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7 March 2016

To whom it may concern:

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**Announcement on Issuance of  
Zero Coupon Convertible Bonds due 2021 and Zero Coupon Convertible Bonds due 2023**

SUZUKI MOTOR CORPORATION (the "Company") hereby announces that, at its board meeting held on 7 March 2016, the Company resolved to issue Zero Coupon Convertible Bonds due 2021 (the "2021 Bonds") and Zero Coupon Convertible Bonds due 2023 (the "2023 Bonds" and together with the 2021 Bonds, the "Bonds") (each being bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*).

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[Background of the Issuance of the Bonds]

On 30 June 2015, the Company, under a new management structure launched on the same day, announced the “New Mid-Term Management Plan SUZUKI NEXT 100” being implemented over a five (5)-year period started in 2015.

The Suzuki Group, which will commemorate the 100th anniversary of its foundation in 2020, regards this five (5)-year period as a time to make its management base more stable, by having “Team SUZUKI” globally improve the manufacturing infrastructure and overhaul work processes, in order to secure the Company’s continued growth over the next 100 years.

In this context, the Company has returned to its origin of “developing products of superior value by focusing on the customer”, which is the Company’s first mission statement, and has been endeavoring to strengthen its management base by establishing six (6) basic policies as follows:

(i) Reformation of Business Culture and Development of Human Resources

Customer-first policy; Proposal-based challenging management; Development of human resources who can take action by thinking smarter; Arrangement of a motivating environment for employees

(ii) Globalization

Establishment of a new management structure; Strengthening of global management

(iii) Stable Management Base

Diversification of profit sources; Enhancement of corporate value; Strengthening of risk management

(iv) Making Quality the Top Priority

Customer safety and reliance are top priorities; Swiftly respond to customer’s voice; Making of a reliable brand

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(v) Creative Products

Creation of value that exceeds customers' expectation; Offer "driving pleasure", "fun to use", and "pride of ownership"

(vi) Engineering, Production and Purchasing

"Driving Performance and Fuel Efficiency", "Safety and Reliability"; Evolution of manufacturing engineering; Construction of an optimum global production structure; Promotion of optimum procurement and internal production

In particular, with respect to the Automobile business, the Company intends, among other matters, to globally introduce twenty (20) new models mainly from each segment of Minivehicles, A, B, C and SUV over the next five (5) years, promote, for the purpose of efficient development, the consolidation of platforms and the concentration of gasoline engine development, and make Japan, India, Indonesia, Thailand and Hungary its global automobile production bases. In addition, with respect to the Motorcycle business, the Company will make efforts to eliminate chronic deficits through product development that clearly defines the characteristics of the Company and the selection of and concentration on regions of focus. With respect to the Marine and Power Products and Others business, the Company aims to be the world's best four-stroke outboard motor brand with the new brand slogan, "THE ULTIMATE 4-STROKE-OUTBOARD".

Under the said environment, the Company has decided to issue the Bonds in order to provide strong support for the rapid and secure implementation of the on-going growth strategy through solid financial strategies, such as the diversification of funding sources and the securement of long-term, stable funding.

[Use of Proceeds]

The net proceeds from the issue of the Bonds are estimated to amount to approximately ¥200 billion, and are expected to be used as strategic investment for accelerating the Group's mid-term management plan and for strengthening its competitive position, primarily as follows:

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(i) approximately ¥60 billion by the end of April 2016, for repayment of a short-term loan borrowed for increasing the capital of Suzuki Motor Gujarat Private Ltd. (“SMG”), an automobile manufacturing subsidiary of the Company in Gujarat, India (with SMG to use such funds as capital expenditure for operation of the first stage construction of Gujarat manufacturing plant), for the purpose of strengthening the Group’s production and sales capacity in India;

(ii) approximately ¥100 billion by the end of March 2018, for funding for increasing capital of SMG, for it to use for the purpose of second stage construction of Gujarat manufacturing plant and for the construction of a new plant for engine mission manufacturing in Gujarat;

(iii) approximately ¥25 billion by the end of March 2018, for research and development in respect of developments relating to environmental and safety technologies in the automobile, motorcycle and marine and power products; and

(iv) approximately ¥15 billion by the end of March 2018, for application towards capital expenditure for expanding facilities of dealerships, for the purpose of strengthening sales capacity in Japan.

[Characteristics of the Bonds: Introduction of New Scheme to Control Dilution]

The Suzuki Group conducts business by respecting the benefit of stakeholders, as described in its mission statements and its code of conduct, etc. and understands that this approach is in line with its Corporate Governance Code.

With respect to the issuance of the Bonds, the Company seeks its continued growth and the enhancement of its corporate value over the mid-to-long-term, and also takes into account the effects on the benefit of existing shareholders and ROE. Accordingly, the Company decided to introduce a new funding scheme as described below for the first time ever in Japan, which is, together with the contingent conversion mechanism, designed to minimize the dilutive impact of such issuance.

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(Outline of New Scheme)

The Bonds are designed with new characteristics, i.e, (i) clauses for acquisition of Bonds by the Company (subject to the maximum number of shares to be delivered) and (ii) the combination of two (2) types of such acquisition clauses (subject to the maximum number of shares to be delivered).

(1) Clauses for Acquisition of Bonds by the Company (subject to the maximum number of shares to be delivered)

Under the new acquisition clauses, the maximum number of shares to be delivered in consideration for such acquisition is fixed in such a way that the number of shares to be so delivered is limited to or less than half of the number of shares which would be delivered in the case of an exercise of the stock acquisition rights but for such acquisition clauses.

(2) Combination of Two (2) Types of Acquisition Clauses (subject to the maximum number of shares to be delivered)

In order to ensure the mitigation of the dilutive impact throughout the exercise period, two (2) types of acquisition clauses (subject to the maximum number of shares to be delivered) with different acquisition events will operate in combination.

- Automatic-acquisition-upon-exercise clause (subject to the maximum number of shares to be delivered)

Under this clause, each time an investor exercises the stock acquisition rights, the relevant Bonds with respect to which such stock acquisition rights are exercised will be automatically acquired in consideration for cash and shares as described below.

- One-time acquisition clause (subject to the maximum number of shares to be delivered)

Under this clause, the Company may, at its discretion, acquire all of the outstanding Bonds in consideration for cash and shares as described below immediately before the date for redemption thereof.

As described above, the Bonds are characterized by the new scheme which takes into utmost consideration the interest of the existing shareholders, and the Company, at present, has an intention to exercise the one-time acquisition clause (subject to the maximum number of shares to be delivered), and, when the Company so decides, it will make an announcement to that effect;

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provided, however, that it is possible for the Company to decide not to exercise such clause due to a change in the business environment in the future and other reasons, including change in its capital policy, and, when the Company makes such decision, it will also make an announcement to that effect and provide explanation to the existing shareholders.

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## I. Zero Coupon Convertible Bonds due 2021

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| 1. Name of the Bonds   | SUZUKI MOTOR CORPORATION Zero Coupon Convertible Bonds due 2021 (the “Bonds with Stock Acquisition Rights”, of which the bonds is referred to as the “Bonds” and the stock acquisition rights is referred to as the “Stock Acquisition Rights”; the same shall apply hereinafter in I)   |
| 2. Issue price of the Bonds  | 100.5% of the principal amount of the Bonds (The Bonds are issued in the denomination of ¥10,000,000 each)   |
| 3. Cash payment in exchange for the Stock Acquisition Rights         | No cash payment shall be required in exchange for the Stock Acquisition Rights.  |
| 4. Closing date and issuing date of the Bonds                        | 1 April 2016 (London time; unless otherwise indicated, hereinafter the same shall apply)   |
| 5. Matters concerning the offering                                   |  |
| (1) Method of the offering   | The offering shall be made in overseas markets (except for the U.S.), mainly in Europe and Asia, through purchasing and underwriting severally and not jointly by the managers (the “Managers”) in which Nomura International plc is the sole bookrunner and lead manager. The offer to buy shall be made prior to 8:00 AM (Japan time) of the immediately following day of the pricing date).   |
| (2) Offer price of the Bonds with Stock Acquisition Rights           | 103.0% of the principal amount of the Bonds  |
| 6. Matters concerning the Stock Acquisition Rights                   |  |
| (1) Period during which the Stock Acquisition Rights are exercisable | At any time during the period from, and including, 15 April 2016, to, and including, the close of business (at the local time of the place where the Stock Acquisition Rights are to be exercised; hereinafter the same shall apply in this (1)) on 17 March 2021; provided, however, that (A) if the relevant Bond shall have been called for early redemption pursuant to clean-up call or tax call as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, up to the close of business on the third Tokyo Business Day (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) prior to the date fixed for redemption thereof (unless (x) in the case where the relevant Bondholders |

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(as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) have elected not to have the Bonds redeemed pursuant to the tax call as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, and (y) the Exercise Acquisition Date (as defined in (3) below) of the relevant Bond falls on a date from and including the second Tokyo Business Day prior to the date fixed for redemption thereof to but excluding the date fixed for redemption thereof); (B) if the relevant Bond shall have been called for early redemption for a corporate event, a delisting event or a squeezeout event as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, up to the close of business on the third Tokyo Business Day prior to the date fixed for redemption thereof (unless the Exercise Acquisition Date of the relevant Bond falls after the third Tokyo Business Day prior to the date fixed for redemption thereof); (C) if the relevant Bond shall have been acquired by the Company as set forth in (3) or (4) below or purchased and cancelled by the Company as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, then up to the time when such Bond is so cancelled by the Company; and (D) if the relevant Bond shall become due and repayable upon occurrence of the event of default as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, then up to the time when the Bonds become so due and repayable. In any of the foregoing events, the Stock Acquisition Rights shall not be exercised after 17 March 2021 (at the local time of the place where the Stock Acquisition Rights are to be exercised).

Notwithstanding the foregoing, in the case of an acquisition of the Bonds with Stock Acquisition Rights by the Company upon request for exercise of the Stock Acquisition Rights as set forth in (3) below, the relevant Stock Acquisition Rights incorporated in the relevant Bonds may not be exercised from but excluding the relevant Deposit Date to and including the relevant Exercise Acquisition Date. Furthermore, in the case of an acquisition of the Bonds with Stock Acquisition Rights at the option of the Company as set forth in (4) below, the Stock Acquisition Rights may not be exercised for the period from

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but excluding 31 December 2020 to and including the Acquisition Option Date (as set forth in (4) below). In addition, if the Company reasonably determines that it is necessary to suspend exercise of the Stock Acquisition Rights in order to consummate the reorganization of the Company in compliance with the Terms and Conditions of the Bonds with Stock Acquisition Rights, (i) in the case of any such exercise where the Deposit Date in respect thereof would fall on or before 31 December 2020, the Stock Acquisition Rights may not be exercised for such period as may be designated by the Company, which period may not commence earlier than the 35th day prior to the Tokyo Business Day immediately prior to the relevant Corporate Event Effective Date (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) and which period may not end later than 14 days after the Corporate Event Effective Date, and (ii) in the case of any such exercise where the Deposit Date in respect thereof would fall on or after 1 January 2021, the Stock Acquisition Rights may not be exercised for such period as may be designated by the Company, which period may not exceed 30 days, and which period shall end on a date not later than 14 days after the Corporate Event Effective Date. In addition, (i) if a notice of redemption is given in accordance with the clean-up call or tax call as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, then, in the case of any exercise of the Stock Acquisition Rights where the Deposit Date in respect thereof falls on or before 31 December 2020, the Stock Acquisition Rights may not be exercised during the period from and including the 35th calendar day prior to the date fixed for redemption thereof to and including the date fixed for redemption thereof (unless, in the case where the relevant Bondholders have elected not to have the Bonds redeemed pursuant to the tax call as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights); and (ii) if a notice of redemption is given in accordance with a corporate event, a delisting event or a squeezeout event as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, then, in the case of any exercise of the Stock Acquisition Rights where the Deposit Date in respect

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thereof falls on or before 31 December 2020, the Stock Acquisition Rights may not be exercised during the period from but excluding the third Business Day (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) in London and Tokyo after the date on which such notice of redemption is given to and including the date fixed for redemption thereof.

In addition, in the case of any such exercise where the Deposit Date in respect thereof would fall on or after 1 January 2021, the Stock Acquisition Rights may not be exercised during such period whereby the calendar day in Japan on which the exercise of the Stock Acquisition Rights will become effective (or, if such calendar day would not be a Tokyo Business Day, the immediately following Tokyo Business Day) would fall on a date falling within the period from, and including, the second Tokyo Business Day prior to the Record Date (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) specified by the Company or any other date set for the purpose of determination of shareholders in connection with Paragraph 1 of Article 151 of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. (together with the Record Date specified by the Company, collectively, the "Shareholder Determination Date") (or, if such Shareholder Determination Date would not be a Tokyo Business Day, the third Tokyo Business Day prior to such Shareholder Determination Date) to, and including, such Shareholder Determination Date (or, if such Shareholder Determination Date would not be a Tokyo Business Day, the immediately following Tokyo Business Day); provided that if there is a change to the mandatory provisions of Japanese law, regulations or practice relating to the delivery of shares upon exercise of stock acquisition rights through the book-entry transfer system established pursuant to the Act on Book-Entry Transfer of Company Bonds, Shares, etc., then the limitation on the period during which the Stock Acquisition Rights may be exercised pursuant to this paragraph may be amended by the Company to reflect such change in law, regulations or practice.

"Deposit Date" means the day on which necessary documents relating to the request for exercise of the relevant Stock

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(2) Conditions to the exercise of the Stock Acquisition Rights

Acquisition Right are deposited with the Principal Agent (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) and all other conditions precedent (including the conditions set forth in (2) below) to the exercise of the relevant Stock Acquisition Right are fulfilled.

(A) No Stock Acquisition Right may be exercised in part only.

(B) Prior to (and including) 31 December 2020, a Bondholder may exercise its Stock Acquisition Rights only if as at the last Trading Day of any calendar quarter, the Closing Price (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) of the Shares (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) for 20 consecutive Trading Days ending on such date is more than 130 per cent of the Conversion Price (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) in effect on the last Trading Day of such calendar quarter. If this condition is satisfied, then a Bondholder may exercise its Stock Acquisition Rights on and after the first day of the following calendar quarter until the end of such quarter; provided, however, that the conditions set forth in this (B) shall not apply during the period set forth in (i), (ii) and (iii) as follows:

(i) the period during which (a) the Company's long-term issue rating (or, where such rating is not available, the Company's issuer rating) by Rating and Investment Information, Inc. or its successors ("R&I") is BB+ or lower; (b) the Company's long-term issue rating (or, where such rating is not available, the Company's issuer rating) is no longer assigned by R&I; or (c) the Company's long-term issue rating (or, where such rating is not available, the Company's issuer rating) by R&I has been suspended or withdrawn by R&I;

(ii) on or after the date on which a notice of redemption for a corporate event, a delisting event or a squeezeout event as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights is given to the Trustee (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights), the Principal Agent (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) and

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the Bondholder pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights (except in the case where the relevant Bondholders have elected not to redeem the Stock Acquisition Rights attaching to the Bonds pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights); or

(iii) upon a Corporate Event (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) being proposed, unless otherwise suspended by the Company as referred to in (1) above, the period from (and including) the date on which the Company gives notice of such proposed Corporate Event to the Bondholders pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights to (and including) the relevant Corporate Event Effective Date.

"Trading Day" means, in respect of the Shares, a day on which the Tokyo Stock Exchange, Inc. is open for business, but does not include a day on which no closing price for the Shares is reported by the Tokyo Stock Exchange, Inc.

(C) Prior to (and including) 31 December 2020, a Bondholder may exercise its Stock Acquisition Rights only if the latest available Closing Price of the Shares as at the Deposit Date is equal to or higher than the Conversion Price then in effect.

(3) Acquisition of the Bonds with Stock Acquisition Rights by the Company upon the request for exercise of the Stock Acquisition Rights

In respect of each exercise of the Stock Acquisition Right by any Bondholder, if the Deposit Date for which falls within the period in which the Bondholders may exercise their Stock Acquisition Rights as set forth in (1) above, and, on or before 31 December 2020, on the 35th calendar day immediately following such Deposit Date (the "Exercise Acquisition Date"), the Company shall acquire all of the Bonds with respect to which such conditions necessary for the request for exercise are satisfied on the Deposit Date and, the Company shall, as consideration therefor, pay the amount in cash equal to 100 percent of the principal amount of the relevant Bonds, and deliver the Exercise Acquisition Shares to the Bondholders.

The Company shall cancel the Bonds with Stock Acquisition Rights that have been acquired in accordance with the Terms and Conditions of the Bonds with Stock Acquisition Rights.

"Exercise Acquisition Shares" means such number of Shares

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per Bond, calculated by dividing (i) the amount by which the relevant Exercise Acquisition Share Value exceeds the principal amount of each relevant Bond by (ii) Exercise VWAP per Share (fractions of a Share shall be disregarded and no adjustment by cash payment). The maximum number of Exercise Acquisition Shares shall be the Maximum Exercise Acquisition Shares (as defined below).

"Exercise VWAP per Share" means the average of the VWAP of the Shares reported by the Tokyo Stock Exchange, Inc. on each of the Trading Days during the ten consecutive Trading Days beginning on the second Trading Day after the relevant Deposit Date, provided that if any adjustment to the Conversion Price becomes effective pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights, the Exercise VWAP per Share shall be adjusted accordingly.

"Exercise Acquisition Share Value" means the amount calculated in accordance with the formula below:

$$\frac{\text{The principal amount of the relevant Bond}}{\text{The relevant Exercise Last Day Conversion Price}} \times \text{Exercise VWAP per Share}$$

In the formula above, "Exercise Last Day Conversion Price" means the Conversion Price on the last day of the ten consecutive Trading Days beginning on the second Trading Day after the relevant Deposit Date, provided that if any adjustment to the Conversion Price becomes effective pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights, the Exercise Last Day Conversion Price shall be adjusted accordingly.

"Maximum Exercise Acquisition Shares" means the number of Shares per Bond calculated by dividing (i) the principal amount of the relevant Bond by (ii) 200 percent of the relevant Exercise Last Day Conversion Price (fractions of a Share shall be disregarded and no adjustment by cash payment will be made).

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- (4) Acquisition of all of the Bonds with Stock Acquisition Rights at the option of the Company
- At any time from and including 31 March 2020 to and including 16 December 2020, the Company may, at its option, give notice (the "Acquisition Notice") to the Trustee, the Principal Agent and to the Bondholders to acquire from the Bondholders all, but not some only, of the Bonds outstanding on 10 March 2021 (the "Acquisition Option Date") (such notice shall be irrevocable); provided, however, that, if the Company becomes obliged to give notice of redemption for a corporate event or a squeezeout event pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights, or a delisting event set out in the Terms and Conditions of the Bonds with Stock Acquisition Rights occur, then a notice pursuant to this (4) may not subsequently be given.
- The Company shall acquire all of the aforementioned Bonds on the Acquisition Option Date and the Company shall, as consideration therefor, pay an amount in cash equal to 100 per cent of the principal amount of the Bonds, and deliver the Acquisition Shares to the Bondholders. The acquisition of the Bonds with Stock Acquisition Rights by the Company pursuant to this (4) is subject to the Shares being listed on the Tokyo Stock Exchange, Inc. on the Acquisition Option Date. The Company shall cancel the Bonds with Stock Acquisition Rights pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights.
- "Acquisition Shares" means such number of Shares per Bond as calculated by dividing (i) the amount by which the Acquisition Share Value exceeds the principal amount of each Bond by (ii) Average VWAP per Share (fractions of a Share shall be disregarded and no adjustment by cash payment will be made). The maximum number of Acquisition Shares shall be the Maximum Acquisition Shares (as defined below).
- "Average VWAP per Share" means the average of the VWAP of the Shares reported by the Tokyo Stock Exchange, Inc. on each of the Trading Days during the 20 consecutive Trading Days beginning on, and including, the 30th Trading Day prior to the Acquisition Option Date. If during such 20 consecutive Trading Days, any event shall occur which gives rise to an adjustment to the Conversion Price as set forth in the Terms and Conditions of the Bonds with Stock Acquisition

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Rights or any other event as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights shall occur, the Average VWAP per Share shall be adjusted accordingly.

"Acquisition Share Value" means the amount calculated in accordance with the formula below:

$$\frac{\text{The principal amount of the Bond}}{\text{Last Day Conversion Price}} \times \text{VWAP Average VWAP per Share}$$

In the formula above, "Last Day Conversion Price" means the Conversion Price on the last day of the 20 consecutive Trading Days beginning on, and including, the 30th Trading Day prior to the Acquisition Option Date.

"Maximum Acquisition Shares" means such number of Shares per Bond calculated by dividing (i) the principal amount of the Bond by (ii) 200 percent of the Last Day Conversion Price (fractions of a Share shall be disregarded and no adjustment by cash payment will be made).

7. Matters concerning the Bonds

(1) Aggregate principal amount of the Bonds

¥100 billion plus the aggregate principal amount of the Bonds in respect of replacement certificates of the Bonds with Stock Acquisition Rights

(2) Final Maturity

The Company will redeem the Bonds at 100 per cent of their principal amount on 31 March 2021.

II. Zero Coupon Convertible Bonds due 2023

1. Name of the Bonds

SUZUKI MOTOR CORPORATION Zero Coupon Convertible Bonds due 2023 (the "Bonds with Stock Acquisition Rights", of which the bonds is referred to as the "Bonds" and the stock acquisition rights is referred to as the "Stock Acquisition Rights"; the same shall apply hereinafter in II)

2. Issue price of the Bonds

100.0% of the principal amount of the Bonds (The Bonds are issued in the denomination of ¥10,000,000 each)

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| 3. Cash payment in exchange for the Stock Acquisition Rights         | No cash payment shall be required in exchange for the Stock Acquisition Rights.   |
| 4. Closing date and issuing date of the Bonds                        | 1 April 2016 (London time; unless otherwise indicated, hereinafter the same shall apply)  |
| 5. Matters concerning the offering                                   |   |
| (1) Method of the offering   | The offering shall be made in overseas markets (except for the U.S.), mainly in Europe and Asia, through purchasing and underwriting severally and not jointly by the managers (the "Managers") in which Nomura International plc is the sole bookrunner and lead manager. The offer to buy shall be made prior to 8:00 AM (Japan time) of the immediately following day of the pricing date).  |
| (2) Offer price of the Bonds with Stock Acquisition Rights           | 102.5% of the principal amount of the Bonds   |
| 6. Matters concerning the Stock Acquisition Rights                   |   |
| (1) Period during which the Stock Acquisition Rights are exercisable | At any time during the period from, and including, 15 April 2016, to, and including, the close of business (at the local time of the place where the Stock Acquisition Rights are to be exercised; hereinafter the same shall apply in this (1)) on 17 March 2023; provided, however, that (A) if the relevant Bond shall have been called for early redemption pursuant to clean-up call or tax call as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, up to the close of business on the third Tokyo Business Day (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) prior to the date fixed for redemption thereof (unless (x) in the case where the relevant Bondholders (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) have elected not to have the Bonds redeemed pursuant to the tax call as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, and (y) the Exercise Acquisition Date (as defined in (3) below) of the relevant Bond falls on a date from and including the second Tokyo Business Day prior to the date fixed for redemption thereof to but excluding the date fixed for redemption thereof); (B) if the relevant Bond shall have been |

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called for early redemption for a corporate event, a delisting event or a squeezeout event as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, up to the close of business on the third Tokyo Business Day prior to the date fixed for redemption thereof (unless the Exercise Acquisition Date of the relevant Bond falls after the third Tokyo Business Day prior to the date fixed for redemption thereof); (C) if the relevant Bond shall have been acquired by the Company as set forth in (3) or (4) below or purchased and cancelled by the Company as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, then up to the time when such Bond is so cancelled by the Company; and (D) if the relevant Bond shall become due and repayable upon occurrence of the event of default as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, then up to the time when the Bonds become so due and repayable. In any of the foregoing events, the Stock Acquisition Rights shall not be exercised after 17 March 2023 (at the local time of the place where the Stock Acquisition Rights are to be exercised).

Notwithstanding the foregoing, in the case of an acquisition of the Bonds with Stock Acquisition Rights by the Company upon request for exercise of the Stock Acquisition Rights as set forth in (3) below, the relevant Stock Acquisition Rights incorporated in the relevant Bonds may not be exercised from but excluding the relevant Deposit Date to and including the relevant Exercise Acquisition Date. Furthermore, in the case of an acquisition of the Bonds with Stock Acquisition Rights at the option of the Company as set forth in (4) below, the Stock Acquisition Rights may not be exercised for the period from but excluding 31 December 2022 to and including the Acquisition Option Date (as set forth in (4) below). In addition, if the Company reasonably determines that it is necessary to suspend exercise of the Stock Acquisition Rights in order to consummate the reorganization of the Company in compliance with the Terms and Conditions of the Bonds with Stock Acquisition Rights, (i) in the case of any such exercise where the Deposit Date in respect thereof would fall on or before 31 December 2022, the Stock Acquisition Rights may

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not be exercised for such period as may be designated by the Company, which period may not commence earlier than the 35th day prior to the Tokyo Business Day immediately prior to the relevant Corporate Event Effective Date (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) and which period may not end later than 14 days after the Corporate Event Effective Date, and (ii) in the case of any such exercise where the Deposit Date in respect thereof would fall on or after 1 January 2023, the Stock Acquisition Rights may not be exercised for such period as may be designated by the Company, which period may not exceed 30 days, and which period shall end on a date not later than 14 days after the Corporate Event Effective Date. In addition, (i) if a notice of redemption is given in accordance with the clean-up call or tax call as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, then, in the case of any exercise of the Stock Acquisition Rights where the Deposit Date in respect thereof falls on or before 31 December 2022, the Stock Acquisition Rights may not be exercised during the period from and including the 35th calendar day prior to the date fixed for redemption thereof to and including the date fixed for redemption thereof (unless, in the case where the relevant Bondholders have elected not to have the Bonds redeemed pursuant to the tax call as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights); and (ii) if a notice of redemption is given in accordance with a corporate event, a delisting event or a squeezeout event as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights, then, in the case of any exercise of the Stock Acquisition Rights where the Deposit Date in respect thereof falls on or before 31 December 2022, the Stock Acquisition Rights may not be exercised during the period from but excluding the third Business Day (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) in London and Tokyo after the date on which such notice of redemption is given to and including the date fixed for redemption thereof.

In addition, in the case of any such exercise where the Deposit Date in respect thereof would fall on or after 1 January 2023,

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the Stock Acquisition Rights may not be exercised during such period whereby the calendar day in Japan on which the exercise of the Stock Acquisition Rights will become effective (or, if such calendar day would not be a Tokyo Business Day, the immediately following Tokyo Business Day) would fall on a date falling within the period from, and including, the second Tokyo Business Day prior to the Record Date (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) specified by the Company or any other date set for the purpose of determination of shareholders in connection with Paragraph 1 of Article 151 of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. (together with the Record Date specified by the Company, collectively, the "Shareholder Determination Date") (or, if such Shareholder Determination Date would not be a Tokyo Business Day, the third Tokyo Business Day prior to such Shareholder Determination Date) to, and including, such Shareholder Determination Date (or, if such Shareholder Determination Date would not be a Tokyo Business Day, the immediately following Tokyo Business Day); provided that if there is a change to the mandatory provisions of Japanese law, regulations or practice relating to the delivery of shares upon exercise of stock acquisition rights through the book-entry transfer system established pursuant to the Act on Book-Entry Transfer of Company Bonds, Shares, etc., then the limitation on the period during which the Stock Acquisition Rights may be exercised pursuant to this paragraph may be amended by the Company to reflect such change in law, regulations or practice.

"Deposit Date" means the day on which necessary documents relating to the request for exercise of the relevant Stock Acquisition Right are deposited with the Principal Agent (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) and all other conditions precedent (including the conditions set forth in (2) below) to the exercise of the relevant Stock Acquisition Right are fulfilled.

(2) Conditions to the exercise of the Stock Acquisition Rights

(A) No Stock Acquisition Right may be exercised in part only.

(B) Prior to (and including) 31 December 2022, a Bondholder may exercise its Stock Acquisition Rights only if

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as at the last Trading Day of any calendar quarter, the Closing Price (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) of the Shares (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) for 20 consecutive Trading Days ending on such date is more than 130 per cent of the Conversion Price (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) in effect on the last Trading Day of such calendar quarter. If this condition is satisfied, then a Bondholder may exercise its Stock Acquisition Rights on and after the first day of the following calendar quarter until the end of such quarter; provided, however, that the conditions set forth in this (B) shall not apply during the period set forth in (i), (ii) and (iii) as follows:

(i) the period during which (a) the Company's long-term issue rating (or, where such rating is not available, the Company's issuer rating) by Rating and Investment Information, Inc. or its successors ("R&I") is BB+ or lower; (b) the Company's long-term issue rating (or, where such rating is not available, the Company's issuer rating) is no longer assigned by R&I; or (c) the Company's long-term issue rating (or, where such rating is not available, the Company's issuer rating) by R&I has been suspended or withdrawn by R&I;

(ii) on or after the date on which a notice of redemption for a corporate event, a delisting event or a squeezeout event as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights is given to the Trustee (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights), the Principal Agent (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) and the Bondholder pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights (except in the case where the relevant Bondholders have elected not to redeem the Stock Acquisition Rights attaching to the Bonds pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights); or

(iii) upon a Corporate Event (as defined in the Terms and Conditions of the Bonds with Stock Acquisition Rights) being

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proposed, unless otherwise suspended by the Company as referred to in (1) above, the period from (and including) the date on which the Company gives notice of such proposed Corporate Event to the Bondholders pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights to (and including) the relevant Corporate Event Effective Date.

"Trading Day" means, in respect of the Shares, a day on which the Tokyo Stock Exchange, Inc. is open for business, but does not include a day on which no closing price for the Shares is reported by the Tokyo Stock Exchange, Inc.

(C) Prior to (and including) 31 December 2022, a Bondholder may exercise its Stock Acquisition Rights only if the latest available Closing Price of the Shares as at the Deposit Date is equal to or higher than the Conversion Price then in effect.

(3) Acquisition of the Bonds with Stock Acquisition Rights by the Company upon the request for exercise of the Stock Acquisition Rights

In respect of each exercise of the Stock Acquisition Right by any Bondholder, if the Deposit Date for which falls within the period in which the Bondholders may exercise their Stock Acquisition Rights as set forth in (1) above, and, on or before 31 December 2022, on the 35th calendar day immediately following such Deposit Date (the "Exercise Acquisition Date"), the Company shall acquire all of the Bonds with respect to which such conditions necessary for the request for exercise are satisfied on the Deposit Date and, the Company shall, as consideration therefor, pay the amount in cash equal to 100 percent of the principal amount of the relevant Bonds, and deliver the Exercise Acquisition Shares to the Bondholders.

The Company shall cancel the Bonds with Stock Acquisition Rights that have been acquired in accordance with the Terms and Conditions of the Bonds with Stock Acquisition Rights.

"Exercise Acquisition Shares" means such number of Shares per Bond, calculated by dividing (i) the amount by which the relevant Exercise Acquisition Share Value exceeds the principal amount of each relevant Bond by (ii) Exercise VWAP per Share (fractions of a Share shall be disregarded and no adjustment by cash payment). The maximum number of Exercise Acquisition Shares shall be the Maximum Exercise Acquisition Shares (as defined below).

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"Exercise VWAP per Share" means the average of the VWAP of the Shares reported by the Tokyo Stock Exchange, Inc. on each of the Trading Days during the ten consecutive Trading Days beginning on the second Trading Day after the relevant Deposit Date, provided that if any adjustment to the Conversion Price becomes effective pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights, the Exercise VWAP per Share shall be adjusted accordingly.

"Exercise Acquisition Share Value" means the amount calculated in accordance with the formula below:

$$\frac{\text{The principal amount of the relevant Bond}}{\text{The relevant Exercise Last Day Conversion Price}} \times \text{Exercise VWAP per Share}$$

In the formula above, "Exercise Last Day Conversion Price" means the Conversion Price on the last day of the ten consecutive Trading Days beginning on the second Trading Day after the relevant Deposit Date, provided that if any adjustment to the Conversion Price becomes effective pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights, the Exercise Last Day Conversion Price shall be adjusted accordingly.

"Maximum Exercise Acquisition Shares" means the number of Shares per Bond calculated by dividing (i) the principal amount of the relevant Bond by (ii) 200 percent of the relevant Exercise Last Day Conversion Price (fractions of a Share shall be disregarded and no adjustment by cash payment will be made).

- (4) Acquisition of all of the Bonds with Stock Acquisition Rights at the option of the Company
- At any time from and including 31 March 2022 to and including 16 December 2022, the Company may, at its option, give notice (the "Acquisition Notice") to the Trustee, the Principal Agent and to the Bondholders to acquire from the Bondholders all, but not some only, of the Bonds outstanding on 10 March 2023 (the "Acquisition Option Date") (such notice shall be irrevocable); provided, however, that, if the Company becomes obliged to give notice of redemption for a

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corporate event or a squeezeout event pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights, or a delisting event set out in the Terms and Conditions of the Bonds with Stock Acquisition Rights occur, then a notice pursuant to this (4) may not subsequently be given.

The Company shall acquire all of the aforementioned Bonds on the Acquisition Option Date and the Company shall, as consideration therefor, pay an amount in cash equal to 100 per cent of the principal amount of the Bonds, and deliver the Acquisition Shares to the Bondholders. The acquisition of the Bonds with Stock Acquisition Rights by the Company pursuant to this (4) is subject to the Shares being listed on the Tokyo Stock Exchange, Inc. on the Acquisition Option Date. The Company shall cancel the Bonds with Stock Acquisition Rights pursuant to the Terms and Conditions of the Bonds with Stock Acquisition Rights.

"Acquisition Shares" means such number of Shares per Bond as calculated by dividing (i) the amount by which the Acquisition Share Value exceeds the principal amount of each Bond by (ii) Average VWAP per Share (fractions of a Share shall be disregarded and no adjustment by cash payment will be made). The maximum number of Acquisition Shares shall be the Maximum Acquisition Shares (as defined below).

"Average VWAP per Share" means the average of the VWAP of the Shares reported by the Tokyo Stock Exchange, Inc. on each of the Trading Days during the 20 consecutive Trading Days beginning on, and including, the 30th Trading Day prior to the Acquisition Option Date. If during such 20 consecutive Trading Days, any event shall occur which gives rise to an adjustment to the Conversion Price as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights or any other event as set forth in the Terms and Conditions of the Bonds with Stock Acquisition Rights shall occur, the Average VWAP per Share shall be adjusted accordingly.

"Acquisition Share Value" means the amount calculated in accordance with the formula below:

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$$\frac{\text{The principal amount of the Bond}}{\text{Last Day Conversion Price}} \times \text{VWAP Average VWAP per Share}$$

In the formula above, "Last Day Conversion Price" means the Conversion Price on the last day of the 20 consecutive Trading Days beginning on, and including, the 30th Trading Day prior to the Acquisition Option Date.

"Maximum Acquisition Shares" means such number of Shares per Bond calculated by dividing (i) the principal amount of the Bond by (ii) 200 percent of the Last Day Conversion Price (fractions of a Share shall be disregarded and no adjustment by cash payment will be made).

7. Matters concerning the Bonds

(1) Aggregate principal amount of the Bonds

¥100 billion plus the aggregate principal amount of the Bonds in respect of replacement certificates of the Bonds with Stock Acquisition Rights

(2) Final Maturity

The Company will redeem the Bonds at 100 per cent of their principal amount on 31 March 2023.

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