



***By Your Side***

**Suzuki New Mid-Term Management Plan  
(FY2025-FY2030)**

February 20, 2025  
Suzuki Motor Corporation

"By Your Side" succinctly and clearly expresses our corporate philosophy, and we will be using it as our corporate slogan moving forward.

## Introduction ~ Towards Future Growth

Suzuki transitioned from the leadership of former Chairman Osamu Suzuki to a collective leadership centered around President Toshihiro Suzuki at the 155th Annual General Meeting of Shareholders on June 25, 2021.

Over the past three and a half years, former Chairman Osamu Suzuki gradually stepped back from his involvement in management, while President Toshihiro Suzuki has been strengthening Suzuki's management approach without changing it and updating it to align with the evolution of the times.

The "unchanged yet further strengthened" system is Suzuki's Operating System (OS), which consists of the "Mission Statement" and the three "Philosophy of Conduct", Sho-Sho-Kei-Tan-Bi, Genba, Genbutsu, Genjitsu (3G), and YARAMAIKA (Entrepreneurial Spirit).

The "update in line with the evolution of the times" refers to the enhancement of Suzuki's management quality and competitiveness based on the 83 principles of the Corporate Governance Code, which underwent significant revisions in the same month and year as the regime transition.

### Activities implemented for enhancing management quality and competitiveness

2021/11	Remember 5.18 (R5.18): Top management initiated workplace dialogue with President to understand issues onsite and resolve them. Reorganized and recognized our company's strength and issues (issuance of Integrated Report/Sustainability Report) Initiated efforts to address human rights in supply chain Intensified the verification and reduction of cross-holding stocks to utilize funds for further growth investments	2022/7	Activities to accelerate co-creation with startups (established SGV)
2021/12	Positioned 'Sho-Sho-Kei-Tan-Bi' at the core of intellectual property in both manufacturing and service creation (Intellectual Property Governance)	2022/12	Organized management philosophy (Mission Statement/Philosophy of Conduct) Established Suzuki Group's basic policy regarding human rights
2022/1	Established 'Management' System to pursue principles of 3G and achieve overall optimization for the company	2023/1	Announced Suzuki Group Growth Strategy for FY2030
2022/3	Examined risks and opportunities from diverse perspectives, reflecting external insights in management (reviewed agenda setting and operations of Board Meetings)	2023/4	Started managing compliance and risk management under the oversight of the Corporate Governance Committee
		2023/5	Adding to R5.18 workplace dialogue, a workshop on 'relationship between business operations and legal regulations' was conducted with executives and shared with all employees
		2024/4	Established a new personnel system to enhance human capital Started consideration of New Mid-Term Management Plan

Suzuki will continue to evolve in accordance with its Operating System and Management Principles.



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First, let us talk about Suzuki's past and future.

In 2021, Suzuki transitioned from the leadership of the late former Chairman Osamu Suzuki to a collective leadership system centered around myself.

Over the past three and a half years, we have focused on "unchanging yet further strengthening" and "updating in line with the evolution of the times."

What we have "unchanged yet further strengthened" is Suzuki's operating system, which consists of our mission statement and the three philosophy of conduct: "Sho-Sho-Kei-Tan-Bi," the "3G", and "YARAMAIKA."

What we have "updated in line with the evolution of the times" is the enhancement of Suzuki's management quality and competitiveness, based on the 83 principles of the Corporate Governance Code, which underwent significant revision at the same time as the leadership transition.

During this transition, former Chairman Osamu Suzuki provided guidance and advice in his role as Senior Advisor.

In 2025, all Suzuki employees will experience the first year without Senior Advisor Osamu Suzuki.

Suzuki will continue to evolve, adhering to its operating system and management principles.

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Here is the agenda for today's presentation.

# 1. Review of the Current Mid-Term Management Plan (FY2021–FY2025)

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First, let's review the current mid-term management plan.

## 1. Review of the Current Mid-Term Management Plan (FY2021–FY2025)

- Achieved revenue and profit targets ahead of schedule by improving sales mix and quality, and the effect of exchange rate, etc. even though sales volume target could not be met.
- Actively promoted carbon neutrality initiatives, including electrification, and made progress in establishing the groundwork for growth.
- On the other hand, the business environment has changed due to declining market share in India and intensified competition in electric vehicles. Need to rethink strategy.

	Current Mid-Term Plan Management Target FY2025	Results	Business Strategy	Main Items	Current Mid-Term Plan Targets	Results (FY2023)	
Revenue	4.8 trillion yen	5.4 trillion yen		Automobile Business (Japan)	Increase share of mini cars	30.0% or more	34.0%
					Increase sales of compact cars	1.5 times (compared to FY2020)	1.1 times (compared to FY2020)
				Automobile Business (India)	Increase share of passenger cars	50.0% or more	41.6%
				Motorcycle Business	Increase sales volume	2 million units	1.91 million units
					Increase operating profit margin	5.0% or more	10.6%
Marine Business	Increase revenue	100 billion yen		112.3 billion yen			
Operating profit margin	5.5%	8.7%	Response to mid- to long-term issues	Priority Approach	Current Mid-Term Plan Initiatives	Achievements and Evaluation	
ROE	8.0%	11.7%		Reduction of CO2 emissions during driving	・ Development of electrification technology	・ Announced 10-Year Technology Strategy ・ Unveiled the first BEV (e VITARA)	
				Reduction of CO2 emissions during manufacturing	・ Expansion of current technology; development of new technology	103,000 t-CO2 reduction compared to FY2020 (through energy conservation and introduction of renewable energy power)	
				Maintaining high quality	・ Prevention of defects ・ Early detection and outflow prevention	・ JD Power Initial Quality Overall 1st (first time) ・ Decrease in product warranty provisions	



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In 2021, we announced the current mid-term management plan, and last year, we achieved its management targets ahead of schedule.

While we believe this has laid a solid foundation for growth, the business environment surrounding Suzuki is undergoing significant changes.

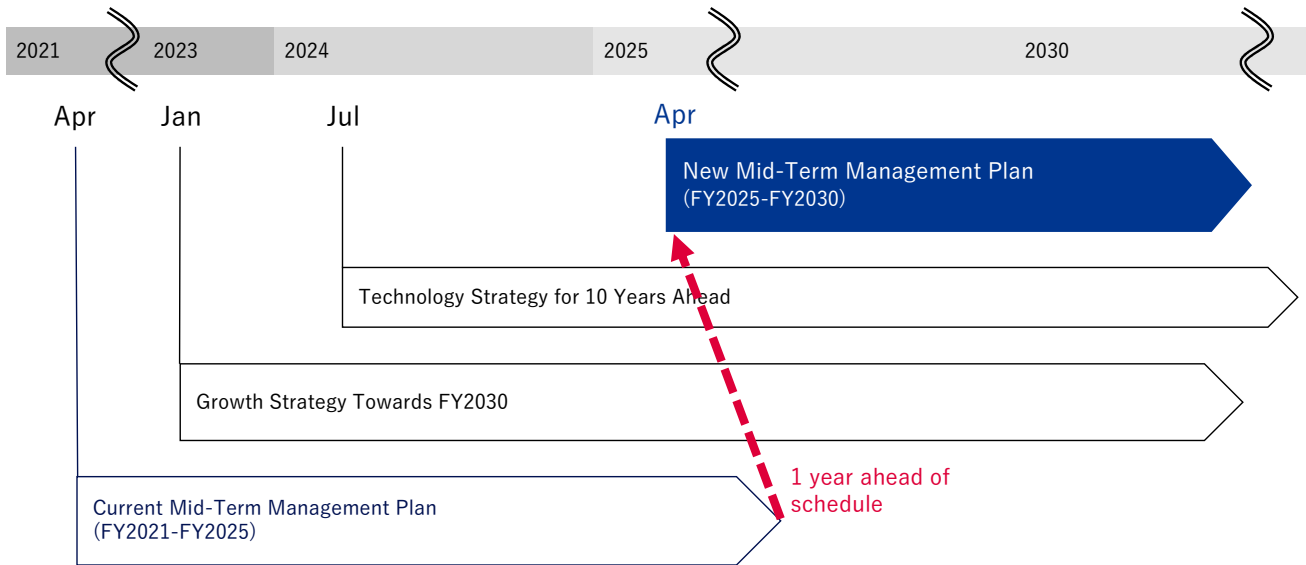
There are still many things we can and must do, which is why we have decided to formulate a new mid-term management plan.

## 2. Positioning of the New Mid-Term Management Plan ***By Your Side***

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Let me explain the positioning of Suzuki's growth strategy and the new mid-term management plan.

## 2. Positioning of the new Mid-Term Management Plan *By Your Side*



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The new mid-term management plan provides a more detailed outline of the targets set in the growth strategy announced in 2023, along with specific initiatives on how we plan to achieve them.

Regarding our technology strategy, we announced it last July as a forward-looking plan aimed at the next ten years.

### 3. Mission Statement and Philosophy of Conduct ～ Vision (What we aim for)

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Let me explain the vision that Suzuki aims to achieve.



### 3. Mission Statement and Philosophy of Conduct ~ Vision (What we aim for)

#### Vision (What we aim for)

Team Suzuki aims for “an infrastructure mobility closely connected with people’s lives”

#### Mission Statement and Philosophy of Conduct (Suzuki Operating System)



Corporate Slogan

**By Your Side**

#### Founding spirit

##### To make mother's work easier

Founder Michio Suzuki



The first machine gifted to mother



1910s loom (reconstruction)

Suzuki Loom Works



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Suzuki aims to embody the founding spirit, mission statement, and philosophy of conduct by providing products and services closely connected to our customers' lives, centered around mobility such as automobiles, motorcycles, and marine products.

We aspire to enhance and support our customers' lives, becoming an indispensable part of their daily existence.

As Team Suzuki, we strive to be an infrastructure mobility closely connected with people's lives. This is the vision that Suzuki aims to achieve.

### 3. Mission Statement and Philosophy of Conduct～ Vision (What we aim for)

To continue a close and reliable presence for our customers and society,  
Team Suzuki aims for “an infrastructure mobility closely connected with people’s lives” by taking challenges of discontinuity

Creating valuable  
products

Provide optimal products and services by focusing on the customer

Establishing a refreshing  
company

On a suitable governance foundation, in order to grow sustainably together with all stakeholders, we will work in cooperation and unity, sincerely addressing social demands (environmental response, regulatory compliance, etc).

Development of  
motivated human  
resources

Each employee strives to improve their job skills and effectively uses AI in business to achieve results efficiently and steadily, advancing with enthusiasm.



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To remain a close and reliable presence for our customers and society, we will not only update our existing business methods but also embark on new initiatives, embracing discontinuity and pursuing growth.

To realize the vision Suzuki aims for,

- Team Suzuki will put ourselves in the shoes of our global customers to provide the most suitable products and services.  
We will develop what our customers truly need using Suzuki's unique approach of "minimizing energy through Sho-Sho-Kei-Tan-Bi."  
By staying close to our customers and conveying the care and thought we put into our products, we aim to enhance Suzuki's value and ensure that our products remain the preferred choice.
- On a foundation of proper governance, we will work in unity with all stakeholders, including customers, shareholders, business partners, employees, local communities, and society, to achieve sustainable growth.  
We are committed to sincerely addressing social demands such as environmental and regulatory compliance.
- By striving to improve the professional capabilities of each employee and effectively utilizing AI in our business, we will efficiently and steadily achieve results, proactively advance, and accomplish our mid-term management plan.

## 4. Management Targets

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Let me explain the management targets of the new mid-term management plan.

#### 4. Management Targets | Approach

In order to maintain a close and reliable presence for our customers and society, we establish the basic policy of 'being close to our customers and society, continuing sustainable growth together, and enhancing corporate value.' Accordingly, we formulate our management targets and various strategies.

Basic Policy	Enhance Corporate Value through Sustainable Growth
Policy	Reflection in management targets and strategies
Creating value exceeding the cost of capital	<ul style="list-style-type: none"><li>• While continuing to adopt ROE as a KPI that takes capital costs into account, we will set the ROE target that exceeds the shareholder's capital cost as recognized by our company</li><li>• Implement financial strategies to improve capital efficiency</li></ul>
Strengthening relationships with stakeholders aimed at achieving long-term stable management	<ul style="list-style-type: none"><li>• Promote efforts in enhancing relationships with stakeholders</li><li>• Introduce a new shareholder return policy and strengthen relationships with mid- to long-term shareholders</li></ul>
Investing to achieve sustainable growth	<ul style="list-style-type: none"><li>• Promote human capital investment and use of AI to strengthen it</li><li>• Carry on capital investments for increasing sales volume along with environmental initiatives and technology development investment aimed at minimizing energy consumption</li></ul>



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The fundamental policy for formulating the management targets and strategies of the new mid-term management plan is to "stay close to our customers and society, continue growing together, and enhance mutual value," ensuring that we remain a close and reliable presence.

This policy was thoroughly discussed within the company.

Based on this, our specific approach to management targets includes considerations of capital costs, building relationships with stakeholders, including customers, and investing in growth.


We have reflected on what Suzuki can do to execute this fundamental policy in our management targets and strategies.

#### 4. Management Targets | Vision for the first half of the 2030s and Management Targets for FY2030

- Grow with stakeholders to achieve an operating profit margin of 10.0% or more and ROE of 15.0% or more by the first half of the 2030s
- Set business and financial targets to achieve revenue of 8 trillion yen, operating profit of 800 billion yen (operating profit margin of 10.0%), and ROE of 13.0% in FY2030

##### Vision for the first half of the 2030s

Operating Profit Margin	10.0% or more	ROE	15.0% or more
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New mid-term plan period								
Management Targets (FY2030)			Business		Sales Volume	Operating Profit	Financial Indicator	Target
Revenue	8 trillion yen		Automobile business	4.2 million units	700 billion yen	Capital Investment (Cumulative total for six years)	2 trillion yen	
Operating Profit (margin)	800 billion yen (10.0%)		Motorcycle business	2.54 million units	50 billion yen	R&D Expenses (Cumulative total for six years)	2 trillion yen	
ROE	13.0%		Marine business	-	35 billion yen	Dividend on Equity (DOE)	3.0%	
			New business	Revenue: 50 billion yen				

**Assumptions** Cost of Equity: 10.0%\*  
Exchange rates: US dollar 140 yen, Euro 150 yen, Indian rupee 1.70 yen



\*Calculated using CAPM (7.9%) and the benefit yield method (10.0%. Assuming a growth rate of Zero)

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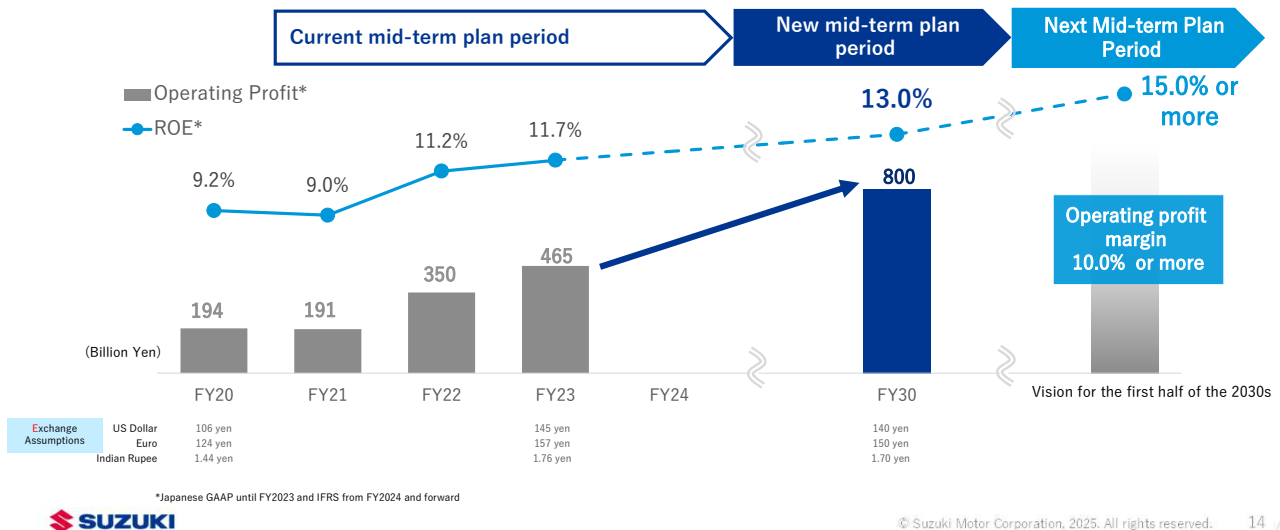
Our management targets are set at 8 trillion yen in revenue, 800 billion yen in operating profit with an operating profit margin of 10%, and an ROE of 13% by the fiscal year 2030.

We anticipate a total of 4 trillion yen in capital investments and R&D expenses during the period of the new mid-term management plan.

By growing together with our stakeholders and achieving the new mid-term plan, we aim to achieve an operating profit margin of 10% or more and an ROE of 15% or more in the first half of the 2030s.

#### 4. Management Targets | Achieving Sustainable Growth

- Amid an increase in the EV ratio, increasing labor cost, rising material costs (strengthening the supplier foundation, increase in raw material, energy cost, etc.), we aim for profit growth through improved profitability by increasing sales volume and increasing product and brand value.
- Make necessary investments with a view to achieving higher profitability in the first half of the 2030s



Despite the increasing EV 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.

As its checkpoint, during the mid-term management, we will aim to achieve an ROE of 13%.

## 5. Business Strategy and Initiatives

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Let me explain the specific strategies and initiatives for each business segment to achieve our management targets.

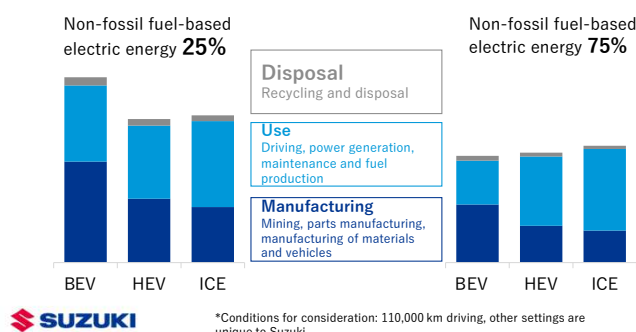
## 5. Business Strategy and Initiatives | Technology Strategy

- Minimizing energy consumption in all processes based on the concept of Sho-Sho-Kei-Tan-Bi
- Aiming for technology that minimizes resource and environmental risks from manufacturing to recycling

Technology  
Philosophy

Minimization of energy consumption with “Sho-Sho-Kei-Tan-Bi  
(Smaller, Fewer, Lighter, Shorter, Beauty)”

Conceptual Diagram of Energy Consumption in the Life Cycle  
(BEV/HEV/ICE comparison)



Five Pillars of Technology Strategy



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First, let's discuss our technology strategy.

As outlined in our forward-looking technology strategy for the next ten years, Suzuki aims to develop technologies that minimize energy consumption at every stage, based on the principles of Sho-Sho-Kei-Tan-Bi.

The table in the lower left corner provides an example of automobile technology.

It shows how the energy consumption of BEVs, HEVs, and ICEs varies throughout their lifecycle depending on the adoption rate of renewable energy.

Taking into account the energy circumstances of each country, we will offer an optimal lineup of technologies that minimize energy consumption.



## 5. Business Strategy and Initiatives | India Strategy

Develop together with the Nation ... Suzuki's Global Manufacturing Base for Automobile/Motorcycle → **Make in India**

Market Trends		Strategy				
Household Income	Household Nos 2023 ⇄ 2030	MOBILITY		MULTI-PATHWAY	INFRASTRUCTURE	TALENT/ EXCHANGE
India Population Segment	Rs 2.3 million ~ (Unit: million households)	[New Mobility] Proposal for Easing Traffic Congestion				Recruitment of advanced talent (SRD)/S/MC direct recruitment)
	Rs 1.3 million ~ 2.3 million (Unit: million households)	[Automobile] NEXA/ARENA Customer Targeting	[Automobile] • Expansion of medium and large SUV/MPV lineup in preparation for the upgrade of customer preference	[Automobile] • BEV • S-HEV	Proactive investment into charging infrastructure for BEV popularization	Exchange and cooperation with Shizuoka and Hamamatsu in the fields of economy, education and tourism
	Rs 500,000 ~ 1.3 million (Unit: million households)	• Product Classification: NEXA ->Premium oriented ARENA ->Wide range of customers • Use of digital tools	[Automobile] • Expansion of mid-SUV lineup	[Automobile] • BEV • S-HEV • M-HEV • CNG (CBG) • FFV	Exploring the possibility of e-mobility platform as work mobility	Biogas/Organic fertilizer production (commercialization/rural support)
	~ Rs 500,000 (Unit: million households)	[Motorcycle] • Intake of Suzuki fan	[Automobile] • Introduce entry car unique to Suzuki ->Incorporate "First Time Buyers"	[Automobile] • BEV • M-HEV • CNG (CBG) • FFV	[Biogas business] • Supply of inexpensive CN-fuel • Expanding sales of CNG and CBG vehicles • Helping India and Suzuki reduce GHG emissions • Improvement of rural livelihoods (installation of a household fermenter)) • Support for women's social advancement	Establishment of a circular economy system (ELV collection/dismantling/recycling/battery collection)
		Developing and supporting social entrepreneurs through Next Bharat Ventures. Connect with the Next 1 billion People				



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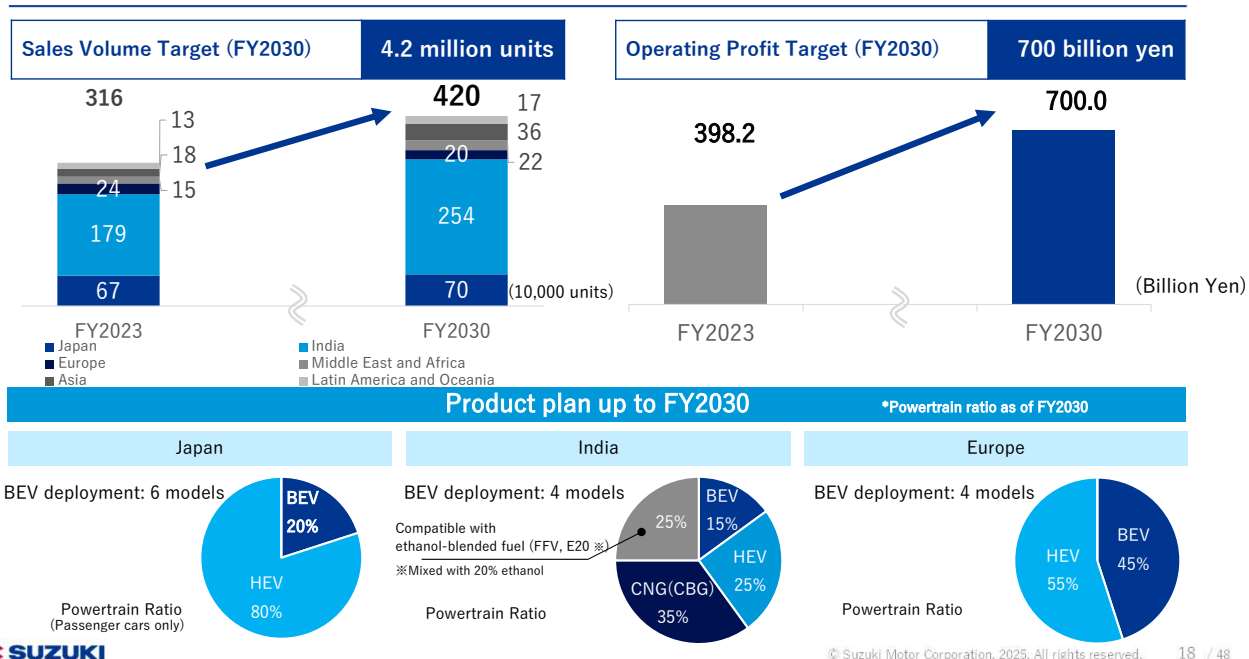
This diagram represents our overall strategy for India.

India is Suzuki's most critical market, where we are focusing our efforts the most.

In addition to further strengthening our existing strengths, such as expanding our product lineup, we will also broaden our business scope to reach the one billion people who still have limited access to mobility.

We will provide a detailed explanation of our specific initiatives in India shortly.

## 5. Business Strategy and Initiatives | Automobiles



Now, let's discuss the automobile business.

In the automobile business, we aim to achieve sales of 4.2 million units and an operating profit of 700 billion yen by the fiscal year 2030.

To comply with regulations in each country, we will introduce appropriate BEV models. Additionally, considering the energy circumstances and other factors in each country and region, we will offer products such as FFVs, CBG vehicles, and vehicles compatible with ethanol-blended fuels, allowing customers to choose products that best suit their needs.

## 5. Business Strategy and Initiatives | Automobile Japan

- ◆ Japan is a growth market for Suzuki. Increase the sales volume of compact cars as well, while also improving profit
- ◆ Become a company needed by customers and society -> Share of passenger vehicles (compact and mini vehicles) 2nd position
- ◆ Support the daily lives of customers who use mini vehicles as an essential part of their daily lives

### Position in Suzuki's Business

- Japan is a growth market for Suzuki
- Increase profitability to become a stable earnings source after India
- Support the daily lives of customers who use mini vehicles as an essential part of their daily lives



### Products

- Expand the lineup by introducing products that match the preference of Japanese customers and market
- Enhance HEVs performance (introduce Super Energy Charge)
- Introduce 6 BEV models by FY2030 including 2 BEV models in FY2025 (e VITARA, mini commercial van BEV)

### Sales Services

- Carefully communicate Suzuki's passion and dedication to customers embedded in our products
  - > Raise brand value and sell at fair prices reflecting product value
- Improve customer satisfaction through customer-oriented sales activities
  - > Acquire new customers
  - > Retain replacement/upgrade customers in Suzuki brand, and boost service sales



### Manufacturing

- As the mother production base of the Suzuki Group, we use our production technology and know-how and continue to serve as a model for the Suzuki Group



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Regarding the automobile business in Japan, Japan is still a growth market for Suzuki. While the overall market is expected to decline, we plan to increase sales of compact vehicles and enhance profitability.

We aim to maintain the second-largest passenger car brand, meeting the needs of our customers and society, and continue to support the daily lives of customers who use mini cars as their primary mode of transportation.

Following the Fronx, we will introduce products that align with the preferences of Japanese customers and the market, expanding our lineup in the Japanese market.

The production locations for products sold in Japan will be optimized globally to ensure the most efficient manufacturing.

Team Suzuki will carefully communicate the passion and dedication we put into our products, enhancing brand value through branding activities 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.

## 5. Business Strategy and Initiatives | Automobile India

- ◆ Aim for 50% market share as market leader in Indian automobile industry.
- ◆ Aim for 4 million units annual manufacturing capacity to meet demand in India and expand as global exports hub.
- ◆ Aim to be Number 1 in Production, Exports and Sales of BEVs

Position in Suzuki's Business	<ul style="list-style-type: none"> <li>• The most important market, which will continue to grow and serve as the engine for Suzuki's future growth.</li> <li>• The competitive environment is becoming increasingly severe, and the quality of product functions, equipment and services required by customers is increasing.</li> </ul>
Products	<ul style="list-style-type: none"> <li>• Strengthen our product capabilities and lineup in the SUV and MPV segments.</li> <li>• Rapidly develop and introduce entry segment products that meet the preferences of entry-model customers.</li> <li>• Introduce BEV/HEV/CNG (CBG)/FFV, etc., best suited to local conditions for each region in India.</li> <li>• Improve Maruti Suzuki's product planning and development capabilities to develop and introduce products that better match the preferences of Indian customers in a timely manner.</li> <li>• Expand BEV lineup starting with e VITARA, aiming to launch 4 BEV models by FY2030.</li> </ul>
Sales Services	<ul style="list-style-type: none"> <li>• Progressively define the roles of our two sales channels (Nexa to be more Premium Oriented while Arena represents a wider customer base), providing a comfortable customer experience.</li> </ul>
Manufacturing	<ul style="list-style-type: none"> <li>• To respond to growing domestic demand in India and to play a role as a global export hub, expand supply chain and production capacity (new Kharkhoda Plant and new Gujarat Plant)</li> <li>• Monitor market conditions and gradually build 4 million units per year capacity at appropriate time</li> </ul>



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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 thoroughly understand what our customers desire and adapt to market changes. We will strengthen our product offerings in the SUV segment, which has become the largest, and the MPV segment, which is expected to grow. Additionally, we will focus on enhancing entry-level models to ensure that the increasingly growing middle-class customers choose Suzuki for their first car purchase.

To provide products that are both budget-friendly and environmentally friendly, 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.

To expand production capacity, we will establish a production system capable of producing 4 million units annually to meet India's demand and expand as an export hub. However, we will not rush to achieve 4 million units by 2030 at any cost; instead, we will implement this plan at the appropriate timing, considering market conditions.

## 5. Business Strategy and Initiatives | Automobile Europe

- ◆ Continue to refine and enhance our technology/products by meeting Europe market requirement where the performance requirements are extremely high and advanced environmental/safety regulations are introduced earliest in the world.
- ◆ Maintain the scale of business necessary to achieve this

### Position in Suzuki's Business

- Develop and refine technologies and products to meet latest European trends and environmental and safety regulations and thereby continuously upgrade our capability.

### Products

- Utilize the Indian production model to sell products matching the preferences and markets of European customers
- To comply with CO2 regulations, expand our BEV lineup, starting from e VITARA. 4 models to be introduced by 2030

### Sales Services

- By increasing customer satisfaction, aim to retain customers, utilizing digital tools to implement efficient sales activities and strengthen after-sales revenue

### Manufacturing

- Production capacity of Magyar Suzuki, our manufacturing base in Europe, to be utilized effectively



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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.

To hone our capabilities in the European market, it is essential to maintain a certain scale of operations.

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.

## 5. Business Strategy and Initiatives | Automobile Middle East & Africa

- ◆ Expand Suzuki's business in the Middle East and Africa markets having huge growth potential by supplying products from India
- ◆ Find the next India -> Middle East 5% share, Africa 10% share

Middle East		Africa	
Position in Suzuki's Business	<ul style="list-style-type: none"> <li>• In recent years, demand for compact cars has gradually increased due to an increase in the young population and the social advancement of women</li> </ul>	Position in Suzuki's Business	<ul style="list-style-type: none"> <li>• It is close to India, where Suzuki's largest production base is located, and customers' needs are similar to those of India in some countries. The products based on India models are well accepted.</li> </ul>
Products	<ul style="list-style-type: none"> <li>• Focusing on Suzuki's compact cars, prepare a lineup of products that meet customer preferences</li> </ul>	Products	<ul style="list-style-type: none"> <li>• Lineup fuel-efficient, durable, high-quality compact vehicles</li> </ul>
Sales Services	<ul style="list-style-type: none"> <li>• In countries where the demand for compact cars is high, aim to increase sales by improving customer satisfaction</li> </ul>	Sales Services	<ul style="list-style-type: none"> <li>• Based on our success in South Africa, where Suzuki is increasing its market share, expand in other African countries by initiatives such as customer-friendly maintenance services and fan events</li> <li>• Increase sales by improving customer satisfaction</li> </ul>



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The Middle East and Africa markets hold significant growth potential.

Given their geographical proximity to India and the similarity in road conditions and customer needs in some countries, we will leverage Indian-made models to expand our presence and increase sales and profits.

In the Middle East, some countries have seen a gradual increase in demand for compact cars due to factors such as a growing young population and greater female participation in the workforce.

In Saudi Arabia, we are gradually expanding our market share by appointing new dealers and utilizing Indian-made models.

In South Africa, over the past seven years, we have doubled our sales and service locations, provided mobile repair services in remote areas, and organized events for Suzuki SUV owners. These efforts have resulted in more than a fivefold increase in Suzuki vehicle sales, a market share exceeding 11%, and achieving the third position in brand rankings.

We plan to extend these initiatives to other countries to enhance customer satisfaction and increase sales.

## 5. Business Strategy and Initiatives | Automobile Asia

- ◆ Southeast Asia : Restructure business in ASEAN focusing on Indonesia -> Indonesia share 10%
- ◆ South Asia : Further expand business scale in Pakistan -> Pakistan share 45%

ASEAN		Pakistan	
Position in Suzuki's Business	<ul style="list-style-type: none"> <li>Focusing on Indonesia, Suzuki's largest production/sales base in ASEAN, we will increase sales volume in ASEAN region</li> </ul>	Position in Suzuki's Business	<ul style="list-style-type: none"> <li>Important market with Suzuki as market leader (share of 45%)</li> <li>Production and sales were limited due to import restrictions on parts, but future recovery and growth are expected</li> </ul>
Products	<ul style="list-style-type: none"> <li>Lineup more competitive products that satisfy ASEAN customers</li> </ul>	Products	<ul style="list-style-type: none"> <li>Japan's Alto mini vehicle is accepted</li> <li>Enhance product lineup as a base for the globalization of mini vehicles</li> </ul>
Sales Services	<ul style="list-style-type: none"> <li>By enhancing the quality and frequency of the "connection with customers" at Genba, we will improve customer satisfaction from new car sales to service entries and replacement sales, thereby strengthening our brand power in the market</li> </ul>	Sales Services	<ul style="list-style-type: none"> <li>Utilize an industry-leading dealer network to provide products and services that satisfy customers in every corner of Pakistan</li> </ul>
Manufacturing	<ul style="list-style-type: none"> <li>Expand the local production models with Indonesia as a core supply base for ASEAN markets</li> </ul>	Manufacturing	<ul style="list-style-type: none"> <li>We will invest in improving quality and productivity in preparation for the launch of new models</li> </ul>



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We will restructure our ASEAN operations, focusing on Indonesia, which is Suzuki's largest production and sales hub in the region, 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.

In recent years, due to the country's foreign exchange situation, there have been restrictions on the import of parts, limiting production and sales volumes.

However, the situation is gradually improving, and sales volumes are increasing along with market recovery.

Given the acceptance of Japanese mini cars, we will enhance our product lineup as a global hub for mini cars and leverage Suzuki's strong sales network to expand our market presence.

## 5. Business Strategy and Initiatives | Automobile Latin America and Oceania

- ◆ Latin America : A growing market that will continue to expand -> Further promote compact SUVs
- ◆ Oceania : A mature market with advancing fuel economy regulations -> Expand fuel-efficient products

Latin America		Oceania	
Position in Suzuki's Business	<ul style="list-style-type: none"> <li>• No 1 Market Share: Bolivia 15 years in a row/ Barbados 20 years in a row</li> <li>• There are many countries where Suzuki has a strong presence, and we anticipate continued growth in these markets</li> </ul>	Position in Suzuki's Business	<ul style="list-style-type: none"> <li>• Mature market, with market size remaining flat</li> <li>• Strengthening of fuel economy regulations is progressing due to policies in various countries</li> </ul>
Products	<ul style="list-style-type: none"> <li>• Expand the sales of compact mild HEV vehicles</li> <li>• Strengthen competitiveness and brand power with compact SUVs as the core</li> </ul>	Products	<ul style="list-style-type: none"> <li>• Expand the sales of mild HEV vehicles</li> <li>• In line with fuel economy regulation trends, introduce electric vehicles and next-generation energy vehicles as needed</li> </ul>
Sales Services	<ul style="list-style-type: none"> <li>• Proactive use of digital tools</li> <li>• Connect with customers more easily and conveniently, providing a more satisfying experience in physical stores</li> <li>• Aim to acquire new customers and promote service revenue and replacement vehicle sales</li> </ul>	Sales Services	<ul style="list-style-type: none"> <li>• Enhance customers' understanding of the strengths of our small and fuel-efficient vehicles, further increasing brand value</li> </ul>



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In Latin America, we will further expand the sales of compact SUVs.

Steady growth is expected in markets such as Mexico.

There are several countries where Suzuki has a strong presence, such as Bolivia, where we have held the number one market share for 15 consecutive years, and Barbados, where we have done so for 20 consecutive years.

These markets are relatively open to the import of finished vehicles, and 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.

Oceania is a mature market with a stable market size.

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.



## 5. Business Strategy and Initiatives | Automobile Alliance with Toyota

- ◆ Continue to work together as equal partners while remaining competitors who inspire each other
- ◆ Through this collaboration, the two companies aim to realize a carbon-neutral society through multi-pathway cooperation and continue to grow

Technical area	<ul style="list-style-type: none"> <li>• Advanced safety technologies such as collision damage reduction brakes</li> <li>• Joint development of BEV units and platforms</li> </ul>
Production area	<ul style="list-style-type: none"> <li>• Production of Suzuki-developed Grand Vitara model at TKM*<sup>1</sup> and supply to India, the Middle East and Africa.</li> </ul>
Cross-badge vehicles mutual supply	<ul style="list-style-type: none"> <li>• Cross-supply of vehicles in India, Africa, Europe and Japan*<sup>2</sup> <ul style="list-style-type: none"> <li>[Suzuki -&gt; Toyota] <ul style="list-style-type: none"> <li>e VITARA (vehicles developed by Suzuki using jointly developed BEV units and platforms)</li> <li>Baleno, Ertiga, Fronx, Ciaz, Celerio</li> </ul> </li> <li>[Toyota -&gt; Suzuki] <ul style="list-style-type: none"> <li>Landy, Invicto, Across, and Swace</li> </ul> </li> </ul> </li> </ul>



<sup>1</sup>Dentsu Creative  
<sup>2</sup>Toyota Kirloskar Motor Private Ltd.



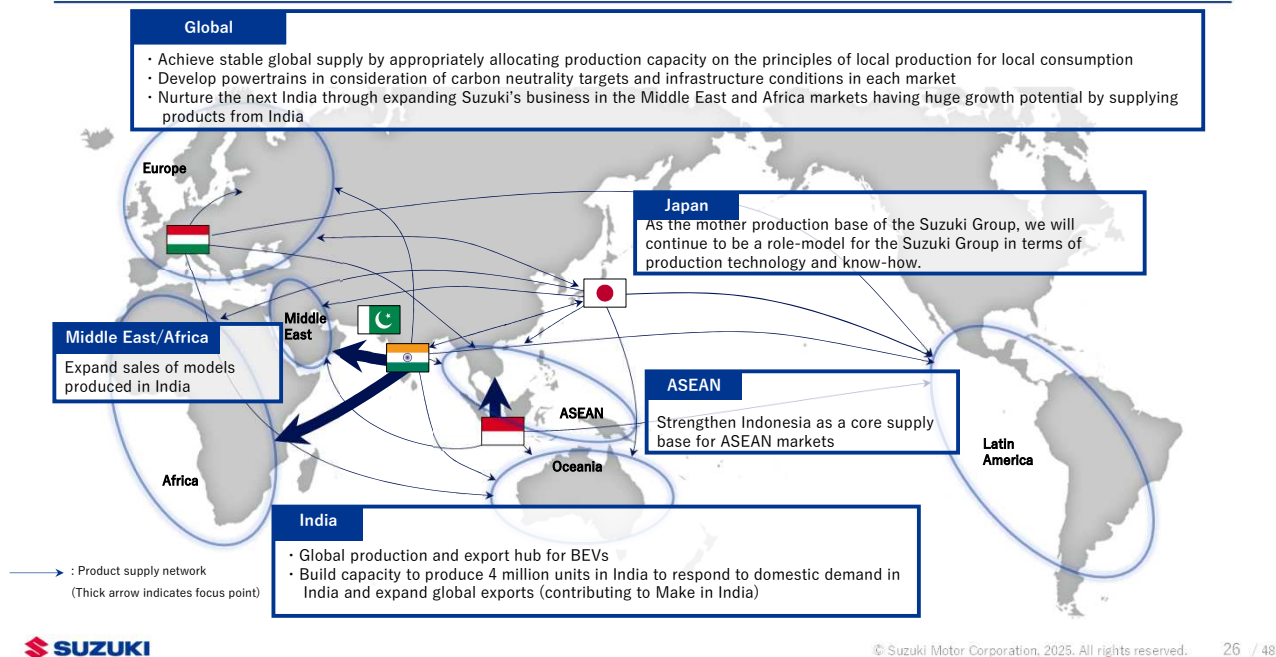
\*1 TKM: Toyota Kirloskar Motor, India \*2 Model names in Suzuki



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In our alliance with Toyota, we will continue to be competitors who challenge and learn from each other while collaborating as equal partners. Through cooperation in areas such as technology, production, and mutual supply of vehicles, we aim to achieve a carbon-neutral society through multiple pathways and continue to grow together.

## 5. Business Strategy and Initiatives | Automobile Global Supply System



This is a diagram of our global supply system for automobiles.  
We will advance our strategies in each region with this supply system in place.

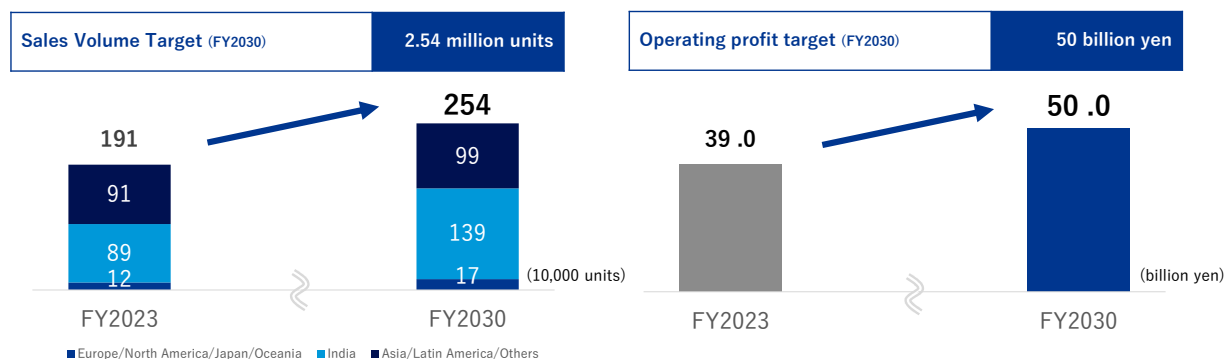
## 5. Business Strategy and Initiatives | Motorcycle

- ◆ Provide “valuable products” which are required by customers, through uncompromising product development
- ◆ Communicate Suzuki’s passion and dedication to our customers, thereby gain their trust and achieve sales of 2.54 million units and an operating profit target of 50 billion yen.

### Philosophy of Suzuki Motorcycles

Valuable products with high-level, high-quality performance in basic functions (running, turning, stopping)

- Pursue quality, reliability, and high performance without compromise for all products
- Encourage many customers to use our products extensively, enriching their lives



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In the motorcycle business, we are committed to providing "valuable products" that meet customer needs through uncompromising product development. By conveying the passion of our creators and earning the trust of our customers, we aim to achieve sales of 2.54 million units and an operating profit of 50 billion yen by the fiscal year 2030.

## 5. Business Strategy and Initiatives | Motorcycle

	Customers who use it for Leisure	Customers who use it for daily transportation and work
Products	<ul style="list-style-type: none"> <li>• Deliver products that customers seek at appropriate prices, from the customer's perspective.</li> <li>• Products that are easy to handle, enjoyable, and safe to ride for everyone from beginners to veterans.</li> </ul>	<ul style="list-style-type: none"> <li>• A product that is ideal for commuting to work or school in urban areas, with excellent maneuverability</li> <li>• A product that offers good fuel efficiency and usability, making it optimal as a daily means of transportation</li> </ul>
Sales Services	<ul style="list-style-type: none"> <li>• Strengthen sales and services in North America and Europe</li> <li>• Build long-term customer relationships through regular events where customers can touch actual vehicles and take test rides, as well as forming fan communities</li> </ul>	<ul style="list-style-type: none"> <li>• In India, a growing market, we will expand the sales and service network and strengthen the development system and production capacity</li> <li>• By utilizing the genuine voices of customers and providing the desired customer service, we will gain trust and increase the number of customers</li> </ul>
Technology	<ul style="list-style-type: none"> <li>• Develop environmentally friendly technologies</li> <li>• Through a multi-pathway approach, work towards achieving zero CO2 emission on holistic basis in 2050</li> <li>• Early mass production development of commuter EVs, improving the efficiency of internal combustion engines, developing ethanol-compatible technologies anticipating up to E100, and internalizing CN technology*</li> <li>• Develop technologies that contribute to product value</li> <li>• In addition to pursuing Suzuki's motorcycle philosophy, focus on development in the areas of "safety and security," "ease and longevity," and "convenience."</li> </ul>	



\*CN technology: FFV, synthetic fuel, CNG (CBG), hydrogen, etc.

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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.

Regarding environmental technologies, we are undertaking various initiatives to achieve net-zero CO2 emissions in 2050 during motorcycle use.

In addition to pursuing the inherent appeal of motorcycles, we will focus on enhancing added value by developing technologies that contribute to safety, security, and ease of use.

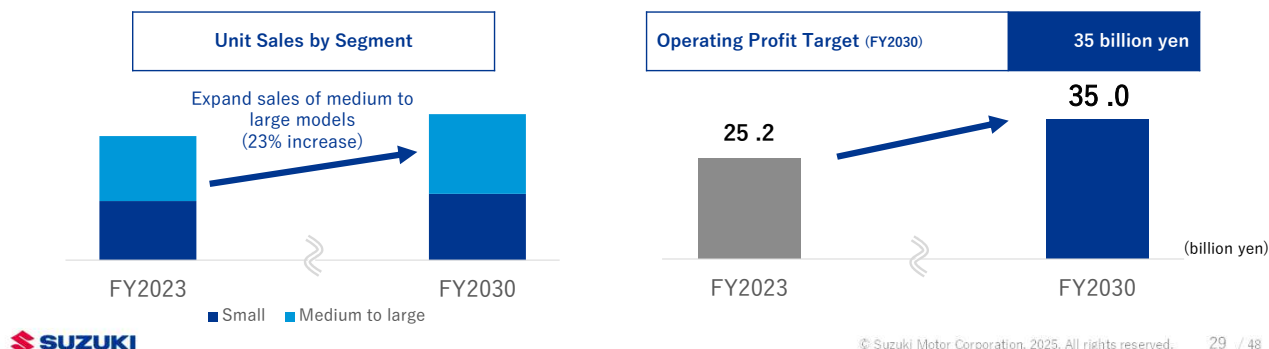
## 5. Business Strategy and Initiatives | Marine

- ◆ Expanding sales of medium to large models for "PLEASURE" seeking customers mainly in North America.
  - ◆ Also promoting environmentally friendly 4-stroke models for "WORK" in professional customer market such as Asia.
- > aiming to achieve an operating profit of 35 billion yen.

### Vision (What we aim for)

As a reliable partner for "PLEASURE" and "WORK" on the water;

- We provide durable and reliable products along with market-focused after-sales service to ensure that customers on the water choose Suzuki products.
- We contribute to a clean and sustainable waterfront environment, and enhance customers' quality of life through our business.



This year marks the 60th anniversary of our 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.

For customers mainly in the North American market, we will expand sales of medium to large models.

For customers such as in the Asian market, we will promote environmentally friendly small four-stroke models, aiming to achieve an operating profit of 35 billion yen.

## 5. Business Strategy and Initiatives | Marine

	For customers "PLEASURE" on the water	For customers "WORK" on the water
Products	<ul style="list-style-type: none"> <li>• Developing attractive and environmentally friendly products that fulfill customer needs, consequently enhancing product competitiveness and lineup.</li> <li>• Introducing BEV in small model market for customers in zero-emission water areas.</li> </ul>	
Sales Services	<ul style="list-style-type: none"> <li>• Strengthening customers relationship and creating new customers by steadily engaging in customer-oriented activities.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Expanding the sales network mainly in North America to increase sales.</li> <li>• Strengthening and developing relationships with boat builders through the introduction of competitive new models, leading to increased sales mainly in North America, Europe, and Oceania.</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting the transition to 4-stroke models by strengthening service network and skills in commercial 2-stroke markets such as Asia.</li> <li>• Building trust and increasing the number of customers by providing easy-to-use, durable, and reliable products as their partner supporting work such as commercial fishing and water taxi.</li> </ul>
Technology	<ul style="list-style-type: none"> <li>• Developing technologies for carbon-neutrality and navigation support</li> <li>• Enhancing brand value through ESG activities driven by the Suzuki Clean Ocean Project.</li> </ul>	



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In the marine business, similar to our approach in the motorcycle segment, 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."

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

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.

## 5. Business Strategy and Initiatives | Batteries

- ◆ Procure batteries with proven performance and quality with the cooperation of partners
- ◆ Prepare for future demand expansion by considering the joint development of domestically produced batteries towards in-house production

### Procurement Policy

- Aiming to realize the technology strategy of “energy minimization,” “lean battery,” and “efficient battery reuse system,” we will focus on the following partners and considering the actual conditions of the producing countries/regions, strive for optimal battery procurement:
  - Motorcycle BEV batteries: Tata Gotion
  - Automobile M-HEV/S-HEV batteries: TDS Lithium-ion Battery Gujarat (TDSG)
  - Automobile BEV batteries: FinDreams Battery
- In India, we will promote further localization in line with the growth of the electric vehicle market



Mobility battery

### Inhouse Manufacturing Consideration

- Aiming for the acquisition of battery technology and in-house production for the future, we will establish a battery R&D center with ELIIY Power at their Kawasaki Plant and consider the development of domestically produced batteries
- We will explore the commercialization of batteries that excel in safety and durability, which can be used for both mobility applications and stationary storage batteries
- We will also consider the construction of a battery factory and the in-house procurement of battery materials



Stationary storage battery



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For the batteries required in our automobile, motorcycle, and marine businesses, we have secured the necessary supply through collaboration with our partners until the fiscal year 2030.

In India, we will also promote local procurement in line with market growth.

We are exploring the acquisition and in-house production of battery technology for the future and will engage in joint development with ELIIY Power.

We are considering the commercialization of storage batteries that offer excellent safety and durability, suitable for both mobility applications and stationary energy storage.

To facilitate the joint development of these batteries, we will establish a Battery R&D Center within ELIIY Power's Kawasaki facility.

We are also considering the construction of a battery factory in future and the self-procurement of battery materials to support in-house production.





## 5. Business Strategy and Initiatives | New Business Areas

- ◆ Leveraging strengths in existing businesses, we will launch new ventures in the service mobility and energy sectors
  - ➔ Aiming for sales revenue of 50 billion yen by FY2030 and to become a pillar that stands alongside existing businesses in terms of profitability by FY2040
- ◆ The technologies and know-how required in new business areas that Suzuki does not currently possess will be realized through collaborations

### Suzuki's Strengths to leverage

Minimal and highly reliable manufacturing technology	Strong customer base and sales and maintenance network in rural areas
Highly efficient and reliable hardware development and production capabilities earned through development of diverse mobility based on "Sho-Sho-Kei-Tan-Bi"	Especially in Japan and India, a sales network that extends to every corner of rural areas and daily connections with local customers

### New Business Areas and Projects

Service Mobility Aiming for Infrastructure Mobility in the shift from ownership to use		Energy Energy Self-Sufficiency in India and Japan – Contribute to Carbon Neutral
<b>① Public transport service</b> <b>Glydways Collaboration Business</b> Minicar-sized vehicles automatic platooning in dedicated lanes. Provides transportation capacity as needed, ensuring efficient mobility  <b>SkyDrive Collaboration Business</b> Compact three-seater air mobility 	<b>② Work mobility</b> <b>Small e-mobility Platform Business</b> Use micromobility platform as robot base  <b>Applied EV Collaboration Business</b> Easy to automate and versatile bogie type SDV vehicle 	<b>① Biogas business</b> A project to install and operate a biogas plant to produce biogas from cow dung/paddy straw and use the produced gas as fuel for CNG vehicles. The project aims to reduce greenhouse gas emissions and contribute to the energy self-sufficiency and circular economy of rural India  <b>② Storage battery business</b> Utilizing the common module that can be used for both mobility and stationary storage jointly developed with ELIIY Power, we will work on a storage business that contributes to the efficient use of renewable energy in India and Japan, especially in rural areas

IoT technologies and data utilization essential for the realization of new businesses (such as collaboration with Soracom)



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In the new business domains, we aim to leverage the strengths of our existing businesses to launch new ventures in service mobility and energy, targeting 50 billion yen in revenue by the fiscal year 2030.

By the fiscal year 2040, we aim to establish these new ventures as pillars that stand alongside our existing businesses in terms of profitability.

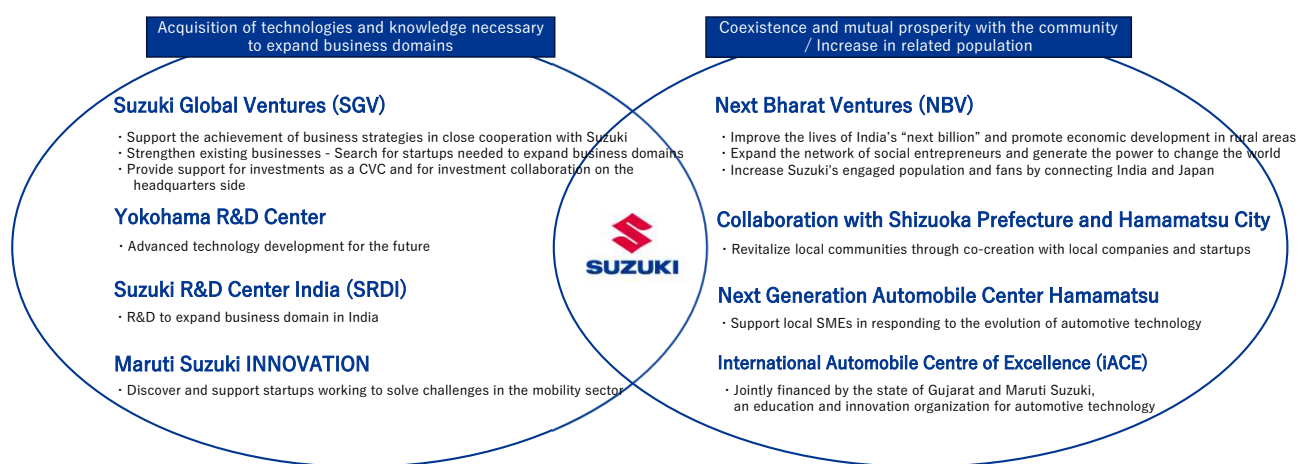
We will focus on Suzuki's strengths while actively collaborating with other companies to acquire the technologies and expertise we lack.

Specifically, we will engage in service mobility, energy, and the foundational IoT technologies and data utilization.



## 5. Business Strategy and Initiatives | Co-Creation with Startups and Local Communities

- ◆ In order to acquire the technologies and knowledge necessary for expanding business areas, we will strengthen the structure and work on collaboration with startups.
- ◆ In order to strengthen network with local communities and increase the number of people involved, we will support startups and companies in our home city of Hamamatsu and in rural India and grow together.



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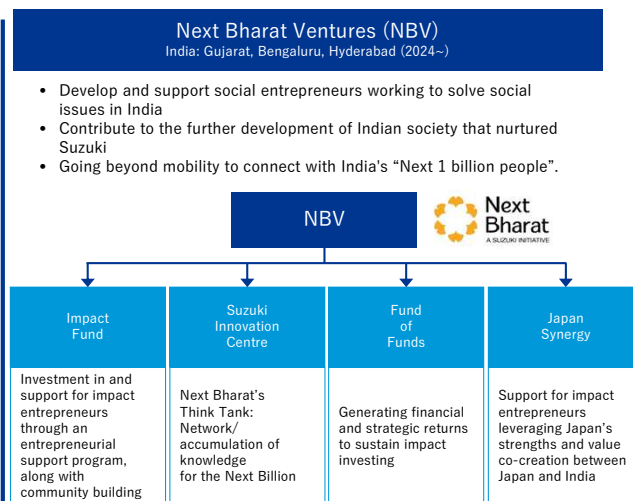
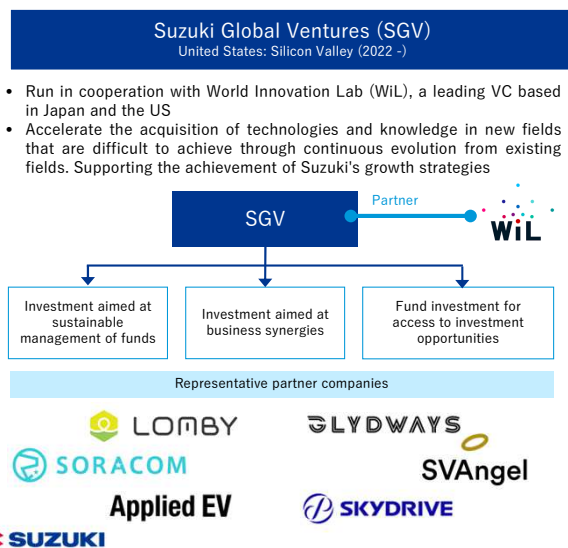
To acquire the necessary knowledge and realize the technologies for new businesses, we will strengthen our organization and collaborate with startups.

We aim to grow alongside the regions where Suzuki operates and the people who live there, strengthening the connection between Suzuki, society, and individuals, and increasing the number of Suzuki fans.

To achieve this, we plan to support startups and local businesses in Hamamatsu, where our headquarters is located, as well as in rural areas of India, fostering mutual growth.

## 5. Business Strategy and Initiatives | Co-Creation with Startups and Local Communities

- ◆ In order to implement the infrastructure mobility that Suzuki aims for, two corporate venture capitals with different missions are established and promoted



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Our collaboration with startups is conducted through Suzuki Global Ventures (SGV). We operate SGV with the support of World Innovation Lab (WiL), a prominent venture capital firm with bases in Japan and the United States.

By working with our startup partners on an equal footing, we aim to accelerate initiatives in new domains that are challenging to achieve through the extension of existing areas, focusing on acquiring new technologies and knowledge.

In India, we are pursuing initiatives to grow alongside the region and its people through Next Bharat Ventures (NBV).

By nurturing and supporting social entrepreneurs who address social issues in India, we aim to contribute to the further development of Indian society, which has nurtured Suzuki.






Our activities are designed to help Indian people secure employment, improve their income, and lead more prosperous lives.

Currently, approximately 400 million people in India have the income level to purchase Suzuki products.

Through NBV's efforts, we hope to turn the remaining 1 billion people into Suzuki fans, so that when their income increases, they will choose Suzuki products.

## 5. Business Strategy and Initiatives | Biogas Business

Suzuki's strengths: Solving social issues and contributing to India's growth by leveraging CNG vehicles

Growth of Suzuki	Growth of India
<ul style="list-style-type: none"> <li>Biogas produced and supplied to CNG vehicles (CBG vehicles) <ul style="list-style-type: none"> <li>-&gt;A realistic solution for a carbon neutral society. Right thing at Right place</li> </ul> </li> <li>Provision of mobility services for rural areas using CNG vehicles</li> <li>Contributing to the improvement of the living standards of 1 billion rural residents <ul style="list-style-type: none"> <li>-&gt;Create connections with future Suzuki customers</li> </ul> </li> <li>Linking the GHG* reduction effect generated by this business to the Suzuki Group's GHG reduction</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing energy self-sufficiency and environmental protection by promoting low-cost, locally produced, locally consumable carbon neutral fuel</li> <li>Revitalization of rural economies and formation of a recycling-oriented society <ul style="list-style-type: none"> <li>- New job creation, additional income by selling cow dung</li> <li>- Facilitate inexpensive transportation and spread of organic fertilizers, etc.</li> </ul> </li> <li>Measures against air pollution by using biogas for cooking at home (clean kitchen) and support for women's social advancement</li> </ul>
 <p>Conceptual Image: Scheduled to start operations in 2025</p> <p>Plant under construction in the Banaskanta region</p>	 <p>Filling CNG vehicles with biogas (CBG)</p>  <p>Kitchen using firewood</p>  <p>Clean kitchen (small biogas - domestic use)</p>
 <p>*GHG: Greenhouse gases</p>	<p>© Suzuki Motor Corporation, 2025. All rights reserved. 35 / 48</p>

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—a greenhouse gas with a higher effect than CO<sub>2</sub>—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 to rural areas in India where the supply of electricity and gasoline is challenging.

## 6. Financial Strategy

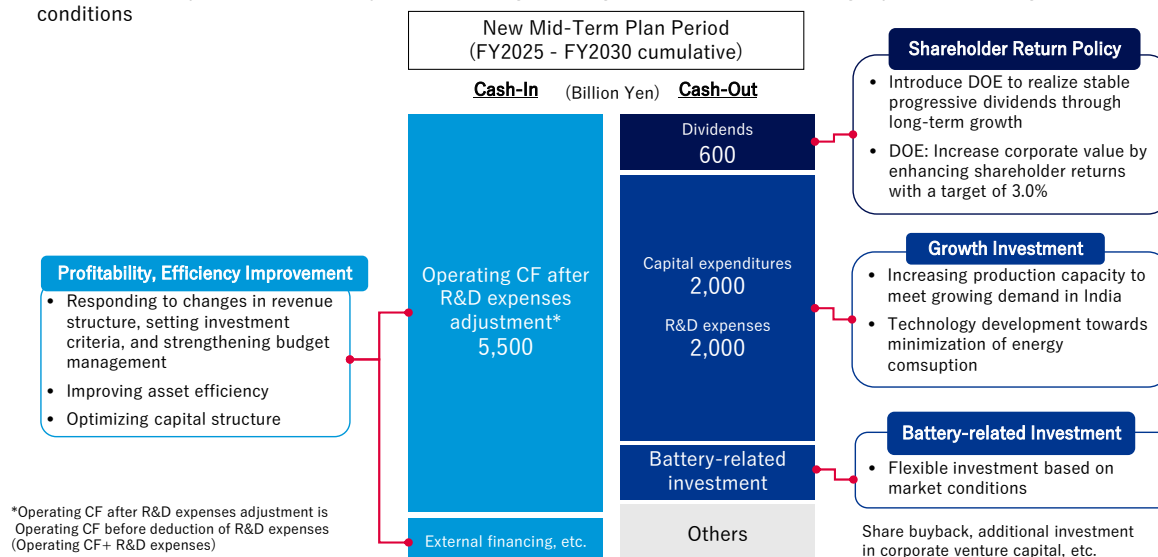
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At the beginning, we presented our target financial indicators.  
Now, let me explain the details of these management targets.

## 6. Financial Strategy | Capital Allocation

Improve profitability and efficiency, secure maximum investment funds, and proactively carry on growth investments. To maximize corporate value, flexibly allocate the right management resources at the right places according to external conditions



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To provide a clearer understanding of our growth investment levels, we are adopting a capital allocation policy that uses operating cash flow adjusted for R&D expenses.

In the automotive industry, we conduct research and development for technologies five to ten years ahead, and we consider R&D expenses as investments similar to capital expenditures.

We aim to improve profitability and efficiency, and we anticipate an operating cash flow of 5.5 trillion yen before deducting R&D expenses over the period of the new mid-term management plan.

We will cover our investments and R&D expenses with this cash flow, supplemented by external financing.

## 6. Financial Strategy | Investment Plan for Realizing Growth (FY2025 to FY2030)

Capital investment		(Billion Yen)	Indian capital investment 1,200 Billion Yen	<ul style="list-style-type: none"><li>• Increase production capacity (including new plant construction) 550 Billion Yen</li><li>• Preparation for production of new models 400 Billion Yen</li><li>• Carbon Neutral/SSF 100 Billion Yen</li><li>• Quality measures and efficiency measures 150 Billion Yen</li></ul>  <p>Kharkhoda Plant *Scheduled to start operation in 2025</p>
Increase production capacity	750			
Preparation for new models	500			
Carbon Neutral/SSF <sup>*1</sup>	150			
Quality measures and efficiency measures	250			
Sales points, test equipment, etc.	350			
<b>Total</b>	<b>2,000</b>			
<b>(India portion out of total 1,200)</b>				
Research and development		(Billion Yen)	Technology development towards energy minimization 1,350 Billion Yen	<ul style="list-style-type: none"><li>• Electrification/SDV right 1,100 Billion Yen</li><li>• Internal combustion engine (thermal efficiency improvement/FFV/CN fuel) 100 Billion Yen</li><li>• Vehicle technology/lightweight technology / easy disassembly design/circular economy 150 Billion Yen</li></ul> 
<b>Technology development towards energy minimization</b>	<b>1,350</b>			
Future technology development/new business areas	100			
Infrastructure investment (business improvement DX, etc.)	550			
<b>Total</b>	<b>2,000</b>			

\*1 Suzuki Smart Factory



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The breakdown of capital investments and R&D expenses is as follows.

We anticipate that 1.2 trillion yen of the capital investments will be related to India, and 1.35 trillion yen of the R&D expenses will be directed towards minimizing energy consumption.

## 6. Financial Strategy | Improve Profitability and Efficiency

The Top Management will go to field (genba) and work-together with the employees on ground to promote company-wide profitability and efficiency improvement activities, enhancing the “earning power” of the entire Suzuki Group.

Response to changes in revenue structure	<b>Consideration of structural reforms aimed at strengthening the competitiveness of the entire Group over the medium to long term</b> <ul style="list-style-type: none"> <li>Responding to stricter global fuel efficiency regulations</li> <li>Response to declining market share in India</li> </ul>
Strengthening budget management	<b>Formulating and executing the budget as a goal to aim for</b> <ul style="list-style-type: none"> <li>Clarifying the budget for the next fiscal year towards the revenue structure to be aimed for in the medium to long term</li> <li>PDCA broken down to the segment level by department/site</li> </ul>
Strengthening investment management	<b>Enhancing investment management with an awareness of the cost of capital</b> <ul style="list-style-type: none"> <li>Evaluation of profitability in the value chain</li> <li>Utilizing NPV, IRR, etc., into investment criteria and management indicators</li> <li>Improvement of accuracy of forecast of profit and loss by market and vehicle type, and thorough forecast management</li> </ul>
Improving asset efficiency	<ul style="list-style-type: none"> <li>Improving sales forecasts using AI and proper inventory management</li> <li>Continue to examine cross-shareholdings in comparison with the purpose of holding them and the cost of capital</li> </ul>
Optimizing capital structure	<ul style="list-style-type: none"> <li>While maintaining financial soundness*, debt financing will also be considered</li> </ul>

Operating profit margin  
**10.0% or more**  
(FY2030: 10%)

ROE  
**15.0% or more**  
(FY2030: 13%)



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The Management and I will go to field and work-together with the employees on ground to promote company-wide profitability and efficiency improvement activities and thereby enhancing the “earning power” of the entire Suzuki Group.

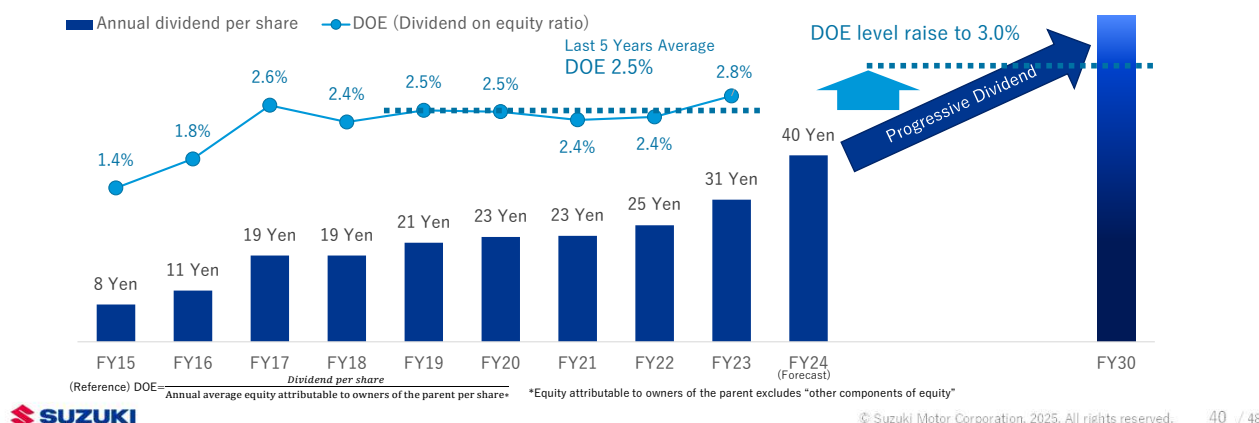
We will strengthen efforts that should be led by management and finance, such as addressing structural challenges and managing budgets and investments, which are difficult to tackle at the individual business unit level, to bolster the group's overall earning capacity.

## 6. Financial Strategy | Shareholder Return Policy

To respond to long-term shareholders of Suzuki, especially Suzuki fans who support the challenge for FY2030, we focus our shareholder returns on dividends and strengthen returns through dividends

- Dividend policy: Progressive dividend ... Stable and continuous dividend, not profit linked
- Dividend indicator: Adoption of new DOE ...DOE level raised to 3.0%

Share buybacks will be decided after comprehensive consideration of capital efficiency (ROE), stock price level (PBR), etc.



Regarding shareholder returns,

- We aim to respond to long-term shareholders, especially Suzuki fans who support our challenges toward the fiscal year 2030, primarily through dividends.
- Specifically, we will continue our current policy of progressive dividends while strengthening returns through dividends.  
We will newly adopt DOE (Dividend on Equity) as an indicator and raise its level to 3.0%.
- As mentioned earlier in our capital allocation policy, we anticipate returning 600 billion yen through dividends over the six years of the new mid-term management plan.  
We will expand profits through growth investments while also increasing shareholder returns.



## 7. Efforts to Strengthen the Management Foundation

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Finally, let me explain our initiatives to strengthen the management foundation as we implement the mid-term management plan.

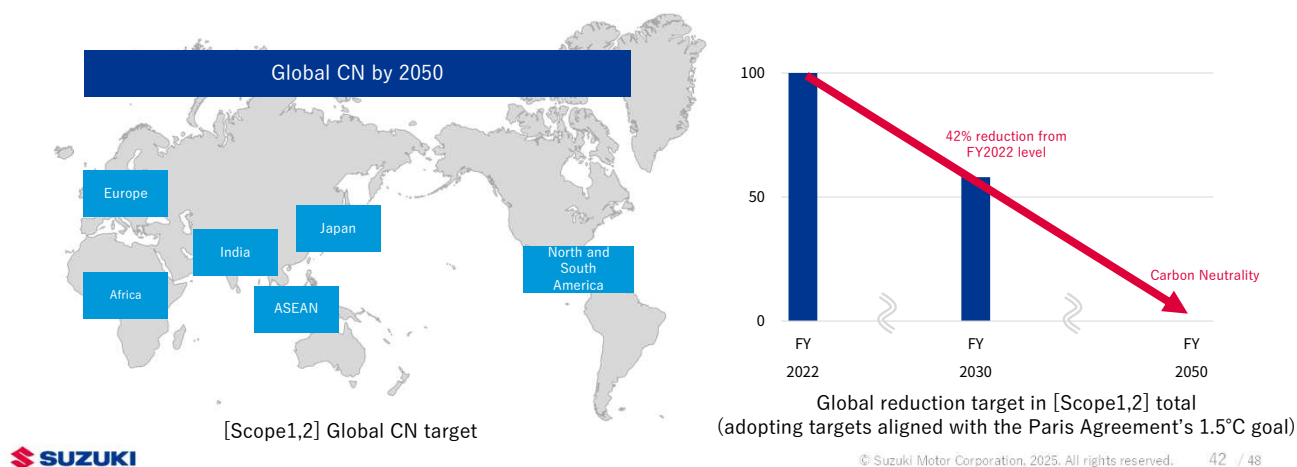
## 7. Efforts to Strengthen the Management Foundation | Carbon Neutrality

Aim to realize carbon neutrality in business activities' CO<sub>2</sub> emissions [Scope 1, 2] globally (including India) by 2050

Transition to targets aligned with the Paris Agreement's 1.5°C goal

As an interim target, aim for a 42% reduction in total emissions by FY2030 compared to FY2022

\*Details of the new targets, including CO<sub>2</sub> reduction from products [Scope 3], are scheduled to be disclosed within FY2025



First, let's discuss carbon neutrality.

Regarding CO<sub>2</sub> emissions from business activities, known as Scope 1 and 2, our growth strategy initially set the target for carbon neutrality in India by 2070.

However, we have updated this goal to achieve global carbon neutrality 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 the fiscal year 2030 compared to the fiscal year 2022.

We plan to disclose the details of our new targets, including CO<sub>2</sub> reduction from products and Scope 3, by the fiscal year 2025.

## 7. Efforts to Strengthen the Management Foundation | Carbon Neutrality

Realize carbon neutrality with the right energy/technology in the right place

Renewable energy in-house power generation	<ul style="list-style-type: none"><li>• Installation of solar power generation facilities in Japan and India, among others</li></ul>
Onsite/Offsite PPA	<ul style="list-style-type: none"><li>• Use of renewable energy through onsite PPA at the Suzuki Parts Center Kobe in Japan</li><li>• Procurement of renewable energy-derived power using the offsite PPA system at the Gujarat plant in India</li></ul>
Purchase of CO2-free electricity	<ul style="list-style-type: none"><li>• Introduction of CO2-free electricity at sites in Shizuoka Prefecture</li></ul>
Hydrogen	<ul style="list-style-type: none"><li>• Demonstration of hydrogen utilization produced from renewable energy (cargo handling vehicles, painting processes, etc.)</li></ul>
Biogas (CBG)	<ul style="list-style-type: none"><li>• Installation of a pilot plant for biogas at the Maruti Suzuki Manesar plant</li></ul>
Battery (storage battery)	<ul style="list-style-type: none"><li>• Reduction of CO2 emissions during manufacturing and disposal of storage batteries by improving the utilization rate of storage batteries during their lifetime through shared use in vehicles and stationary applications</li></ul>



Solar panels installed on the roof of the Suzuki Parts Center Kobe using on-site PPA



Biogas plant installed at the Manesar Plant



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Here, we have outlined specific initiatives aimed at achieving carbon neutrality.

## 7. Efforts to Strengthen the Management Foundation | Utilizing AI in Business Operations

April 2019 Full-fledged work efficiency improvement using AI -> Development and introduction of dedicated and general-purpose tools

March 2023 Industry's fastest company-wide deployment of ChatGPT -> AI education for all employees to promote the use of AI within each department

	2019	2020	2021	2022	2023	2024	2025
Development/ introduction of tools dedicated for individual business			<ul style="list-style-type: none"><li>AI foundation for connected data analysis [CONERIN]</li></ul>	<ul style="list-style-type: none"><li>Market quality information processing tools</li><li>Repair parts demand forecasting tool for inventory optimization<ul style="list-style-type: none"><li>Production technology know-how visualization tool</li></ul></li><li>Production assembly failure detection tool</li></ul>		<ul style="list-style-type: none"><li>Molding failure factor identification tool</li><li>Painting failure cause identification tool<ul style="list-style-type: none"><li>Casting failure cause identification tool</li><li>Marketing data customer classifier tool</li></ul></li></ul>	<ul style="list-style-type: none"><li>Expanding use of AI in business operations</li></ul>
Development/ introduction of company-wide general-purpose tools	 NAMI Conversational ChatGPT		 NAGI Summarization		<ul style="list-style-type: none"><li>Company-wide introduction of ChatGPT general-purpose tool [NAMI] [NAGI]<ul style="list-style-type: none"><li>Internal document utilization platform [NEMURIN]</li><li>Internal document search tool [TERASS]</li><li>AI-to-AI conferencing tool [NOOA]<ul style="list-style-type: none"><li>Automatic minutes generation tool [GIJIRON]</li><li>Image/Video/Audio generator [YOMI]</li></ul></li></ul></li></ul>	<div>[NAMI] Interactive type Number of users: 7,000 Ratio in employees: 55%</div> <div>[NAGI] Abstract/translation specialized type Number of users: 4,000 Ratio in employees: 30%</div>	
AI education	<ul style="list-style-type: none"><li>Launched program to nurture human resources for AI development</li></ul>			<ul style="list-style-type: none"><li>Start of DX training for executives</li></ul>	<ul style="list-style-type: none"><li>ChatGPT training for executives</li></ul>	<ul style="list-style-type: none"><li>Generative AI training for executives and managers</li><li>Deployment of generative AI E-learning for all employees</li></ul>	



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Regarding the utilization of AI, we believe that the ability to leverage AI will be a determining factor for growth across all industries, not just in the automotive sector.

At Suzuki, we rolled out ChatGPT company-wide in March 2023, making us one of the fastest in the industry to do so.

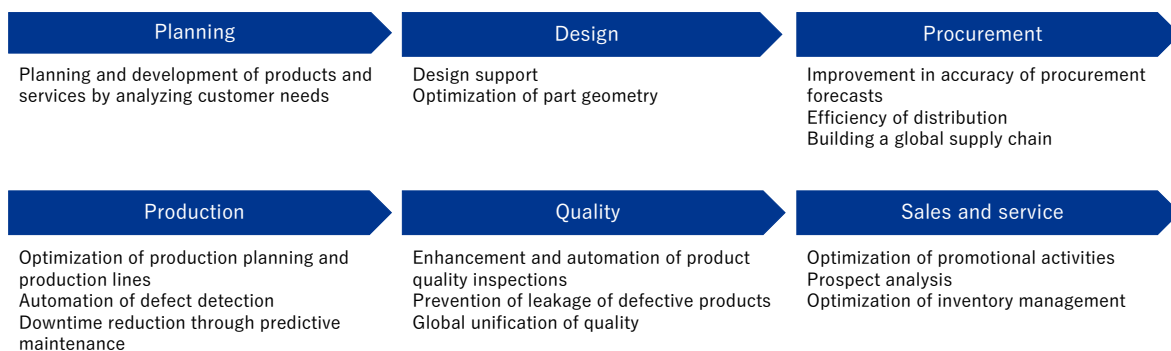
Since then, we have been implementing and utilizing various AI technologies in our operations.

We have also been focusing on AI education since 2019 to ensure that our employees can effectively use the AI tools we develop.

## 7. Efforts to Strengthen the Management Foundation | Utilizing AI in Business Operations

By equipping employees with business knowledge and know-how, as well as skills to use AI,  
improve the work capabilities of individual employees

Optimize processes along the entire value chain to maximize customer value



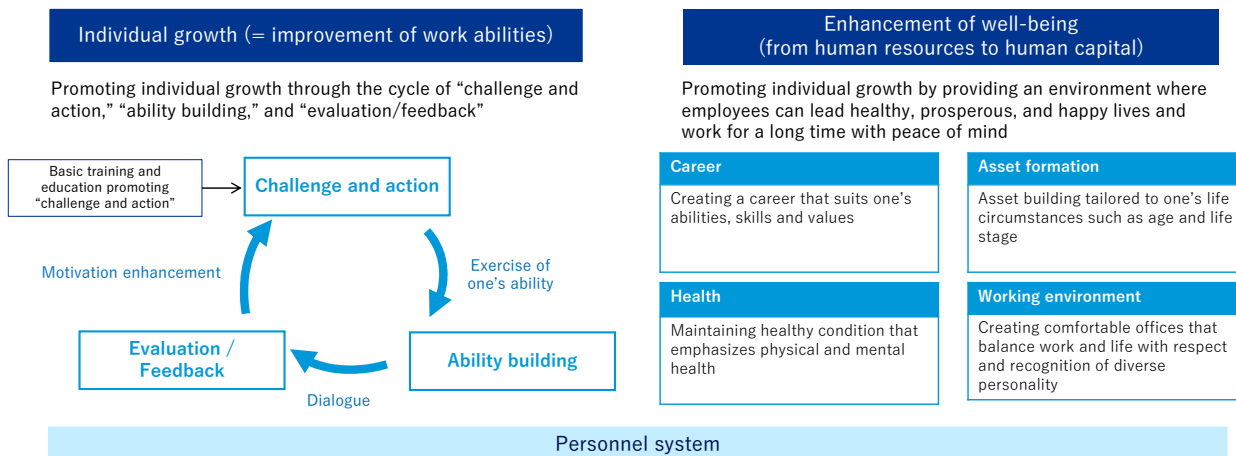
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Suzuki aims to master AI and equip our employees with AI utilization skills to enhance their professional capabilities and achieve the targets of the new mid-term management plan. We intend to actively leverage AI across all processes in the value chain, from product planning to sales and after-sales support, to improve operational efficiency.

## 7. Efforts to Strengthen the Management Foundation | Human Capital Development

Focusing on “individual growth (i.e., improvement of work abilities)” and “enhancement of well-being (change of mindset from human resources to human capital)” through the personnel system  
Creating an environment where each employee can practice the Mission Statement and Philosophy of Conduct and concentrate on individual growth



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To enhance employees' professional capabilities, foster individual growth, and promote well-being, we introduced a new personnel system in April of last year. 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.

## 7. Initiatives to Strengthen Management Foundation | India Human Capital

### Suzuki's strengths: Solving social issues and contributing to India's growth by leveraging Indian human capital

#### Expand the recruitment volume/domain of work

- Expand engineer recruitment and business domain at India local satellite office of SRDI\*1
- Expand recruitment from IIT/IIM\*2 and take on the challenge of growing in new areas (new business areas, NBV areas, etc.)

#### Global roles of human capital

- Expand unification and mutual exchange of human capital
  - Expand the secondment of Indian executives to Suzuki headquarters in addition to the secondment of Japanese executives to Maruti
  - In the area of product planning and development, move to a Maruti Suzuki-led structure for Indian models

#### Work-life environment for global talent

- Improve living environment of foreigners from India and other countries working at Suzuki, Japan
  - Aim to invite an international school in Hamamatsu City in collaboration with local government and companies
  - Expansion of support for foreigners through KUROFUNE's life support application "KUROFUNE LIFE SUPPORT"



\*1 SRDI: Suzuki R&D Center India

\*2 IIT: Indian Institute of Technology; IIM: Indian Institute of Management

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Finally, let me explain our initiatives regarding Indian talent.

The talented individuals in India, where Suzuki's largest business hub is located, are making significant contributions across various industries worldwide.

We aim to grow by having these talented individuals work with us at Suzuki and collaborate on various initiatives.

In terms of talent acquisition, we are expanding the recruitment of engineers and the scope of operations at the SRDI India local satellite office.

We are also increasing direct recruitment from the Indian Institutes of Technology (IITs) and the Indian Institutes of Management (IIMs).

To ensure optimal human resource management and utilization across the global Suzuki Group, we are promoting integration with Maruti Suzuki and expanding mutual exchanges of executive talent.

We are also actively working to improve and support the living environment for global talent, including those from India, working in Hamamatsu, to ensure they can work comfortably and securely.



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.

[English translation from the original Japanese language document]

We will do our best as Team Suzuki, so we ask for your kind support.