

9 May 2014

To whom it may concern:

Company name: SUZUKI MOTOR CORPORATION
Representative: Osamu Suzuki
Chairman and CEO
(Code No. :7269, the First Section of Tokyo Stock Exchange)
Contact person: Seiji Kobayashi, General Manager,
Corporate Management / Investor Relations Dept.
Corporate Planning Office
TEL: (053) 440-2030

Notice regarding Grant of Stock Options as Compensation (Stock Acquisition Rights)

At a meeting held on 9 May 2014, the Board of Directors of Suzuki Motor Corporation (the “Company”) resolved to make a proposal at the 148th Ordinary General Meeting of Shareholders scheduled for 27 June 2014, seeking an approval for grant of stock options (stock acquisition rights) to members of the Board of Directors of the Company (excluding Outside Directors). The details are as follows.

1. Purpose of the Grant of Stock Options as Compensation (Stock Acquisition Rights) and reason for the proposal

The Company discontinued its retirement benefits plan for Directors and Company Auditors at the 140th Ordinary General Meeting of Shareholders, held on 29 June 2006. With regard to the compensation system for Directors, we have introduced the granting of stock options as compensation (stock acquisition rights) with a view to strengthening their connection to the Company’s performance and stock price and ensuring that Directors share with shareholders not only the benefits of any increases in the stock price, but also the risks of any declines, pursuant to the approval granted at the 146th Ordinary General Meeting of Shareholders, held on 28 June 2012.

With this, we would like to request shareholders’ approval to set the maximum amount of compensation per year for stock acquisition rights at 170 million yen and approval of their terms, which would be granted to Directors of the Company (excluding Outside Directors) for one year from the date of 148th Ordinary General Meeting of Shareholders, and would be separate from the amount of remuneration for Directors that was approved at the 135th Ordinary General Meeting of Shareholders, held on 28 June 2001 (80 million yen per month maximum).

The number of Directors will be nine (9) (including two (2) Outside Directors) upon the closure of 148th Ordinary General Meeting of Shareholders, should the proposal regarding the election of Directors be approved as per the original proposal.

2. Terms of the Stock Acquisition Rights

(1) Class and number of shares that are the subject of the stock acquisition rights

The class of shares that are the subject of the stock acquisition rights shall be common stock of the Company, and the number of shares that are the subject of each stock acquisition right (the “number of shares to be granted”) shall be 100.

If it becomes appropriate to make an adjustment to the number of shares to be granted as a result of a share split, allotment of shares without contribution, reverse share split, or similar action taken by the Company, the number of shares to be granted shall be adjusted in accordance with the following formula. The adjustment shall be made only to the stock acquisition rights which have not been exercised at the relevant time, with any fraction of less than a whole share created as a result of the adjustment being rounded down.

Number of shares to be granted after the adjustment = Number of shares to be granted before the adjustment x ratio of share split, allotment of shares without contribution, or reverse share split

Further, in the event that the Company undergoes an absorption-type merger or incorporation-type merger and assumes the stock acquisition rights, or the Company enters into a share exchange or share transfer by which the Company becomes a 100% subsidiary and the stock acquisition rights are assumed, the Company shall have the right to make adjustments to the number of shares to be granted as it finds necessary according to the merger ratio, etc.

(2) Total number of stock acquisition rights

317 units shall be the maximum number of units that can be issued within a year from the date of 148th Ordinary General Meeting of Shareholders. However, in the event that the situation described in (1), above, arises after the date of the closure of the General Meeting of Shareholders, an adjustment shall be made accordingly.

(3) Amount to be paid for the stock acquisition rights

A fair value as calculated using a Black-Scholes model or other method as at the date of the allotment of the stock acquisition rights shall be considered to be the amount to be paid for the stock acquisition rights. This amount shall be offset by the Company against the compensation receivable of the relevant Director of the same amount.

(4) Value of the asset to be contributed upon the exercise of the stock acquisition rights

The value of the asset to be contributed upon the exercise of each of the stock acquisition rights shall be an amount equal to the amount to be paid of one (1) yen per share to be delivered upon the exercise of the stock acquisition rights multiplied by the number of shares to be granted.

(5) Period during which the stock acquisition rights can be exercised

This shall be a period as determined by the Board of Directors of the Company within the range from the day immediately following the date of the allotment of the stock acquisition rights up to thirty (30) years.

(6) Terms of exercise of the stock acquisition rights

A person who is allocated the stock acquisition rights (the “person with the stock acquisition rights”) shall be able to exercise the stock acquisition rights only up until the 10th day (the next business day if the 10th day falls on a non-business day) from the day immediately following the date of resignation as the Company’s Director as well as the Senior Managing Officer or Managing Officer without the role of Director being served concurrently.

Other terms of exercise shall be determined by the Board of Directors of the Company.

(7) Restriction on assignment of the stock acquisition rights

The acquisition of the stock acquisition rights through assignment shall require the approval of the Board of Directors of the Company.

(8) Rules regarding any fraction of less than a whole share created as a result of the exercise of the stock acquisition rights

Any fraction of less than a whole share in the number of shares to be delivered to a person with the stock acquisition rights who exercises the stock acquisition rights shall be rounded down.

(9) Other terms of the stock acquisition rights

The particulars in (1) to (8) above and the other terms of the stock acquisition rights shall be specified at a meeting of the Board of Directors held to determine the terms of the subscription to the stock acquisition rights.

(For your reference)

- The Company plans to allocate the stock acquisition rights with identical terms to the above stock options as compensation to the Managing Officers who are not serving concurrently as the Directors of the Company by a resolution of the Board of Directors.

- With regard to the exercise of the stock acquisition rights by those who are granted the above stock options as compensation, we do not intend to cause a change to the ratio of voting rights held by each of our shareholders. Therefore, the Company shall review a method of acquiring the shares to be delivered which fits the above objective as and when the exercise becomes likely to occur, and shall deliver the shares to those to whom the stock options are granted promptly after they are acquired. If the Company chooses to procure the shares by its own shares as a result of the review, it shall deliver those shares to them after going through a resolution of the Board of Directors and the disclosure.