial Revision of the Income Tax Act and Other Acts” (Act No. 13 of 2025) was enacted on March 31, 2025. Under this legislation, a special defense corporate tax will be imposed starting from fiscal years beginning on or after April 1, 2026. As a result, the statutory tax rate used for calculating deferred tax assets and deferred tax liabilities will be revised from 29.9% to 30.8% for temporary differences expected to be resolved in fiscal years beginning on or after April 1, 2026. Due to this change in tax rate, the net amount of deferred tax assets (after deducting deferred tax liabilities) would increase by 226 million yen, valuation difference on available-for-sale securities would decrease by 720 million yen, and income taxes–deferred would decrease by 947 million yen.

4. Accounting for corporate tax and local corporate tax and accounting for the tax effect related thereto;

The Company has applied the group tax sharing system. Accounting and disclosure for income taxes, local income taxes, and tax effect accounting are in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021).

4) Supplementary schedules

Property, plant and equipment

(Millions of yen)

Classification	Assets	Beginning balance	Increase during the period	Decrease during the period	Depreciation during the period	Ending balance	Accumulated depreciation
Property, plant and equipment							
	Buildings	241,128	10,763	2,524	6,697	249,367	167,711
	Structures	66,876	6,881	285	2,779	73,471	53,433
	Machinery and equipment	600,266	41,465	19,392	26,027	622,340	541,212
	Vehicles	4,356	548	470	478	4,434	3,614
	Tools, furniture and fixtures	192,540	12,890	11,163	10,229	194,266	175,862
	Land	137,788	11,696	4,934 (18)	—	144,550	—
	Construction in progress	12,874	93,394	84,245	—	22,022	—
	Total	1,255,830	177,639	123,016 (18)	46,213	1,310,453	941,833
Intangible assets							
	Right to use facilities	583	457	—	56	1,040	369
	Total	583	457	—	56	1,040	369

Notes: 1. “Beginning balance” and “Ending balance” are based on the purchase price.

2. The main items of increase and decrease during the period are as follows:

(1) Increase

Machinery and equipment	Industrial machinery	¥16,414 million
Construction in progress	Machinery and equipment	¥45,120 million

(2) Decrease

Construction in progress	Machinery and equipment	¥41,465 million

3. The figures in square brackets in the “Decrease during the period” column indicate the decrease in purchase price related to impairment losses.

Allowances and provisions

(Millions of yen)

Item	Beginning balance	Increase during the period	Decrease during the period	Ending balance
Allowance for doubtful accounts	4,991	876	3	5,864
Provision for product warranties	177,034	2,827	26,591	153,270
Provision for retirement benefits for directors	16	—	—	16
Provision for product liabilities	4,533	1,126	305	5,354
Provision for recycling expenses	15,594	1,727	32	17,289

(2) Major assets and liabilities

Information is omitted because consolidated financial statements are prepared.

(3) Other

Not applicable.

VI. Outline of Share-Related Administration of Reporting Company

Fiscal year	April 1 to March 31
Ordinary General Meeting of Shareholders	June
Record date	March 31
Record dates for dividends of surplus	September 30 and March 31
Number of shares constituting one unit	100 shares
Purchase or sale of shares less than one unit	
Location	(Special account) 3-15-33, Sakae, Naka-ku, Nagoya Stock Transfer Agency, Sumitomo Mitsui Trust Bank, Limited
Shareholder registry administrator	(Special account) 1-4-1, Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited
Agent	–
Purchasing and selling fee	Amount separately specified as the equivalent of commission fees pertaining to the sale and purchase of shares
Method of public notice	Electronic public notices. However, in the event of accidents or any unavoidable circumstances that make electronic public notices impossible, the Company's public notices shall be given in the Nihon Keizai Shimbun published in Tokyo. URL for public notices: https://www.globalsuzuki.com/ir/
Special benefits for shareholders	None

Note: In accordance with the provisions of the Articles of Incorporation of the Company, shareholders with shares less than one unit are not entitled to other than the following rights: the rights stipulated in each item of Article 189, Paragraph 2 of the Companies Act; the right to make a demand under Article 166, Paragraph 1 of the Companies Act; the right to receive an allotment of offered shares and offered share acquisition rights in proportion to the number of shares held; and the right to request the sale of shares less than one unit.

VII. Reference Information of Reporting Company

1. Information about Parent of Reporting Company

The Company has no parent company as stipulated in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. Other Reference Information

The Company has filed the following documents during the period from the start of the fiscal year ended March 31, 2025 to the filing date of this Annual Securities Report.

(1)	Annual Securities Report, attached documents, and Confirmation Letter	(Fiscal year: April 1, 2023 to March 31, 2024) (158th fiscal year)	Filed on June 27, 2024 with the Director-General of the Kanto Local Finance Bureau
(2)	Internal Control Report	(Fiscal year: April 1, 2023 to March 31, 2024) (158th fiscal year)	Filed on June 27, 2024 with the Director-General of the Kanto Local Finance Bureau
(3)	Semi-Annual Report and Confirmation Letter	(April 1, 2024 to September 30, 2024) (During the 159th fiscal year)	Filed on November 13, 2024 with the Director-General of the Kanto Local Finance Bureau

(4) Extraordinary Report

Extraordinary Report pursuant to Article 19, Paragraph 2, Item 9-2 (Results of the exercise of voting rights at a general meeting of shareholders) of the Cabinet Office Order on Disclosure of Corporate Affairs	Filed on July 2, 2024 with the Director-General of the Kanto Local Finance Bureau
Extraordinary Report pursuant to Article 19, Paragraph 2, Item 2-2 (Disposal of treasury shares as restricted stock compensation) of the Cabinet Office Order on Disclosure of Corporate Affairs	Filed on July 12, 2024 with the Director-General of the Kanto Local Finance Bureau
Extraordinary Report pursuant to Article 19, Paragraph 2, Item 12 (Matters that have a material impact on financial position, operating results, and cash flows) of the Cabinet Office Order on Disclosure of Corporate Affairs	Filed on September 4, 2024 with the Director-General of the Kanto Local Finance Bureau
Extraordinary Report pursuant to Article 19, Paragraph 2, Item 3 (Change in specified subsidiaries) of the Cabinet Office Order on Disclosure of Corporate Affairs	Filed on October 29, 2024 with the Director-General of the Kanto Local Finance Bureau
Extraordinary Report pursuant to Article 19, Paragraph 2, Item 3 (Change in specified subsidiaries) of the Cabinet Office Order on Disclosure of Corporate Affairs	Filed on December 23, 2024 with the Director-General of the Kanto Local Finance Bureau
Extraordinary Report pursuant to Article 19, Paragraph 2, Item 9-4 (Change in the certified public accountant for audits, etc.) of the Cabinet Office Order on Disclosure of Corporate Affairs	Filed on March 13, 2025 with the Director-General of the Kanto Local Finance Bureau
Extraordinary Report pursuant to Article 19, Paragraph 2, Item 1 (Offering of common shares of the Company in overseas markets) of the Cabinet Office Order on Disclosure of Corporate Affairs	Filed on April 7, 2025 with the Director-General of the Kanto Local Finance Bureau

(5) Amendment to Extraordinary Report

Amended Report (Amendment to Extraordinary Report in (4) above) Amendment to Extraordinary Report filed on April 7, 2025	Filed on April 14, 2025 with the Director-General of the Kanto Local Finance Bureau

(6) Shelf Registration Statement (Straight bonds) and attached documents	Filed on August 27, 2024 with the Director-General of the Kanto Local Finance Bureau
(7) Amended Shelf Registration Statement	Filed on September 4, 2024 with the Director-General of the Kanto Local Finance Bureau
	Filed on October 29, 2024 with the Director-General of t he Kanto Local Finance Bureau
	Filed on December 23, 2024 with the Director-General of the Kanto Local Finance Bureau
	Filed on March 13, 2025 with the Director-General of the Kanto Local Finance Bureau
	Filed on April 7, 2025 with the Director-General of the Kanto Local Finance Bureau
	Filed on April 14, 2025 with the Director-General of the Kanto Local Finance Bureau

Part II　Information about Reporting Company's Guarantor, etc.

Not applicable.

Report of Independent Auditor and Internal Control Audit Report

June 27, 2025

To the Board of Directors of
Suzuki Motor Corporation

Seimei Audit Corporation
Machida, Tokyo

Designated and Engagement Partner	Certified Public Accountant	Takashi Imamura
Designated and Engagement Partner	Certified Public Accountant	Koji Nishikawa
Designated and Engagement Partner	Certified Public Accountant	Kentaro Iwao

<Audit of Consolidated Financial Statements>

Opinion

In order to provide an audit attestation pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and notes to the consolidated financial statements of Suzuki Motor Corporation ("the Company") for the fiscal year from April 1, 2024 through March 31, 2025 presented under "Financial Information" in the Company's Annual Securities Report.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Suzuki Motor Corporation and its consolidated subsidiaries as at March 31, 2025, and the operating results and cash flows for the consolidated fiscal year then ended in accordance with the International Financial Reporting Standards prescribed in Article 312 of the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Estimate of provision for product warranties for the cost of individual free repairs resulting from notification to competent authorities and related actions	
Description of key audit matter and reason for determination thereof	Audit response
As described in "22. Provisions" in notes to the consolidated financial statements, the Company's consolidated statement of financial position for the current fiscal year includes provision for product warranties of ¥165,340 million under current liabilities, which includes a provision for product warranties for the cost of individual free repairs resulting from notification to the competent authorities and related actions. Of these, the costs for free repairs for individual products that will occur in the future are estimated based on factors such as past repair records, the expected number of vehicles affected, and the expected repair cost per vehicle. In addition, regular reviews are conducted, and revisions are made as necessary. Estimates of the cost of these individual free repairs involve significant management judgment, and therefore, the assessment of such estimates requires a high level of audit judgment. Based on the above, we have determined that the estimate of the provision for product warranties related to the cost of individual free repairs resulting from notification to the competent authorities and related actions is of particular importance in the audit of the consolidated financial statements for the current consolidated fiscal year, and therefore falls under "Key Audit Matters."	In auditing the estimation of provision for product warranties for the cost of individual free repairs resulting from notification to the competent authorities and related actions, we mainly performed the following audit procedures. ・We performed procedures to evaluate internal controls related to the estimation of provision for product warranties, including procedures related to the determination of significant assumptions and the obtaining of underlying data used in estimating the expected number of vehicles affected and the expected free repair costs per vehicle. ・We conducted a retrospective review to compare the actual cost of free repairs for each individual case for which provision had already been recorded as at the end of the previous consolidated fiscal year with the previously recorded provision amounts. ・We confirmed the consistency of the meeting minutes and approval documents related to the cost of free repairs incurred during the current consolidated fiscal year. In addition, we verified the comprehensiveness of estimates of provision for product warranties for the cost of individual free repairs resulting from notification to the competent authorities and related actions with reference to recall and defect information published by those authorities. ・For new cases of provision for product warranties recorded during the current consolidated fiscal year, in order to verify the reasonableness of the expected number of vehicles affected and the expected free repair costs per vehicle, which serve as the basis for calculation, we conducted a comparative review using supporting documents and past repair records.

Other Information

Other Information comprises the information included in the Annual Securities Report (Yukashoken Hokokusho) but does not contain the consolidated financial statements, non-consolidated financial statements and our auditor's report thereon. Management is responsible for the preparation and disclosure of the other information, and Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties for designing and operating the reporting process for the other information.

The scope of our opinion on the consolidated financial statements does not include the other information, and we do not provide an audit opinion on the other information.

Our responsibilities in audits of consolidated financial statements are to read over the other information, and to consider whether there is a material inconsistency, while reading the other information, between the other information and the consolidated financial statements or our knowledge obtained in the audit; and to remain alert for indications of a material misstatement in the other information other than the material inconsistency.

We are requested to report the fact when we have identified a material misstatement based on the audit work.

We acknowledged that no matter should be reported with respect to the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards. This includes designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare consolidated financial statements in accordance with the premise of a going concern. If it is necessary to disclose matters relating to the going concern based on the International Financial Reporting Standards, management is required to do so.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with the International Financial Reporting Standards, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures to eliminate obstacles or any safeguards that are in place to reduce obstacles to acceptable levels.

From the matters communicated with Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Audit of Internal Control>

Opinion

In order to provide an audit attestation pursuant to Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act, we have audited the internal control report of Suzuki Motor Corporation as of March 31, 2025.

In our opinion, the internal control report referred to above, which states that Suzuki Motor Corporation's internal control over financial reporting as of March 31, 2025 is effective, presents fairly, in all material aspects, the results of the assessment of internal control over financial reporting in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibility under the auditing standards for internal control over financial reporting is stated in "Auditor's Responsibility for the Audit of Internal Control." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Internal Control Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of an internal control report in accordance with the standards for assessing internal control over financial reporting that are generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring and verifying the design and operation of internal control over financial reporting.

It should be noted that internal control over financial reporting may not completely prevent or detect misstatements in financial reporting.

Auditor’s Responsibility for the Audit of Internal Control

Our responsibility is to obtain reasonable assurance about whether the internal control report is free from material misstatement, and to express an opinion on the internal control report from an independent standpoint in an internal control audit report, based on our internal control audit.

We make professional judgment in the audit process in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in the internal control report. The audit procedures for the internal control audit are selected and applied at the auditor’s discretion, based on the materiality of their impact on the reliability of financial reporting.
- Verify the presentation of the internal control report as a whole, including management’s description of the scope, procedures, and results of the assessment of internal control over financial reporting.
- Obtain sufficient and appropriate audit evidence regarding the results of the assessment of internal control over financial reporting in the internal control report. The auditor is responsible for instructing, supervising, and implementing the audit of the internal control report, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned internal control audit, the results of the internal control audit, any material weaknesses identified in internal control that should be disclosed, the results of corrective measures, and other matters required under the standards for internal control auditing.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor’s independence and any measures to eliminate obstacles or any safeguards that are in place to reduce obstacles to acceptable levels.

<Remuneration-related Information>

Remuneration paid to our audit firm for audit attestation services and non-audit services for the Company and its subsidiaries in the current consolidated fiscal year amounts to ¥223 million and ¥7 million, respectively.

The dependence on remuneration defined in the Code of Ethics of The Japanese Institute of Certified Public Accountants has continued to exceed 15% since the consolidated fiscal year ended March 31, 2024.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

End

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1. The above is an electronic version of the information contained in the original audit report and the internal control audit report, the originals of which are stored separately by the Company as attachments to the consolidated financial statements.
2. XBRL data is not included in the scope of the audit.

Report of Independent Auditor

June 27, 2025

To the Board of Directors of
Suzuki Motor Corporation

Seimei Audit Corporation
Machida, Tokyo

Designated and Engagement Partner	Certified Public Accountant	Takashi Imamura
Designated and Engagement Partner	Certified Public Accountant	Koji Nishikawa
Designated and Engagement Partner	Certified Public Accountant	Kentaro Iwao

<Audit of Non-Consolidated Financial Statements>

Opinion

In order to provide an audit attestation pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, significant accounting policies, and other notes and supplementary schedules of Suzuki Motor Corporation ("the Company") for the 159th fiscal year from April 1, 2024 through March 31, 2025 presented under "Financial Information."

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of Suzuki Motor Corporation as at March 31, 2025, and its operating results for the fiscal year then ended in accordance with accounting standards generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Non-Consolidated Financial Statements." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the current period. These matters were addressed in the context of our audit of the non-consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Estimate of provision for product warranties for the cost of individual free repairs resulting from notification to competent authorities and related actions	
Description of key audit matter and reason for determination thereof	Audit response
Notes to Non-consolidated Financial Statements (Significant Accounting Policies) As stated in "1. Provision for product warranties," the Company's non-consolidated balance sheets for the current fiscal year include provision for product warranties of ¥153,270 million under current liabilities, which includes a provision for product warranties for the cost of individual free repairs resulting from notification to the competent authorities and related actions. Of these, the costs for free repairs for individual products that will occur in the future are estimated based on factors such as past repair records, the expected number of vehicles affected, and the expected repair cost per vehicle. In addition, regular reviews are conducted, and revisions are made as necessary. Estimates of the cost of these individual free repairs involve significant management judgment, and therefore, the assessment of such estimates requires a high level of audit judgment. Based on the above, we have determined that the estimate of the provision for product warranties related to the cost of individual free repairs resulting from notification to the competent authorities and related actions is of particular importance in the audit of the non-consolidated financial statements for the current fiscal year, and therefore falls under "Key Audit Matters."	In auditing the estimation of provision for product warranties for the cost of individual free repairs resulting from notification to the competent authorities and related actions, we mainly performed the following audit procedures. ・We performed procedures to evaluate internal controls related to the estimation of provision for product warranties, including procedures related to the determination of significant assumptions and the obtaining of underlying data used in estimating the expected number of vehicles affected and the expected free repair costs per vehicle. ・We conducted a retrospective review to compare the actual cost of free repairs for each individual case for which provision had already been recorded as at the end of the previous fiscal year with the previously recorded provision amounts. ・We confirmed the consistency of the meeting minutes and approval documents related to the cost of free repairs incurred during the current fiscal year. In addition, we verified the comprehensiveness of estimates of provision for product warranties for the cost of individual free repairs resulting from notification to the competent authorities and related actions with reference to recall and defect information published by those authorities. ・For new cases of provision for product warranties recorded during the current fiscal year, in order to verify the reasonableness of the expected number of vehicles affected and the expected free repair costs per vehicle, which serve as the basis for calculation, we conducted a comparative review using supporting documents and past repair records.

Other Information

Other Information comprises the information included in the Annual Securities Report (Yukashoken Hokokusho) but does not contain the consolidated financial statements, non-consolidated financial statements and our auditor's report thereon. Management is responsible for the preparation and disclosure of the other information, and Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors duties for designing and operating the reporting process for the other information.

The scope of our opinion on the non-consolidated financial statements does not include the other information, and we do not provide an audit opinion on the other information.

Our responsibilities in audits of non-consolidated financial statements are to read over the other information, and to consider whether there is a material inconsistency, while reading the other information, between the other information and the non-consolidated financial statements or our knowledge obtained in the audit; and to remain alert for indications of a material misstatement in the other information other than the material inconsistency.

We are requested to report the fact when we have identified a material misstatement based on the audit work.

We acknowledged that no matter should be reported with respect to the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Non-Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the non-consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the non-consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the non-consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes
- Determine whether it is appropriate for management to prepare the non-consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the non-consolidated financial statements in the audit report, or if the notes to the non-consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the non-consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the non-consolidated financial statements including related notes, and whether the non-consolidated financial statements fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures to eliminate obstacles or any safeguards that are in place to reduce obstacles to acceptable levels.

From the matters communicated with Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Remuneration-related Information>

Remuneration-related information is provided in the audit report on the consolidated financial statements.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

End

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1. The above is an electronic version of the information contained in the original audit report, the original of which is stored separately by the Company as an attachment to the non-consolidated financial statements.
2. XBRL data is not included in the scope of the audit.

<u>Notes to the Reader of Audit Report:</u>

"Report of Independent Auditor" and "Internal Control Audit Report" herein are the English translations of the Japanese originals required by the Financial Instruments and Exchange Act of Japan.