SUZUKI NEXT 100
~ Strengthening of management base toward the 100th anniversary of foundation and the next 100 years ~

SUZUKI MOTOR CORPORATION
2015.6.30
New Mid-Term Management Plan
SUZUKI NEXT 100

Contents
1. Previous Mid-Term Management Target
2. Basic Policy
3. Business Strategy
4. Mid-Term Management Target
Overview of the Previous Mid-Term Management Target (from FY2010 to FY2014)

Achieved both consolidated net sales 3 trillion yen and ordinary income margin 6%

Previous term (from FY2010 to FY2014)

Consolidated Net Sales Target

Ordinary Income Margin Target

<table>
<thead>
<tr>
<th>Year</th>
<th>Consolidated Net Sales (Billions of Yen)</th>
<th>Ordinary Income Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2007</td>
<td>3,502.4</td>
<td>4.5%</td>
</tr>
<tr>
<td>FY2008</td>
<td>3,004.8</td>
<td>2.7%</td>
</tr>
<tr>
<td>FY2009</td>
<td>2,469.1</td>
<td>3.8%</td>
</tr>
<tr>
<td>FY2010</td>
<td>2,608.2</td>
<td>4.7%</td>
</tr>
<tr>
<td>FY2011</td>
<td>2,512.2</td>
<td>5.2%</td>
</tr>
<tr>
<td>FY2012</td>
<td>2,578.3</td>
<td>6.0%</td>
</tr>
<tr>
<td>FY2013</td>
<td>2,938.3</td>
<td>6.7%</td>
</tr>
<tr>
<td>FY2014</td>
<td>3,015.5</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Financial Crisis of 2008

Overview of the Previous Mid-Term Management Target (from FY2010 to FY2014)
New Mid-Term Management Plan

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Challenges

- Establishment of quality management structure for the safety and reliability of customers
- Departure from chronic deficits of the Motorcycle Business
- Building pillar that follows Japan and India
- Strengthening sales and service
- Correspondence to new technologies including environment, safety, communication, and electrification
- Enhancement of the Suzuki Brand
- Development of the Group’s human resources that support global management etc.
Basic Policy of the New Mid-Term Management Plan

Return to the origin of “Develop products of superior value by focusing on the customer” and establish foundation toward the next 100 years

Mission Statement
1. Develop products of superior value by focusing on the customer
2. Establish a refreshing and innovative company through teamwork
3. Strive for individual excellence through continuous improvement
Establishing foundation toward the next 100 years

Team Suzuki

Reformation of Business Culture
Development of Human Resources
- Customer-first
- Proposal-based challenging management
- Development of human resources who can take action by thinking smarter
- Arrangement of environment for motivating employees

Globalization

- Establishment of new management structure
- Strengthening of global management

Stable Management Base

- Diversification of Source of Profit
- Enhancement of Corporate Value
- Strengthening of Risk Management

Strengthening of Manufacturing

Top Priority on Quality
- Safety and reliance of customers is the top priority
- Swiftly correspond to customer’s voice
- Making of reliable brand

Creative Products
- Creation of value that exceed customer’s expectation
- Offer driving pleasure, fun to use, and pride of ownership

Engineering, Production and Purchasing
- Driving Performance and Fuel Efficiency
- Safety and Reliability
- Evolution of manufacturing engineering
- Construction of global optimum production structure
- Promotion of optimum procurement and internal production

Customer-focused
- Take action with Customer-focused mind in all aspects in line with the spirit of the mission statement

Customer-focused
- Take action with Customer-focused mind in all aspects in line with the spirit of the mission statement
Suzuki Group would tackle as the Team Suzuki, and reform the business culture and develop human resources.

Reformation of Business Culture
- Customer-first
- Proposal-based
  - Challenging management
- Top priority on quality
- Fostering global culture

Development of Human Resources
- Structuring information network within and outside the Group
- Develop human resources who can take action by thinking smarter
- Arrangement of environment to motivate employees

Team Suzuki
Reformation of Business Culture
Development of Human Resources
Establishment of New Management Structure

- Carry forward aggressive and defensive governance through the new management structure
  - Management centered on the Board of Directors and the Management Strategy Convention
  - Utilize the “Corporate Governance Code”
  - Strengthen compliance and risk management of the Group companies
  - Contribute to the environment and society through business

Strengthening of Global Management

- Strengthen development of global human resources, and recruit foreign executives
- Carry forward globalization in India and apply globally
- Globally strengthen administration structure of human resources, legal, intellectual property, audit, finance, IT, etc.
Diversification of Source of Profit

- Carry forward the ALL GRIP structure reformation which can certainly make profit, by not relying on the two pillars (Japanese minicar and Indian automobile), through making profit in all business segments and reducing total cost.

Enhancement of Corporate Value

- Sustainable growth and stable improvement of operating income margin
- Adequacy of equity capital for sustainable growth
- Aim for dividend payout ratio of more than 15%, based on stable dividend

Strengthening of Risk Management

- Prevention measures and minimization of bad influence toward such risks as quality problem, disaster, riot/terrorism, compliance, management of confidential information, and rapid fluctuation of foreign currencies.
Suzuki Quality Policy

- Safety and reliance of customers is the top priority
- Swiftly correspond to customer’s voice

Making of Reliable Brand

Development Quality
- Advanced function verification
- Utilize quality engineering
- Strengthen evaluation technology
- Develop human resources that make up quality

Manufacturing Quality
- Strengthen inspection technology
- Quality improvement of overseas suppliers
- Correspondence to market change
- Swift correspondence
- Focus on customer information

Market Quality
- Strengthen evaluation technology
- Quality improvement of overseas suppliers
- Correspondence to market change
- Focus on customer information
- Swift correspondence
- Develop human resources that make up quality

Strengthening of Manufacturing Top Priority on Quality
Strengthening of Manufacturing Creative Products

Create value that exceed customer’s expectation

Driving Pleasure

Fun to Use

Pride of Ownership
### Strengthening of Manufacturing

**Development of Technologies**

#### Segment-leading “Driving Performance and Fuel Efficiency”

<table>
<thead>
<tr>
<th>Powertrain</th>
<th>Class-leading fuel efficiency in gasoline vehicles of Mini, A, and B segments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Challenge for average thermal efficiency of 40% for gasoline engines</td>
</tr>
<tr>
<td></td>
<td>Higher compression ratio, direct-injection turbo, lean burn, cooled EGR, lower friction</td>
</tr>
<tr>
<td></td>
<td>Evolution of Auto Gear Shift (AGS)</td>
</tr>
<tr>
<td></td>
<td>Expansion of ISG (SHVS) to overseas markets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vehicle Body</th>
<th>Class-leading weight reduction in Mini, A, and B segments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10 to 15% weight reduction by the adoption of new platform which has increased rigidity by 30%</td>
</tr>
<tr>
<td></td>
<td>Challenge switching from “use up the steel” to the use of multi-material</td>
</tr>
</tbody>
</table>

#### Pursuing “Safety and Reliability” of Small Cars

<table>
<thead>
<tr>
<th>Active Safety Driving Support</th>
<th>Enhancing performance of brake support system</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fulfilling daily driving support function such as automatic parking</td>
</tr>
<tr>
<td></td>
<td>Accumulation of technologies for advanced driving support through detection, automatic braking and steering, and two-way communication</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Information Communication</th>
<th>Global expansion of smartphone linkage navigation and utilization of vehicle information service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Promotion of development of information communication technology in India</td>
</tr>
</tbody>
</table>
# Enhancing Competitiveness in Global Production

**Utilize Digital Data**
- Shorten development period by checking functions and quality of products before making prototypes through digital manufacturing

**Correspondence to Advanced Vehicle Functions**
- Participation into development of vehicles with highly-functional powertrain, active safety, and information communication

**Effort on New Production Technologies**
- Develop and expand new production technologies of high-efficiency engine and lightweight platform by placing Japan as the mother plant and utilizing IT

**Network through utilizing IT**
- Enhance cost-competitiveness from mutual complementation of production capacity between production bases, and efficient parts procurement through the Japan-Asia region network which utilizes IT
## Enhancing Productivity Globally

### Automobile
- **Global Optimum Production**: Make Japan, India, Indonesia, Thailand, and Hungary as global production base.
- **India**: Aim to make new plant in Gujarat as the most evolved plant of Suzuki.
- **Japan**: Renew the Kosai Plant and aim to reduce CO₂ emission volume by half (current comparison).

### Motorcycle
- Consolidate production of frame and engine in the ASEAN region.
- Consolidate into Hamamatsu Plant for Japan: Productivity up by 30% from restructuring process.

### Outboard Motor
- Relocate from Toyokawa to Kosai Plant: Productivity up by 20%.
- Enhance productivity of plant in Thailand by reviewing logistics.

## Promotion of Optimum Procurement and Internal Production
- Construct parts supply structure between global production bases.
- Strengthen risk management by promotion of stable procurement and internal production.
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Automobile Business Forecasts

Promising Market of Compact Cars and Asia

- Compact car market (mini to C segment, SUV) is forecasted to expand
- Indian market will grow as the world’s third largest market

≪Market Size by Segment≫

(Millions of Units)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mini and compact commercial</th>
<th>MPV</th>
<th>SUV</th>
<th>D and up</th>
<th>C</th>
<th>B</th>
<th>Mini/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>11</td>
<td>6</td>
<td>24</td>
<td>12</td>
<td>19</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>2020</td>
<td>13</td>
<td>6</td>
<td>24</td>
<td>12</td>
<td>19</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>2025</td>
<td>14</td>
<td>6</td>
<td>24</td>
<td>12</td>
<td>19</td>
<td>18</td>
<td>11</td>
</tr>
</tbody>
</table>

≪Market Size by Region≫

(Millions of Units)

<table>
<thead>
<tr>
<th>Region</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td>89</td>
<td>102</td>
<td>112</td>
</tr>
<tr>
<td>North America</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>7</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Latin America</td>
<td>8</td>
<td>22</td>
<td>34</td>
</tr>
<tr>
<td>Europe</td>
<td>54</td>
<td>54</td>
<td>34</td>
</tr>
<tr>
<td>China</td>
<td>34</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>ASEAN</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>India</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Japan</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Others</td>
<td>7</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

(IHS forecast)
Efficient Development

Consolidation of Passenger Platform
- New development will be consolidated into three new lightweight platform of Mini, A, and B
- Inter-segment use of common functional parts through modularization

Concentration of Development of Gasoline Engine
- Efficiently develop basic and new technologies by concentrating on 660 to 1,400cc

Development with Global Sight
- Other than gasoline engine technologies, put efforts into technologies which also consider the needs of emerging countries such as AGS, ISG, and infotainment
- Development of human resources and making of long-term base by co-developing with Indian engineers
Automobile Business 
Product Strategy

Model Introduction Plan

- Introduce 20 new models globally in five years

<table>
<thead>
<tr>
<th>Segment</th>
<th>Plan Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minicar</td>
<td>Constantly introduce one model every year (five models in five years)</td>
</tr>
<tr>
<td>A Segment</td>
<td>Expand sales by introducing six models in five years</td>
</tr>
<tr>
<td>B Segment</td>
<td>Introduce three models in each segment, a total of nine models in five years</td>
</tr>
<tr>
<td>SUV</td>
<td></td>
</tr>
</tbody>
</table>
**Automobile Business Regional Strategy**

Centered in Japan and India, Asia is the main region

<table>
<thead>
<tr>
<th>Region</th>
<th>Strategy</th>
</tr>
</thead>
</table>
| Japan      | - Maintain market and employment by placing as the base of development and production  
- Constantly introduce mini and compact models every year  
- Minicar share of more than 30%, compact car sales of more than 100,000 units  
- Strengthen direct sales and expansion of distributor base |
| India      | - While still centering on the expanding new buyers, fulfill products, sales network, and productivity to meet increasing substitute demands  
- Passenger share of more than 45% |
| ASEAN      | - Develop Indonesia and Thailand as pillars that follow Japan and India, to place them as the production base for inside and outside ASEAN |
| Europe     | - Brush up advanced technologies and product competitiveness through corresponding to fuel efficiency restriction, safety technologies, and design |
Motorcycle Business
Efforts for Recovery

Enhancing Earning Strength and Brand Value

- Departure from chronic deficits through selection and concentration
- Product development that clearly defines characteristics of Suzuki

*GSX-RR* (MotoGP)  *GSX-S1000ABS*
Motorcycle Business
Product and Marketing Strategy

Main Category and Product Development

- **Main Category**
  - 150cc and up  • Backbone  • Sport
  (Shift from low-priced to mid- to high-priced products)

- Return to the origin of basic performances of “Running, Cornering, and Braking”
- Pursue fun-to-ride and easy-to-ride
- Feedback of MotoGP technologies

Marketing Strategy

- High quality service ⇒ Improve customer satisfaction

Developed Countries
- Strengthen announcement activities of events, etc.
- Strengthen sales of parts and accessories ⇒ Improve profitability

Emerging Countries
- Consolidate production base in ASEAN ⇒ Strengthen business base
- Develop sales network of large displacement model ⇒ Improve profitability
Outboard Motors
Business Strategy

Product Strategy
- Expand lineup of large four-stroke outboard motors
- Introduce more than six models in five years

Regional Strategy
- Focus on strengthening sales in the US
- Development of Asian market

New Brand Slogan
THE ULTIMATE 4-STROKE OUTBOARD
Aim for the world’s best four-stroke outboard motor brand
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## Mid-Term Management Target

<table>
<thead>
<tr>
<th></th>
<th>FY2014 Result</th>
<th>FY2015 Disclosed Value</th>
<th>FY2019 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Net Sales</strong></td>
<td>¥3,015.5 billion</td>
<td>¥3,100.0 billion</td>
<td>¥3,700.0 billion</td>
</tr>
<tr>
<td><strong>Operating Income Margin</strong></td>
<td>6.0%</td>
<td>6.1%</td>
<td>7.0%</td>
</tr>
<tr>
<td><strong>Shareholder Return</strong></td>
<td><strong>ROE</strong></td>
<td>6.9%</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Dividend payout ratio</td>
<td>15.6% (¥27.00 per share)</td>
<td>more than 15%</td>
</tr>
<tr>
<td><strong>R&amp;D expenses</strong></td>
<td>¥125.9 billion</td>
<td>¥130.0 billion</td>
<td>¥200.0 billion</td>
</tr>
<tr>
<td>(Total capital expenditures for five years)</td>
<td>(¥1,000 billion)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

※Foreign exchange rates…¥115/US$, ¥125/Euro, ¥1.85/Indian Rupee, ¥0.90/100 Indonesian Rupiah, ¥3.50/Thai Baht
### Target of Global Sales Units

#### Automobile


#### Motorcycle

- **Others**: FY2014 Result: 200, FY2015 Disclosed Value: 30, FY2019 Target: 30

All values are in thousands of units.
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Maruti Suzuki India Limited Manesar Plant

SUZUKI MOTOR CORPORATION
Caution with respect to Forward-Looking Statements

※The forward-looking statements mentioned in this presentation are based on currently available information and assumptions, contain risks and uncertainty and do not constitute guarantees of future achievement.

※Please note that the future results may greatly vary by the changes of various factors.

Those factors, which may influence the future results, include economic conditions and the trend of demand in major markets and the fluctuations of foreign exchange rates (mainly U.S. dollar/Yen rate, Euro/Yen rate, Indian Rupee/Yen rate).