

# ANNUAL REPORT 2020



**SUZUKI MOTOR CORPORATION**  
300 Takatsuka-Cho,  
Minami-Ku, Hamamatsu,  
Shizuoka, Japan 432-8611  
<https://www.globalsuzuki.com>



It has been a hundred years of feeling nothing less than the deepest gratitude.



If the customer needs something,  
do whatever we can to respond.  
We can do anything if we work hard.

Michio Suzuki,  
Founder

March 15, 2020  
Thanks to everyone's support,  
Suzuki Motor Corporation celebrated its 100th anniversary.

It was on March 15, 1920. Suzuki Loom Manufacturing Company was founded by Michio Suzuki. We have expanded our business from looms to motorcycles, automobiles, outboard motors, ATV's and others, always adapting to the trend of the times as well as domestic and global markets, and evolved into a company supporting the lives of a variety of people worldwide. Hundred years of Suzuki. It was a hundred years of being propped up by the patronage and support of customers. We will never forget our feeling of gratitude, and always cherish the philosophy inherited from the founder, Michio Suzuki, "to deliver products of superior value by focusing on the customer," on which our craftsmanship is based. We will continue to take on the challenges of manufacturing, in order to provide exciting products that deliver greater "ease of use," "fun" and "amazement" to people throughout the world.

With gratitude for our customers.  
Suzuki's challenges will continue.

Suzuki's history goes back to 1909, when Michio Suzuki founded the Suzuki Loom Works, which is the precursor of the Suzuki Loom Manufacturing Company founded on March 15, 1920 in the present-day Hamamatsu, Shizuoka. Since then, Suzuki has expanded its business from looms to motorcycles, automobiles, outboard motors, ATV's and others, always adapting to the trend of the times.

After changing the name to Suzuki Motor Co., Ltd. in 1954, it launched the Suzulight, the first mass-produced minivehicle in Japan\*<sup>1</sup>, and many other products which are developed focusing on customers. The company name was changed to "Suzuki Motor Corporation" in 1990 in view of its business expansion and globalization.

The journey of 100 years was never easy. To overcome a number of crises since the foundation, all members of Suzuki united as one and continued to make the company thrive.

\*1 Based on Suzuki research

### Greetings

We celebrated our 100th anniversary in 2020. On 15th of March, 1920, Michio Suzuki founded the Suzuki Loom Manufacturing Co. in Hamamatsu. Since then, we have expanded our business from looms to motorcycles, automobiles, outboard motors, ATV's and others, always adapting to the trend of the times as well as domestic and global markets. Your kind support at all times is truly the greatest factor that has enabled us to always be close to our customers' daily lives and achieve the commemorative 100th anniversary. All members of Suzuki Motor Corporation take this as an important milestone to reaffirm the founder's philosophy of "focusing on customers" and strive to deliver products to customers across the globe. We sincerely appreciated your continuous support.



### Suzuki Motor Corporation

Representative Director  
and Chairman  
Osamu Suzuki

Representative Director  
and President  
Toshihiro Suzuki





Representative Director and President  
Toshihiro Suzuki

We would like to express our deepest condolences to those who have passed away due to the novel coronavirus (COVID-19) infection, and sympathies to those who are being treated. We would also like to express our sincere gratitude to all medical staff and others who are working hard every day to secure lifelines.

Additionally, we sincerely apologize for the enormous inconvenience and concerns our improper conducts regarding the final vehicle inspection in the plants has caused to our shareholders.

The entire Company is uniting together around the efforts of the management team in order to raise companywide awareness and improve our organizational culture to ensure thorough compliance with laws and regulations in all operations of the Company. Among these efforts, with regard to the final inspection operations, we made progress on a wide scope of initiatives, including collection of feedback from worksites, reduction of the burden of inspectors by increasing the number of inspectors, and improvement of inspection facilities, and we have promoted the relevant measures so that more reliable and accurate inspections can be performed. Moving forward, we will continue to work on further improvements.

Furthermore, with safety and security as our top priority, we will comply with laws and regulations in order to provide high-quality products and services that satisfy our customers, and in all our operations including manufacturing, we will make efforts to promote the “Smaller, Fewer, Lighter, Shorter, and Neater” slogan and the “improvement of quality,” and work to achieve efficient and healthy management.

Suzuki Motor Corporation celebrated its 100th anniversary in March 2020. Over the last 100 years, Suzuki has taken on many challenges in the areas of looms, motorcycles, automobiles, outboard motors and more. The Suzuki of today was created through these challenges. We are grateful to our shareholders, customers, business partners, employees, and all of our stakeholders, and it has truly been “a hundred years of feeling nothing less than the deepest gratitude.”

In the operating results for the current fiscal year, both sales and profit decreased compared with the previous fiscal year due to the late recovery in the Indian automobile market and the effects of foreign exchange rates in addition to the impact of COVID-19 at the end of the fiscal year. The spread of COVID-19 is a situation we have never experienced before, but the Group has overcome many crises in the past. We will swiftly implement our response in regard to production, sales and management.

The automobile industry is undergoing a period of great transformation. In this period of transformation, it is necessary to have a concrete vision of what the Company should be 10 or 15 years in the future, as a long-term view, and go back to the present from there to consider what the Company should do from now, instead of merely continuing as we are.

From now on, the Indian market, in particular, may grow to a large scale with a population of 1.3 billion. The Group aims to maintain its current share of 50% even in 2030 and continues to strive for future growth.

Also, we believe that committing to the Indian market will lead to our growth in other markets, through deploying the developed products worldwide.

Compared with now, it is totally uncharted territory. All employees, including the management team, will be required to change their mindset and distribute effectively the management resources.

In that sense, the effort we make based on this long-term view are challenges that decide the Group's future, and they should be made promptly.

With regard to environmental issues, the Group needs to accelerate efforts not only on extending the current technologies but also on creating new technologies. In addition to small car production and high-efficiency powertrain development that the Company specializes in, we will proactively work on expanding and strengthening hybrid cars, while developing new EVs.

Further, we will work on safety technology and information communications technology such as connected technology.

The Group supports the Sustainable Development Goals (SDGs) and will actively fulfill its responsibilities in goals that we can contribute to their achievements through our ESG (Environment, Social, and Governance) activities.

As for environment, we view this as an important factor that influences the continuous growth of the Group, and will proactively address environmental issues such as climate change. As one part of those efforts, in April 2020, we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We will work to enhance disclosure regarding climate change. Furthermore, in November 2020, we announced the Suzuki Environmental Vision 2050, a long-term vision toward tackling environmental issues, which presents the ideal appearance of the Company in 2050.

As for society, we will proactively address contributions to the community, investment in people, development of human resources, and work safety, while giving the highest priority to safety and quality, so that we can live up to the expectations of the stakeholders.

As for governance, we will review our compliance system and risk management system from the ground up to cover all operations of the Company, and strengthen our oversight of internal control. Also, in order to strengthen the supervision function, the number of Outside Directors was increased from two to three (two male, one female). We have judged that they can provide advice and supervision to the management of the Company from various perspectives based on their knowledge in such fields as corporate management and international experience.

We strive to become a group worthy of the trust of stakeholders through activities on environmental, social, and governance issues and manufacturing products.

We will keep striving to make and provide valuable products and services, and promote efforts for enhancing corporate value based on long-term prospects, while continuing to take on new challenges for the next 100 years.

# Corporate Philosophy

Message from the President | Corporate Philosophy | SUZUKI HISTORY | At a Glance | Global Network | Major Product Lineup

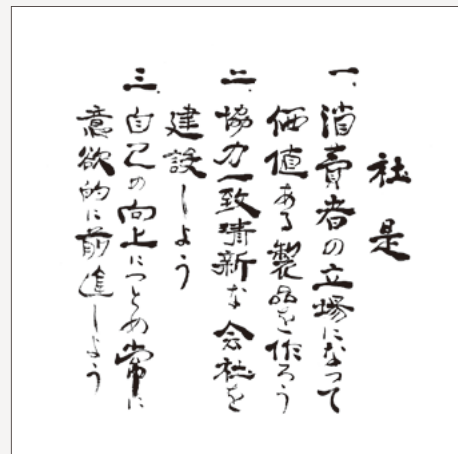
## Basic policy for company management

The Group has been placing “Develop products of superior value by focusing on the customer” as the first paragraph of the mission statement. We will constantly make the best effort to create truly valuable products that satisfy our customers.

Under the slogan “Small cars for a big future”, we will work toward manufacture of “small cars” and “environmentally-friendly products” which are wanted by our customers. We will also work on lean, efficient and sound management by emphasizing the “Smaller, Fewer, Lighter, Shorter, and Neater” concept in all areas while complying with laws and prioritizing safety and quality.

## Mission statement

In 1962, Suzuki established the “Mission Statement” which indicates the corporate policy of Suzuki.



Suzuki Group mission statement (established in 1962)

1. Develop products of superior value by focusing on the customer
2. Establish a refreshing and innovative company through teamwork
3. Strive for individual excellence through continuous improvement

Each statement sets goals to strive for accomplishing corporation’s social missions (product-making), for the corporate organization that the one belongs to (company-making), and for the one’s own self (person-making).

With the motto “products of superior value”, which is mentioned in the first paragraph of the statement, all employees of the Suzuki Group are making daily efforts in creating value-packed products.

## Smaller, Fewer, Lighter, Shorter, and Neater

“Smaller, fewer, lighter, shorter, and neater” has been used for long years and it has become established as words to simply express Suzuki’s philosophy and culture.

“Smaller” leads to enhanced efficiency by making things compact, “fewer” optimally distributes resources by omitting wastes, “lighter” slims down for enhanced efficiency, and “shorter” speeds up decision-making, action and reporting, communication, and consultation processes. In addition, the meaning behind “neater” is that all activities are for the best interest of our customers, that the customers can be satisfied for the first time once we meet all criteria of performance, quality, cost, dependability, safety and reliability, and compliance.

In order to provide products of superior value by focusing on the customer, the Company will continue conducting the “smaller, fewer, lighter, shorter, and neater” in manufacturing and all other operations.

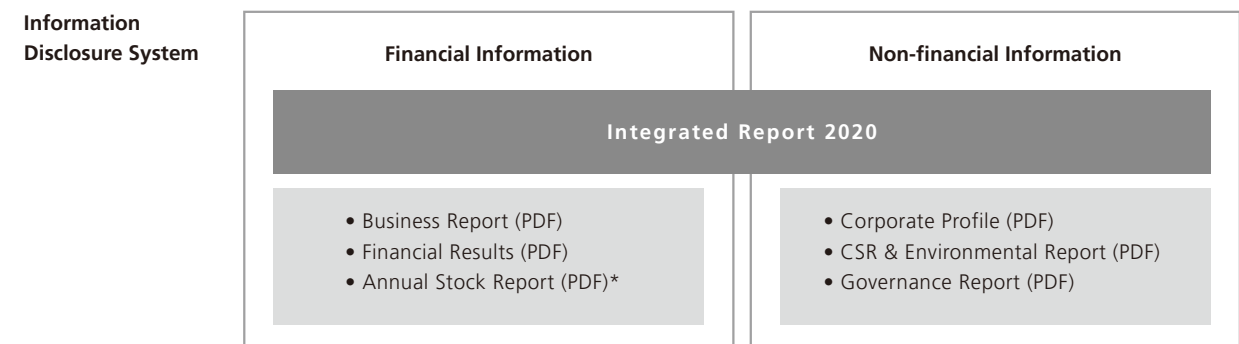
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**Editorial Policy** | In order for the Suzuki Group to continuously grow for the next 100 years, the Company is promoting various initiatives. This report is published in view of our stakeholders including shareholders, investors, and employees, to understand those initiatives. Financial and non-financial information are also available at our website.

**Period Covered** | The period covered by this report is FY2019 (from 1 April 2019 through 31 March 2020). However, this report also contains descriptions on some activities taking place before or after that time period.

**Information Covered** | This report covers information about not only Suzuki Motor Corporation, but also domestic and overseas Suzuki Group companies. (Unless “related companies”, “dealers”, or “overseas” is indicated in each description, the information is related to Suzuki Motor Corporation.)

**Referred Guidelines** | “Environmental Reporting Guidelines 2018” by the Ministry of the Environment, Global Reporting Initiative (GRI) Standards, etc.



\*In Japanese language only

**Caution with respect to Forward-Looking Statements** | The forward-looking statements mentioned in this report are based on currently available information and assumptions, contain risks and uncertainty and do not constitute guarantees of future achievement. Please note that the future results may greatly vary by the changes of various factors. Those factors, which may influence the future results, include economic conditions and the trend of demand in major markets and the fluctuations of foreign exchange rates (mainly U.S. dollar/Yen rate, Euro/Yen rate, Indian Rupee/Yen rate).

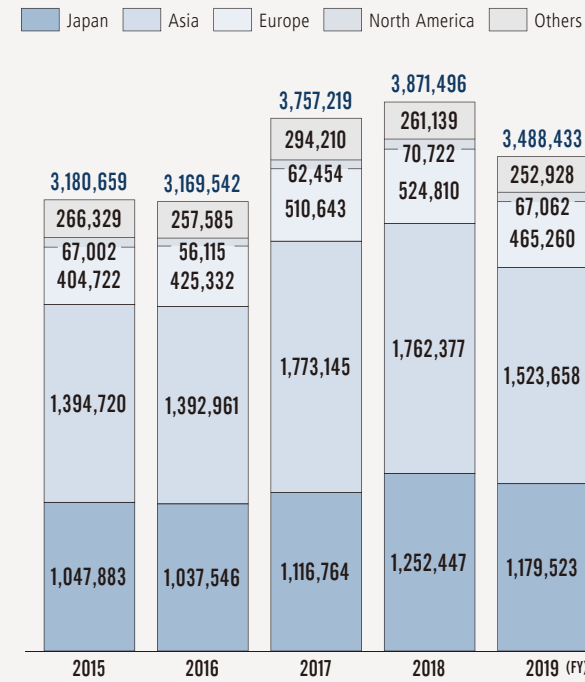


# At a Glance

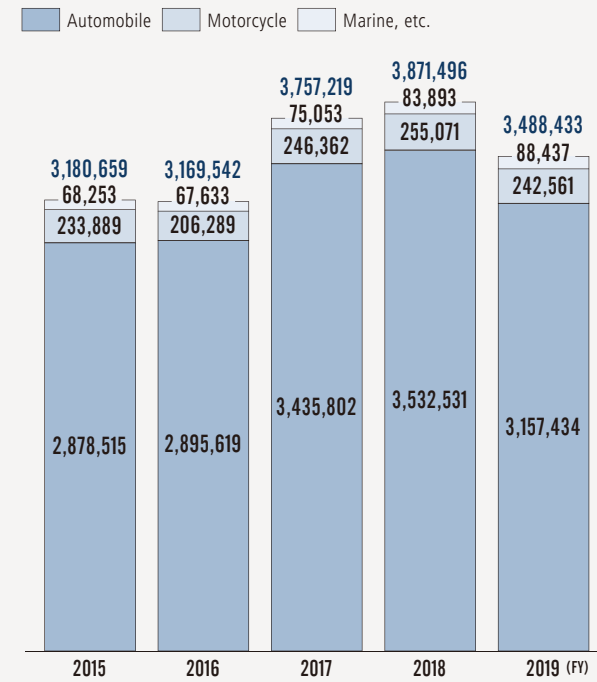
Message from the President | Corporate Philosophy | SUZUKI HISTORY | At a Glance | Global Network | Major Product Lineup

## Financial Highlights

Net sales by geographic region (Millions of yen)

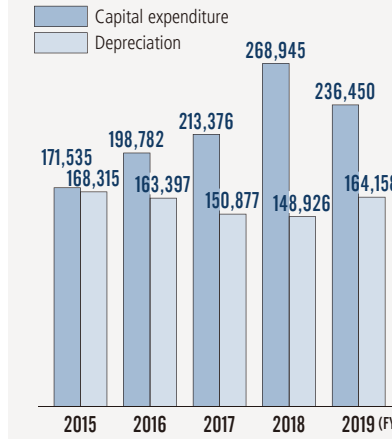


Net sales by segment (Millions of yen)

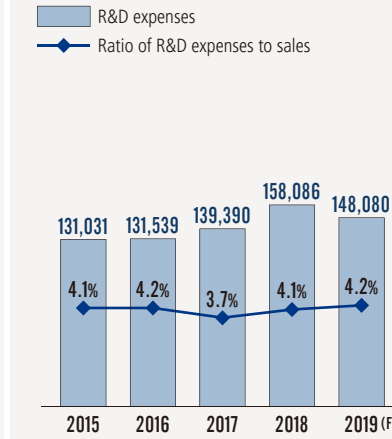


Consolidated net sales decreased by ¥383.1 billion (9.9%) to ¥3,488.4 billion year-on-year owing to decrease in both Japan and overseas. With respect to automobiles, sales largely decreased in India. With respect to motorcycles, although sales increased in Japan and India, they decreased in markets including Europe and ASEAN. With respect to marine, etc., although sales of large outboard motors in North America had been leading the business, they decreased since January.

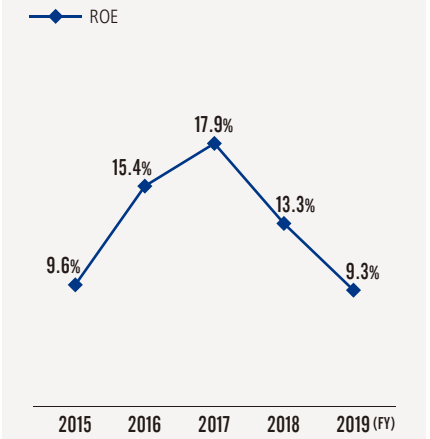
Capital expenditure/Depreciation (Millions of yen)



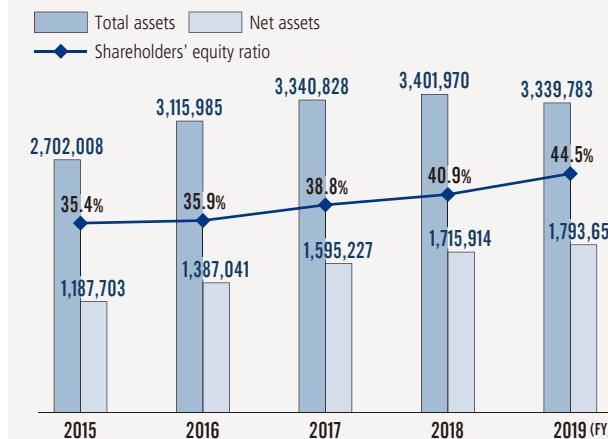
R&D expenses (Millions of yen)



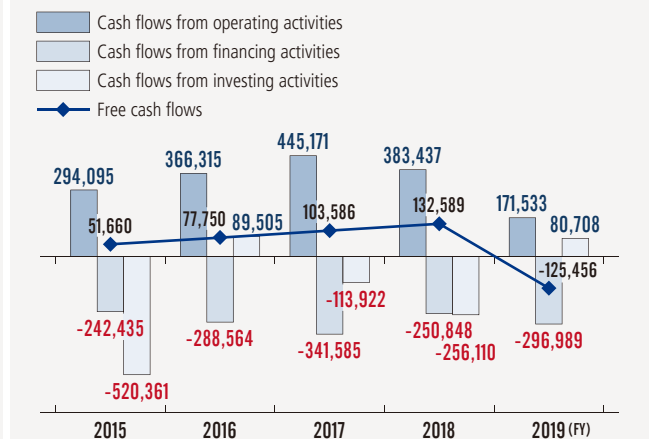
ROE



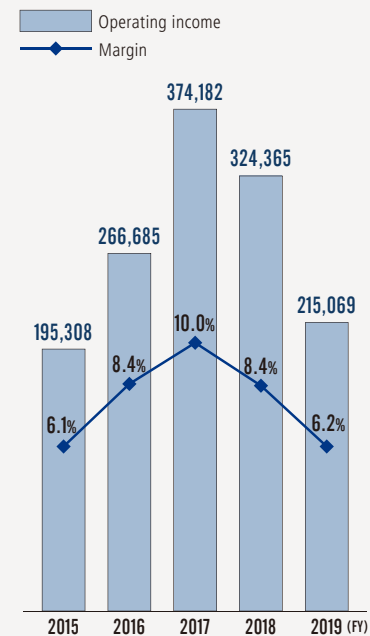
Total assets/Net assets/Shareholders' equity ratio (Millions of yen)



Cash flows (Millions of yen)

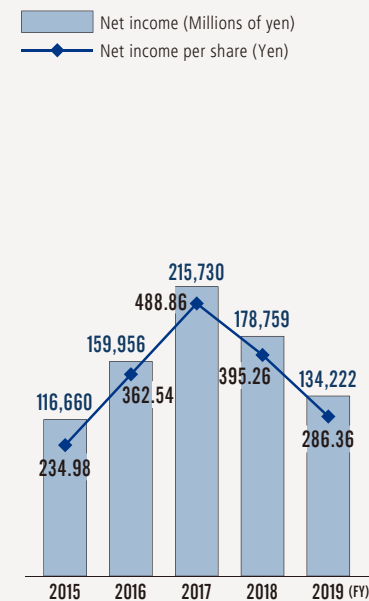


Operating income (Millions of yen)



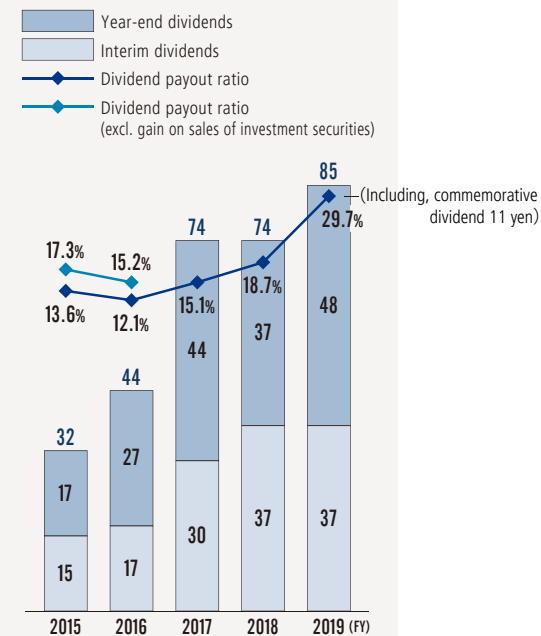
Operating income decreased by ¥109.3 billion (33.7%) to ¥215.1 billion year-on-year owing to appreciation of yen and increase in depreciation expenses, in addition to decreased net sales.

Net income attributable to owners of the parent



Net income decreased by ¥44.6 billion (24.9%) to ¥134.2 billion year-on-year. The decreased amount of net income was smaller since the extraordinary loss largely decreased year-on-year.

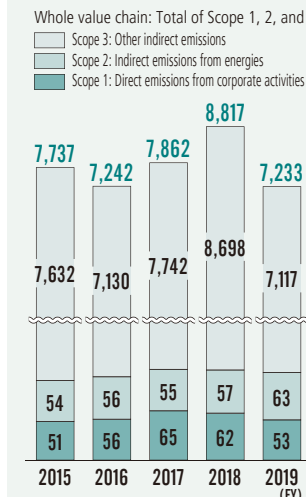
Dividends (Yen)



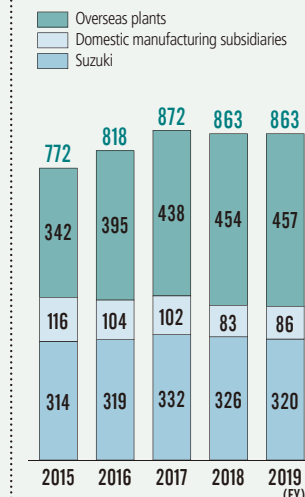
Dividends per share was ¥85.00, including a commemorative dividend of ¥11.00 per share for the 100th anniversary of foundation.

## Non-financial Highlights

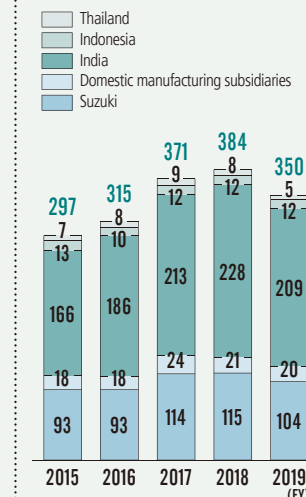
CO<sub>2</sub> emission amount from the whole value chain\*1 (10,000 t-CO<sub>2</sub>)



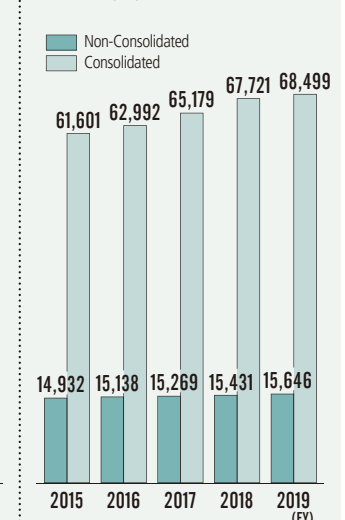
Amount of water used at plants in Japan and major overseas plants\*\*2 (10,000m<sup>3</sup>)



Total waste discharge amount at plants in Japan and major overseas plants (1,000t)



No. of employees (Person)



\*1 Calculation range: Suzuki Motor Corporation, 69 domestic manufacturing and non-manufacturing subsidiaries, and 31 overseas manufacturing and non-manufacturing subsidiaries. Part of past data were amended (Scope 1 and 2 of FY2017 and Scope 2 and 3 of FY2018).

\*2 Area subject to totalization: 8 plants of Suzuki Motor Corporation (Takatsuka and Toyokawa plants are until July 2018), 4 domestic manufacturing subsidiaries, and 17 overseas manufacturing subsidiaries



# Global Network

As of the end of March 2020

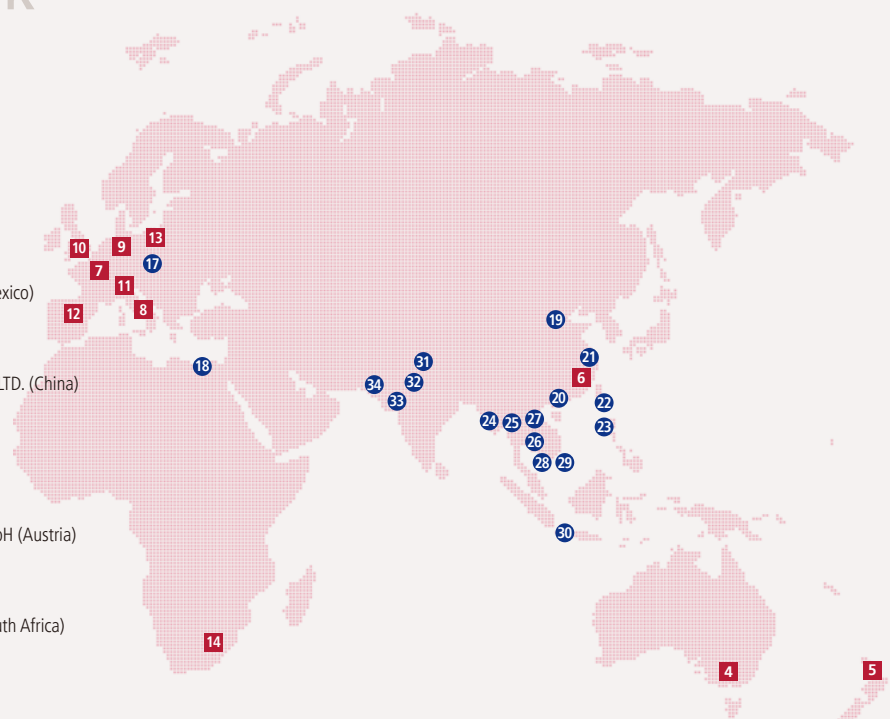
User-friendly and high-quality SUZUKI products are favored by customers of each country and area worldwide.

**A** Automobile **M** Motorcycle **O** Outboard Motor

## Global Network

### Major Overseas Distributors

- Sales
- A M O** 1 SUZUKI MOTOR OF AMERICA, INC. (USA)
- A M O** 2 SUZUKI CANADA INC. (Canada)
- A M O** 3 SUZUKI MOTOR DE MEXICO, S.A. DE C.V. (Mexico)
- A M O** 4 SUZUKI AUSTRALIA PTY. LTD. (Australia)
- A M O** 5 SUZUKI NEW ZEALAND LTD. (New Zealand)
- A M O** 6 SUZUKI MOTOR (CHINA) INVESTMENT CO., LTD. (China)
- A M O** 7 SUZUKI FRANCE S.A.S. (France)
- A M O** 8 SUZUKI ITALIA S.P.A. (Italy)
- A M O** 9 SUZUKI DEUTSCHLAND GmbH (Germany)
- A M O** 10 SUZUKI GB PLC (UK)
- A M O** 11 SUZUKI AUSTRIA AUTOMOBIL HANDELS GmbH (Austria)
- A M O** 12 SUZUKI MOTOR IBERICA S.A.U. (Spain)
- A M O** 13 SUZUKI MOTOR POLAND SP. Z.O.O. (Poland)
- A M O** 14 SUZUKI AUTO SOUTH AFRICA (PTY.) LTD. (South Africa)



### Major Overseas Manufacturing Companies

- Sales
- Production
- A M O** 15 SUZUKI MANUFACTURING OF AMERICA CORPORATION (USA)
- A M O** 16 SUZUKI MOTOR DE COLOMBIA S.A. (Colombia)
- A M O** 17 MAGYAR SUZUKI CORPORATION LTD. (Hungary)
- A M O** 18 SUZUKI EGYPT S.A.E. (Egypt)
- A M O** 19 JINAN QINGQI SUZUKI MOTORCYCLE CO., LTD. (China)
- A M O** 20 JIANGMEN DACHANGJIANG GROUP CO., LTD. (China)
- A M O** 21 CHANGZHOU HAOJUE SUZUKI MOTORCYCLE CO., LTD. (China)
- A M O** 22 TAI LING MOTOR CO., LTD. (Taiwan)
- A M O** 23 SUZUKI PHILIPPINES INC. (Philippines)
- A M O** 24 SUZUKI (MYANMAR) MOTOR CO., LTD. (Myanmar)
- A M O** 25 SUZUKI THILAWA MOTOR CO., LTD. (Myanmar)
- A M O** 26 SUZUKI MOTOR (THAILAND) CO., LTD. (Thailand)
- A M O** 27 THAI SUZUKI MOTOR CO., LTD. (Thailand)
- A M O** 28 CAMBODIA SUZUKI MOTOR CO., LTD. (Cambodia)
- A M O** 29 VIETNAM SUZUKI CORP. (Vietnam)
- A M O** 30 PT. SUZUKI INDOMOBIL MOTOR (Indonesia)
- A M O** 31 MARUTI SUZUKI INDIA LIMITED (India)
- A M O** 32 SUZUKI MOTORCYCLE INDIA PRIVATE LIMITED (India)
- A M O** 33 SUZUKI MOTOR GUJARAT PRIVATE LIMITED (India)
- A M O** 34 PAK SUZUKI MOTOR CO., LTD. (Pakistan)



17 MAGYAR SUZUKI CORPORATION LTD.



23 SUZUKI PHILIPPINES INC.



26 SUZUKI MOTOR (THAILAND) CO., LTD.



30 PT. SUZUKI INDOMOBIL MOTOR (Cikarang Plant)



31 MARUTI SUZUKI INDIA LIMITED (Gurgaon Plant)



31 MARUTI SUZUKI INDIA LIMITED (Manesar Plant)



33 SUZUKI MOTOR GUJARAT PRIVATE LIMITED (Gujarat Plant)



34 PAK SUZUKI MOTOR CO., LTD.

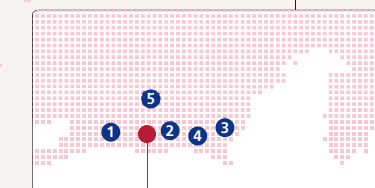
## Domestic Plants

- Production
- A M O** 1 Kosai Plant
- A M O** 2 Iwata Plant
- A M O** 3 Sagara Plant
- Foundry 4 Osaka Plant
- A M O** 5 Hamamatsu Plant

● Number of directly managed domestic distributors  
55 companies



1 Kosai Plant



Head Office

### Number of bases

	Asia	Europe	North America	Latin America	Africa	Middle East	Oceania
Number of trading countries/Regions	22	45	2	48	53	18	22
Number of manufacturing companies	19	1	1	3	1	1	0



# Major Product Lineup

Message from the President | Corporate Philosophy | SUZUKI HISTORY | At a Glance | Global Network | Major Product Lineup

J Japan I India A ASEAN E Europe N North America O Other

\*Global sales unit, sales market, and production site are based on FY2019 results, photos are as of May 2020.

## Automobiles



**Spacia**  
Global Sales Unit **160,000**  
Sales Market **J**  
Production Site **J**



**Hustler**  
Global Sales Unit **63,000**  
Sales Market **J O**  
Production Site **J**



**Solio**  
Global Sales Unit **45,000**  
Sales Market **J O**  
Production Site **J**



**XBEE**  
Global Sales Unit **22,000**  
Sales Market **J**  
Production Site **J**



**Celerio**  
Global Sales Unit **106,000**  
Sales Market **I A E O**  
Production Site **I A O**



**Vitara Brezza**  
Global Sales Unit **111,000**  
Sales Market **I O**  
Production Site **I**



**Ciaz**  
Global Sales Unit **55,000**  
Sales Market **I A O**  
Production Site **I A O**



**Alto**  
Global Sales Unit **377,000**  
Sales Market **J I A A O**  
Production Site **J I O**

\*Global sales unit includes overseas Alto, etc., besides the Japanese mini Alto and Lapin (Photo: Japanese mini Alto)



**WagonR**  
Global Sales Unit **255,000**  
Sales Market **J I A A O**  
Production Site **J I A O**

\*Global sales unit includes overseas WagonR, besides the Japanese mini WagonR (Photo: Japanese mini WagonR)



**Carry**  
Global Sales Unit **163,000**  
Sales Market **J I A A O**  
Production Site **J I A O**

\*Global sales unit includes overseas Carry, etc., besides the Japanese mini Carry (Photo: Japanese mini Carry)



**Swift**  
Global Sales Unit **336,000**  
Sales Market **J I A A E O**  
Production Site **J I A O**



**Jimny**  
Global Sales Unit **71,000**  
Sales Market **J I A E O**  
Production Site **J I O**



**Vitara**  
Global Sales Unit **131,000**  
Sales Market **J A E O**  
Production Site **E O**

\*Photo: Escudo (Japanese Vitara)



**SX4 S-CROSS**  
Global Sales Unit **62,000**  
Sales Market **J I A E O**  
Production Site **I E O**



**KATANA**  
Global Sales Unit **3,000**  
Sales Market **J A E N O**  
Production Site **J**



**Access 125**  
Global Sales Unit **569,000**  
Sales Market **I A O**  
Production Site **I**



**V-Strom 250/650/1000 V-STROM 1050**  
Global Sales Unit **35,000**  
Sales Market **J A E N O**  
Production Site **J O**

\*Global sales unit includes V-Strom 650XT/1000XT as well as V-STROM 1050XT (Photo: V-STROM 1050XT)



**GIXXER/GIXXER 250**  
Global Sales Unit **109,000**  
Sales Market **J I A O**  
Production Site **I A O**

\*Global sales unit includes GIXXER SF/GIXXER SF250 (Photo: GIXXER)



**GSX-S125/150/750/1000**  
Global Sales Unit **23,000**  
Sales Market **J I A E N O**  
Production Site **J A O**

\*Global sales unit includes GSX-S1000F (Photo: GSX-S750)



**GSX-R125/150/600/750/1000**  
Global Sales Unit **25,000**  
Sales Market **J I A E N O**  
Production Site **J A O**

\*Global sales unit includes GSX-R1000R (Photo: GSX-R1000R)

## Outboard Motors



**DF350A**  
Sales Market **J A E N O**  
Production Site **J A O**



**DF140BG**  
Sales Market **J I A E N O**  
Production Site **J**



**ET4D**  
Sales Market **J**  
Production Site **J**

## Motorized Wheelchairs



**Baleno**  
Global Sales Unit **220,000**  
Sales Market **J I A A E O**  
Production Site **I**



**Ignis**  
Global Sales Unit **78,000**  
Sales Market **J I A A E O**  
Production Site **J I**



**Dzire**  
Global Sales Unit **193,000**  
Sales Market **I A O**  
Production Site **I**



**Ertiga/XL6/XL7**  
Global Sales Unit **174,000**  
Sales Market **I A O**  
Production Site **I A**

\*Photo: Ertiga



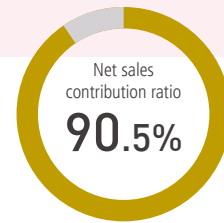
# Business Report (Automobile Business)

Automobile Business | Motorcycle Business | Marine Business, etc. | Special Topic

## Business Overview (Automobile Business)

### Business policy

The Group has positioned Japan at the center of global automobile development, the base of production. Our strategy for products in this sector is to introduce attractive products while accurately understanding the market and customer trends.



### Main products Minivehicles, Sub-compact vehicles, Standard-sized vehicles



**Hustler**  
Launched January 2019 in Japan

We completely redesigned the Hustler minicar, a fusion of a minivan and an SUV. The all-new Hustler features further evolutions in the packaging and ease-of-handling by adopting a unique design that is instantly recognizable as a Hustler. We have also provided an enhanced selection of the preventive safety technologies, and adopted the newly developed R06D engine (available for naturally-aspirated engine variant). It has evolved the vehicle in all directions as a "more playful minicar".



**Carry**  
Launched April 2019 in Indonesia

Suzuki revealed a global truck, the all-new Carry in Indonesia. With the low deck height which makes loading and unloading easier, heavy duty-suspension, comfortable and convenient cabin, and the new 1.5L gasoline engine which delivers high power and high fuel efficiency, the all-new Carry delivers what all truck customers today expect; cargo capacity, toughness, comfort and performance.



**S-PRESSO**  
Launched September 2019 in India

The brand new mini SUV S-PRESSO is designed with proportions inspired from Suzuki's iconic SUVs, which gives a strong and tough impression. The interior comes with an innovative center digital speedometer. It provides both comfort and convenience by ensuring both cabin and luggage space. By installing a 1.0L gasoline engine onto a high-rigidity platform, S-PRESSO realizes excellent fuel efficiency and driving performance.

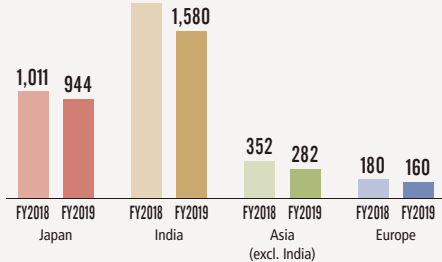


**XL6/XL7**  
Launched August 2019 in India  
Launched February 2020 in Indonesia

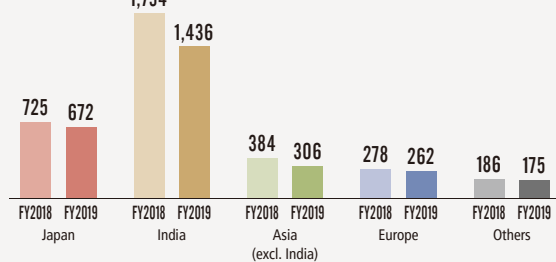
We launched the three-row six-seater premium MPV XL6 in August 2019 in India. Subsequently, the XL7 seven-seater crossover, a fusion of SUV design and MPV convenience was launched in February 2020 in Indonesia. Both powertrain offer fuel efficiency and performance by installing a powerful 1.5L gasoline engine onto a light and rigid platform.

### Production Units/Sales Units \*Sales units are based on Suzuki research on outside data.

#### Automobile Production (Thousand units)



#### Automobile Sales (Thousand units)

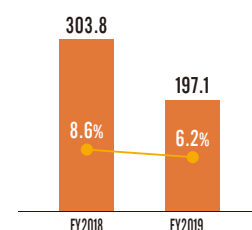


Total overseas automobile production for FY2019 decreased by 15.1% to 2,022,000 units year-on-year. Worldwide production, including Japan, also decreased by 12.6% to 2,967,000 units year-on-year. Sales of automobiles in overseas market decreased by 16.2% to 2,179,000 units year-on-year, while total global sales, including Japan, also decreased by 14.3% to 2,852,000 units year-on-year.

### Operating Results for FY2019

The net sales decreased by ¥375.1 billion (10.6%) to ¥3,157.4 billion year-on-year owing to the impact of COVID-19 in the end of the fiscal year, in addition to the decrease in sales in India and Pakistan and the appreciation of the yen. The operating income decreased by ¥106.7 billion (35.1%) to ¥197.1 billion year-on-year mainly owing to the appreciation of the yen and increase in depreciation, in addition to decrease in sales.

#### Operating results of automobile business (Billion yen)



## Market Overview by Region \*Sales units are based on Suzuki research on outside data.

### [Japan]

#### Overall Market

Total domestic automobile sales volume in FY2019 decreased for the first time in four fiscal years by 4% to 5,039,000 units year-on-year, partly owing to the impact of hike in the rate of consumption tax in the second half of the fiscal year. Sales of sub-compact and standard-sized vehicles decreased for the third consecutive fiscal year by 5% to 3,183,000 units year-on-year. Sales of minivehicles, which had been leading the whole market for the past two fiscal years, decreased for the first time in three fiscal years by 3% to 1,856,000 units year-on-year.

#### Suzuki Sales

Suzuki's domestic automobile sales decreased for the first time in four fiscal years by 7% to 672,000 units year-on-year. Suzuki's sales of minivehicles decreased for the first time in three fiscal years by 7% to 554,000 units year-on-year, and sales of sub-compact and standard-sized vehicles decreased for the first time in five fiscal years by 10% to 118,000 units year-on-year.

### [India]

#### Overall Market

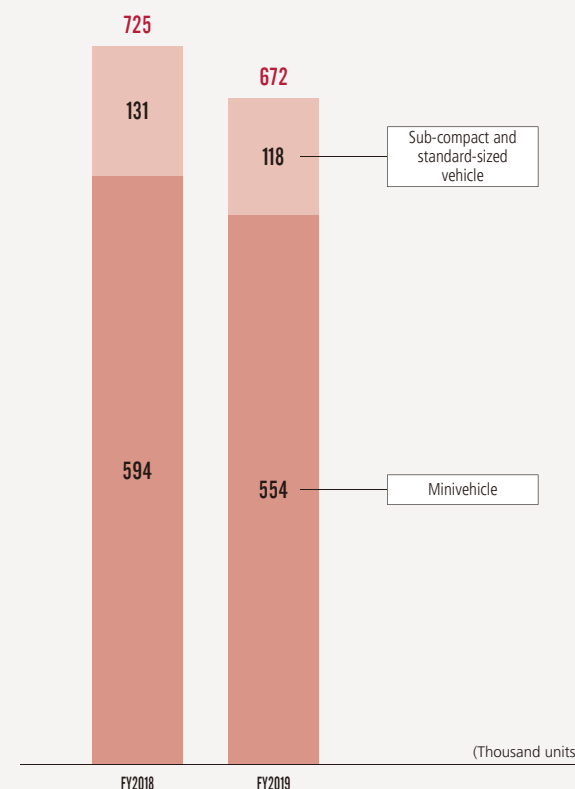
New car sales (total market of passenger and commercial vehicles) in India decreased in FY2019 by 894,000 units (20%) from the previous fiscal year of 4,385,000 units to 3,491,000 units. This is owing to increase in cost of products due to the introduction of the new emission norm (BS6) and safety equipment, as well as increase in cost of tax and insurance. In addition, the whole market was impacted and slowed down by the lockdown which was conducted throughout India from March 2020 due to the spread of COVID-19.

#### Suzuki Sales

Suzuki's total sales decreased by 18% to 1,436,000 units year-on-year. Despite the slowdown in the market, the drop in sales were held at this level, owing to strong sales of the WagonR and the Ertiga, which achieved accumulated sales of 2.4 million units and 0.5 million units respectively, as well as launch of new models, the XL6 and the S-PRESSO. Suzuki continues to make steady sales as the company achieved accumulated Indian sales of 20 million units in June 2020 since starting business in India in 1983. Plus, the Alto achieved accumulated sales of 3.9 million units, and the Baleno achieved accumulated sales of 0.6 million units in 44 months, which is the fastest in any passenger car sales in India.

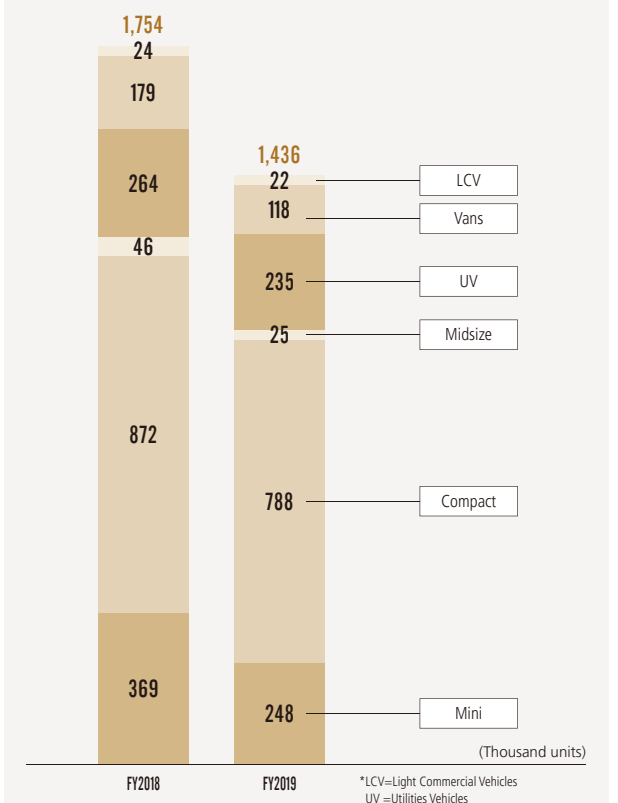
### Suzuki Sales Units

[Full Year Comparison: from April to March]  
-53 Thousand units (-7.3%)



### Suzuki Sales Units

[Full Year Comparison: from April to March]  
-318 Thousand units (-18.1%)



# Business Report (Automobile Business)

Automobile Business | Motorcycle Business | Marine Business, etc. | Special Topic

## Market Overview by Region \*Sales units are based on Suzuki research on outside data.

### [ASEAN]

#### Overall Market

New car sales in ASEAN in FY2019 decreased by 7% to 3,439,000 units year-on-year. While Myanmar saw growth, the two major markets of Indonesia and Thailand dropped by more than 10% owing to economic stagnation. Although the Philippines showed strong sales during 2019, it consequently decreased year-on-year in FY2019 owing to the Taal volcano eruption in January, and the spread of COVID-19 in March.

#### Suzuki Sales

Suzuki's sales in ASEAN marginally increased by 0.1% from the previous fiscal year of 177,940 units to 178,150 units. Myanmar (13,899 units, up 19% year-on-year) and Vietnam (11,790 units, up 56% year-on-year) marked record-high sales. Also, the Philippines grew by 17% to 22,973 units year-on-year, despite the shrunk in the overall market.

### [Europe]

#### Overall Market

New car sales in Europe in FY2019 decreased by 5% to 17,155,000 units year-on-year. Although sales outpaced the previous fiscal year during 2019, the fiscal year-end sales were impacted by the confusion caused by the COVID-19.

#### Suzuki Sales

Suzuki's sales in Europe decreased by 6% to 261,974 units year-on-year. Although there were impacts of COVID-19 toward the end of the fiscal year, Italy increased for the seventh consecutive fiscal year at 35,904 units (up 6% year-on-year) owing to strong sales of hybrid variants of Swift and Ignis. France also increased for the fifth consecutive fiscal year at 28,114 units (up 0% year-on-year), and Poland increased for the sixth consecutive fiscal year at 10,122 units (up 1% year-on-year). Hungary increased for the ninth consecutive fiscal year at 23,453 units (up 16% year-on-year) owing to strong sales of Vitara and SX4 S-CROSS, which are produced locally in Hungary. Suzuki also maintained the top market share in Hungary.

### [Others (Pakistan, Middle East, Africa, Latin America, and Oceania)]

#### Pakistan

Overall market in Pakistan in FY2019 largely decreased by 39% to 152,000 units year-on-year owing to increase in sales prices of each brand to meet the local currency depreciation and the increased taxes. Although Suzuki's sales decreased to 89,901 units (down 34% year-on-year), high market share of 59% was maintained, partly owing to Suzuki's first locally-produced minivehicle Alto, which started its production in April 2019, achieving sales of 30,000 units in eight months since its launch in June.

#### Middle East

Overall market in the Middle East (excluding Iran) in FY2019 increased by 12% to 1,224,000 units year-on-year. Suzuki's sales also increased by 25% to 11,972 units year-on-year owing to sales increase in Saudi Arabia.

#### Africa

Overall market in Africa in FY2019 decreased by 5% to 1,147,000 units year-on-year. Suzuki's sales increased by 16% to 30,436 units year-on-year owing to sales in South Africa, which marked record-high sales for the third consecutive fiscal year.

#### Latin America

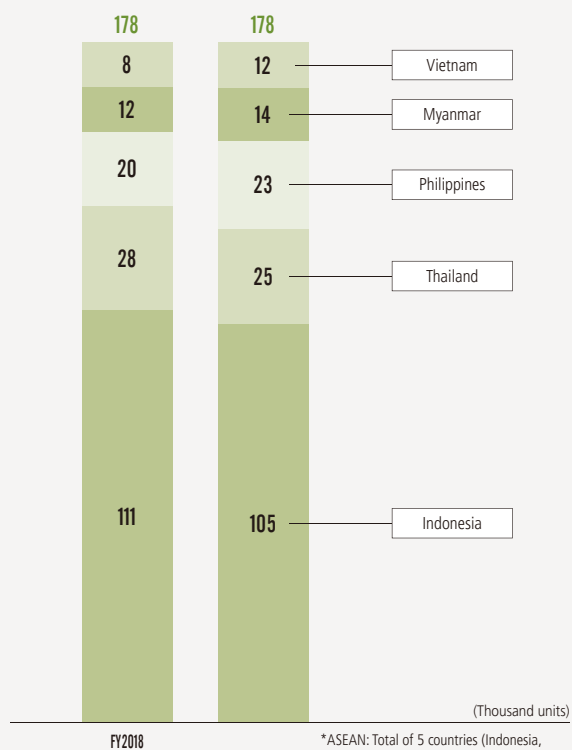
Overall market in Latin America in FY2019 decreased by 7% to 5,637,000 units. Although sales increased in Brazil, the largest market in Latin America, sales decreased in many countries including Mexico and Chile, which are the major markets for Suzuki in Latin America. Suzuki's sales in Latin America decreased by 11% to 109,005 units year-on-year, but marked record-high sales in Mexico at 30,943 units (up 10% year-on-year) with a market share of 2.4%, and maintained the top market share in Bolivia and Barbados.

#### Oceania

Overall market in Oceania in FY2019 decreased by 9% to 1,201,000 units owing to decrease in both Australia and New Zealand. Suzuki's market share increased, despite decrease in sales by 4% to 23,690 units year-on-year.

### Suzuki Sales Units

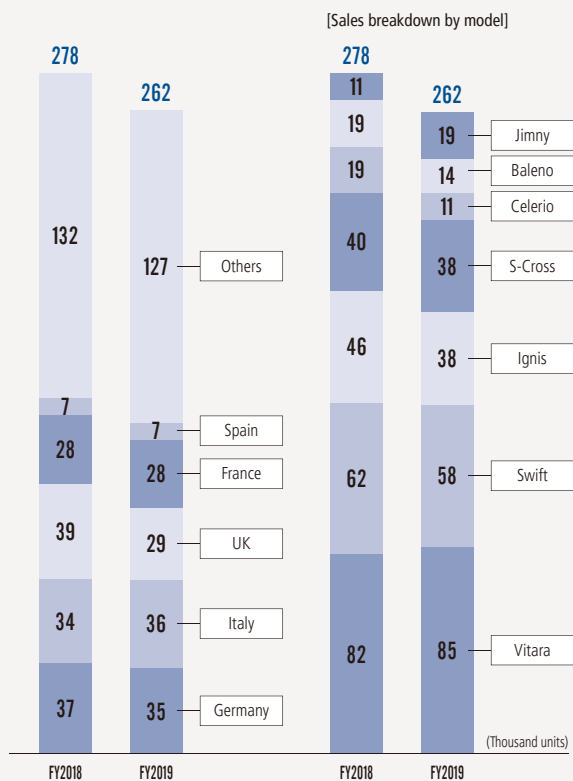
[Full Year Comparison: from April to March]  
+0 Thousand units (-0.1%)



\*ASEAN: Total of 5 countries (Indonesia, Thailand, the Philippines, Myanmar, and Vietnam)

### Suzuki Sales Units

[Full Year Comparison: from April to March]  
-16 Thousand units (-5.8%)



## FY2019 Topics

### [Japan]

- Unveiled full-model change of the Hustler in December 2019, and launched it in January 2020.



Hustler

### [India]

- Launched the new 3-row MPV XL6 in August 2019.  
- Launched the new mini SUV S-PRESSO in September 2019.



XL6



S-PRESSO

### [ASEAN]

- Started exports of Carry in July 2019, and XL7 in February 2020 in Indonesia. Suzuki's exports in Indonesia grew by 87% to 43,747 units.  
- Started construction to extend the plant in Myanmar from March 2020, which is located in the Thilawa Special Economic Zone.



Carry

### [Europe]

- Started production of 48V Mild Hybrid variants of SX4 S-CROSS and Vitara in Hungary from December 2019.  
- Unveiled minor-changed model of Ignis in March 2020, which is added with more SUV tastes.  
- JD Power Customer Service Index (CSI) conducted in UK revealed that our UK subsidiary Suzuki GB was selected as the top brand in the Volume Brands category in 2019.



Ignis



Vitara



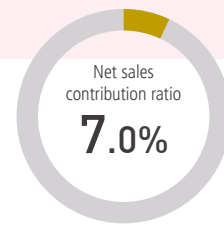
# Business Report (Motorcycle Business)

Automobile Business | Motorcycle Business | Marine Business, etc. | Special Topic

## Business Overview (Motorcycle Business)

### Business policy

We have made efforts to convert the business into a profit-making one as the Motorcycle In-house Company directly supervised by the President since April 2019, and we were able to achieve certain results, such as stable profits by reducing fixed costs. As our next step, we will return that business to the motorcycle division and continue to restore business activity to normal.



### Main Products Motorcycles, ATV



**V-STROM 1050/XT**

Launched February 2020 in overseas, April 2020 in Japan

The all-new V-STROM 1050 and V-STROM 1050XT are models engineered as sport adventure tourers that offer comfort in the various riding situations expected from long-distance motorcycle touring, from downtown streets and highways all the way up to mountain roads. The new models feature a ride-by-wire electronic throttle control system and adjust intake and exhaust cam profile to realize the best mix for balancing both higher power and lower fuel consumption, and are further enhanced with electronic control systems and other advanced equipment.

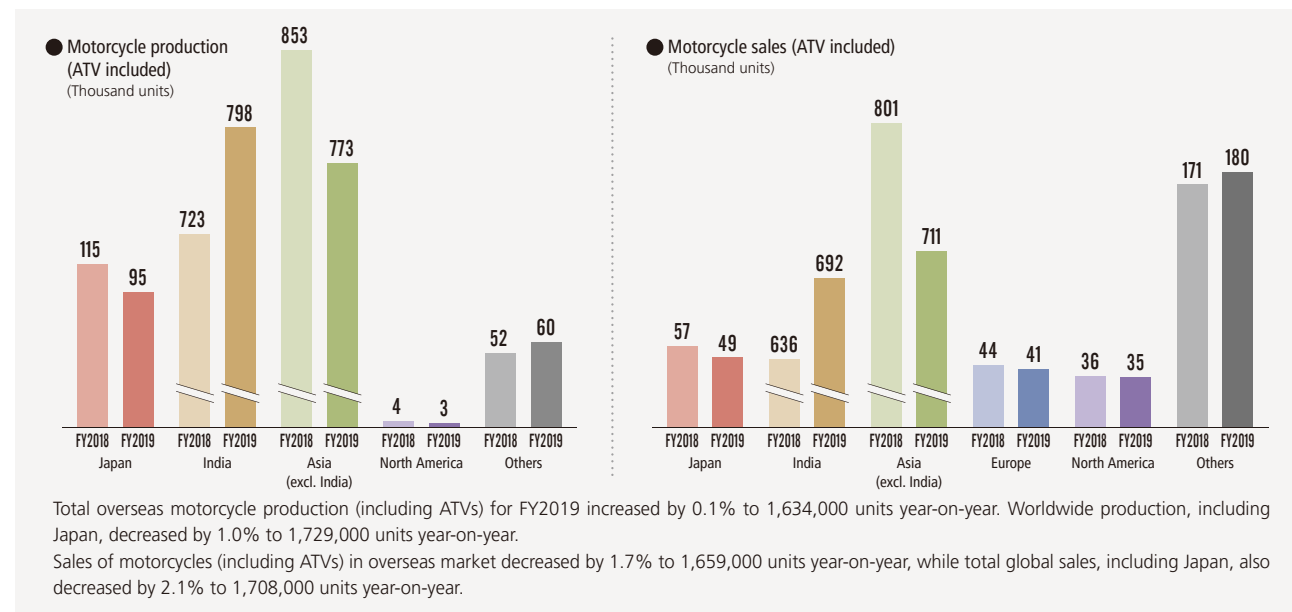


**GIXXER SF250/GIXXER 250**

Launched May/August 2019 in India, April/June 2020 in Japan

GIXXER SF250 and GIXXER 250 are on-road sportbikes equipped with Suzuki's unique oil-cooled engine which uses the engine oil as a cooling device. This new cooling system called the SOCS (Suzuki Oil Cooling System) cools the engine by letting the engine oil flow through the oil path surrounding the combustion chamber, resulting in enhanced combustion efficiency as well as reduced weight and friction to realize high-rpm, high-output, and excellent fuel efficiency.

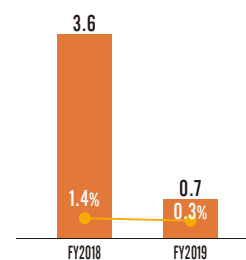
### Production Units/Sales Units \*Sales units are based on Suzuki research on outside data.



### Operating Results for FY2019

The net sales decreased by ¥12.5 billion (4.9%) to ¥242.6 billion year-on-year, despite the increase in sales in India, mainly owing to the decrease in sales in Europe, North America, and Indonesia and the appreciation of the yen. The operating income decreased by ¥2.9 billion (80.9%) to ¥0.7 billion year-on-year, mainly owing to the impact of COVID-19 in the end of the fiscal year.

● Operating results of motorcycle business (Billion yen)  
 ■ Operating income  
 ◆ Margin



## Market Overview by Region \*Sales units are based on Suzuki research on outside data.

### [Japan]

#### Overall Market

Sales of motorcycles in Japan in FY2019 decreased by 3% to 359,000 units year-on-year. Sales of models with engine displacements of 126cm<sup>3</sup> and higher\*<sup>1</sup> increased by 2% to 125,000 units year-on-year. Sales of models with engine displacements up to 125cm<sup>3</sup> \*<sup>2</sup> decreased by 6% to 234,000 units year-on-year. While sales of models with engine displacements up to 125cm<sup>3</sup> decreased owing to structural concerns of poor demand in the domestic market such as aging of users and decrease in younger population, it is assumed that sales of models with engine displacements of 126cm<sup>3</sup> and higher increased year-on-year owing to the introduction of various new models by each brand.

#### Suzuki Sales

Suzuki's sales decreased by 14% to 49,000 units year-on-year. Sales of models with engine displacements of 126cm<sup>3</sup> and higher\*<sup>1</sup> increased by 6% to 14,000 units year-on-year. Sales of models with engine displacements up to 125cm<sup>3</sup> \*<sup>3</sup> decreased by 20% to 35,000 units year-on-year.

\*1 Registered units including imported units  
 \*2 Factory shipments of the four Japanese manufacturers  
 \*3 Factory shipments

### [India]

#### Overall Market

Sales of motorcycles in India in FY2019 decreased by 18% to 17,418,000 units year-on-year. This is owing to increase in cost of products that started from the increase in insurance cost in September 2018 (by approx. 5% in retail price), subsequently followed by the introduction of advanced brake restriction and the new emission norm (BS6). In addition, the whole market was impacted by the lockdown which was conducted throughout India from March 2020 due to the spread of COVID-19.

#### Suzuki Sales

Suzuki's sales increased by 2% to 685,000 units year-on-year. Suzuki was the only brand to record year-on-year growth mainly owing to steady sales expansion of the key scooter Access 125, and partly owing to new introduction of the Burgman Street.

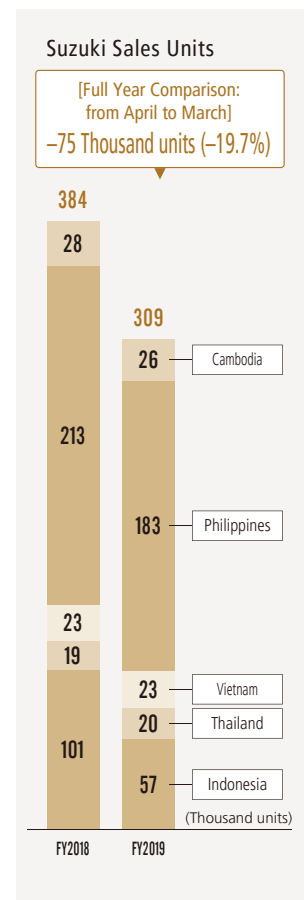
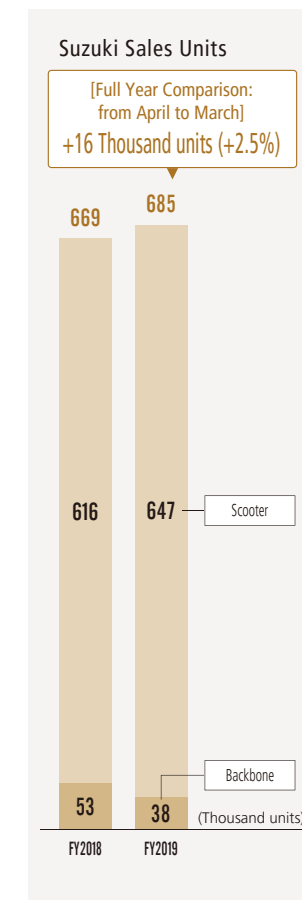
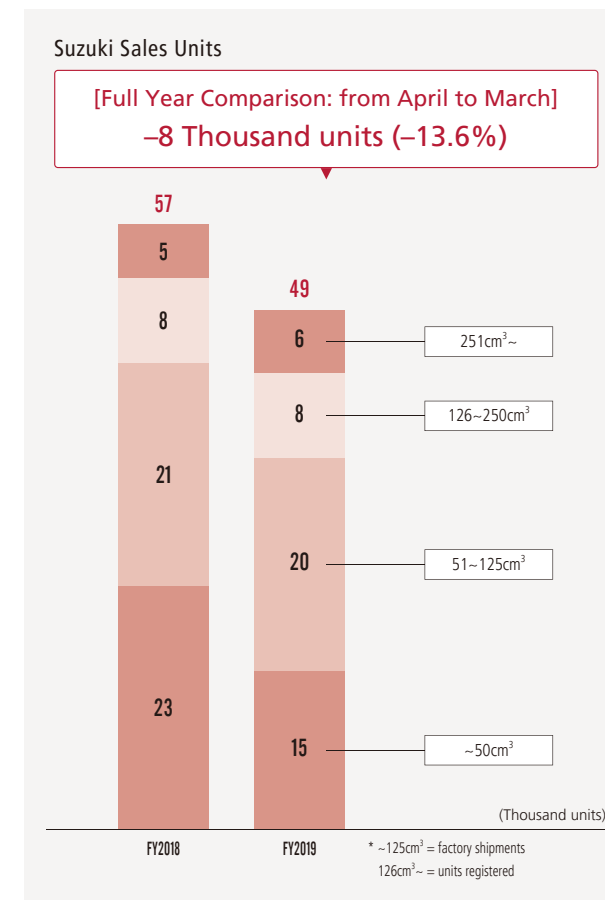
### [ASEAN]

#### Overall Market

Sales of motorcycles in the six key ASEAN countries (Indonesia, Thailand, Vietnam, the Philippines, Malaysia, and Cambodia) in FY2019 decreased by 4% to 13,630,000 units year-on-year. Sales decreased in all countries except Malaysia (Indonesia, Thailand, Vietnam, the Philippines, and Cambodia).

#### Suzuki Sales

Suzuki's sales decreased by 20% to 309,000 units year-on-year. While sales expanded in Thailand by 7%, sales decreased in the Philippines owing to the impact of the Taal volcano eruption in January, and COVID-19. Likewise, sales decreased in countries including Indonesia owing to the impact of COVID-19.



# Business Report (Motorcycle Business/Marine Business, etc.)

Automobile Business | Motorcycle Business | Marine Business, etc. | Special Topic

## Market Overview by Region \*Sales units are based on Suzuki research on outside data.

### [Europe/North America]

#### Overall Market

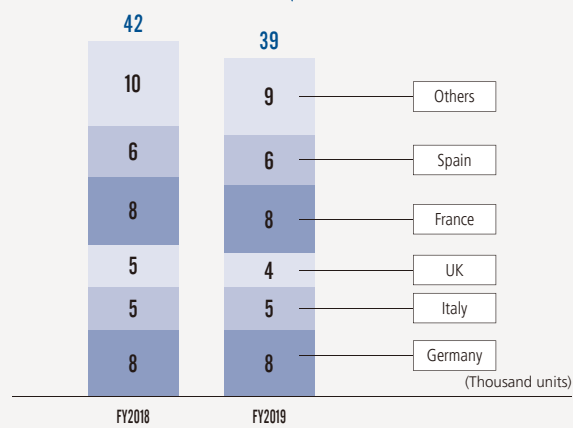
Sales of motorcycles in Europe in FY2019 decreased by 3% to 1,039,000 units year-on-year. Sales in North America (including ATVs) were flat on the year at 759,000 units.

#### Suzuki Sales

Suzuki's sales of motorcycles in Europe decreased by 7% to 39,000 units year-on-year with a market share of 3.8%. Suzuki's sales decreased in line with the overall market, but they were kept at this level by newly introducing the A2 (35kW) specification of the GSX-S750, which took in the needs for beginner riders. In North America, sales (including ATVs) decreased by 4% to 35,000 units with a market share of 4.6%, but the sales of off-road models and ATVs increased by 6% to 15,000 units year-on-year.

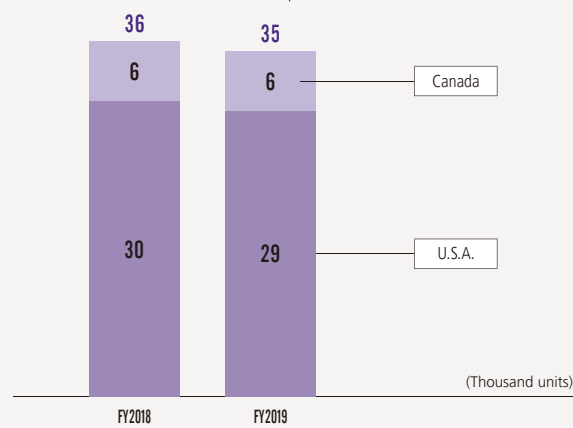
### [Europe] Suzuki Sales Units

[Full Year Comparison: from April to March]  
-3 Thousand units (-7.3%)



### [North America] Suzuki Sales Units

[Full Year Comparison: from April to March]  
-1 Thousand units (-4.0%)



## FY2019 Topics

### [Japan]

- Launched the all-new KATANA, a large displacement motorcycle equipped with contemporary technologies in May 2019. It derives from the original GSX1100S KATANA that won the hearts of riders around the world when it was showcased at the Cologne Motor Show in 1980. It has been making strong sales since its launch, and it won the Most Valuable Gold Prize in the 251cm<sup>3</sup> or above class at the 2nd Japan Bike of the Year 2019 held in December 2019.



### [India]

- Launched full-model change of the GIXXER series in May 2019. The series met the new emission norm (BS6) and was also joined with GIXXER 250 series equipped with Suzuki's unique oil-cooled engine.



GIXXER 250

### [ASEAN]

- Unveiled the Raider J Crossover, an underbone model designed for market in the Philippines in March 2020. It realizes high performance on both paved and unpaved roads.



Raider J Crossover

### [Europe/North America]

- Unveiled the all-new full-model change of the V-STROM 1050 and the V-STROM 1050XT at the EICMA 2019 (Milan Show) held in Milan, Italy in November 2019.

- At the MotoGP racing, Suzuki's rider Alex Rins won at the 3rd round Americas GP and the 12th round British GP. He ended 4th in rider's point ranking of the season.



V-STROM 1050XT

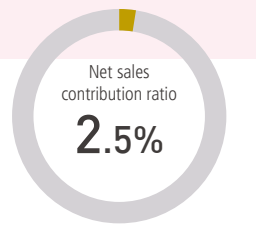


## Business Overview (Marine Business, etc.)

### Business Policy (Marine Business)

The Group will reinforce and expand its large four-stroke outboard lineup and cultivate the business and leisure markets to build the world's top outboard brand under the brand slogan "THE ULTIMATE OUTBOARD MOTOR".

Main Products **Outboard Motors, Motorized Wheelchairs, Houses, etc.**



### DF300B (Unveiled in August 2019)

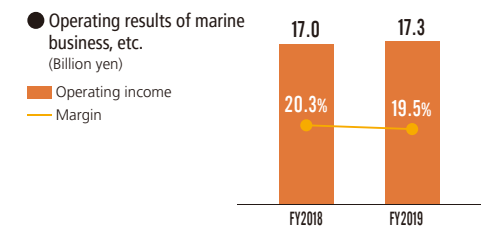
DF300B, which has a maximum output of 300PS, is installed with advanced technologies. By combining high-efficiency contra-rotating propellers called the Suzuki Dual Prop System and a compact 2-Stage Gear Reduction, it was able to realize high propulsion power which enabled it to be installed onto a heavy boat as a result of a large reduction gear ratio.



DF300B

## Operating Results for FY2019

The net sales increased by ¥4.5 billion (5.4%) to ¥88.4 billion year-on-year mainly owing to increase in sales of outboard motors in Europe and motorized wheelchairs in Japan. The operating income increased by ¥0.3 billion (1.6%) to ¥17.3 billion year-on-year. Although the marine business alone increased net sales by ¥1.5 billion (2.1%) to ¥74.5 billion year-on-year, operating income decreased by ¥0.4 billion (3.1%) to ¥14.1 billion year-on-year partly owing to slowdown in North America in the January-March period.



## FY2019 Topics

- DF300B, a large regular gasoline model which adopts state-of-the-art technologies including the contra-rotating propellers common to the DF350A flagship outboard motor, was launched worldwide from the end of 2019.



DF300B

- Suzuki announced to newly establish the Suzuki Marine Technical Center USA in Panama City, Florida. The center will conduct testing of marine products, which is a first-of-its-kind facility outside of Japan for Suzuki. Since the U.S. is the largest market for Suzuki's marine business, the Company decided to set up a new facility in the eastern region of the country. By conducting development in an environment much closer to the customers, the Company aims to make more attractive and reliable products.





## Special Topic: Start of the Suzuki Clean Ocean Project

- Developed the world's first Micro-Plastic Collecting Device for outboard motors

Automobile Business | Motorcycle Business | Marine Business, etc. | Special Topic

2020 is the 10th year of our continuous activities to clean the waterside. On this occasion, we have reviewed what we can do to newly determine our direction, and started the Suzuki Clean Ocean Project, a new initiative focused on marine plastic waste. The project includes the following commitments based on our previous efforts.



Symbol mark of the Suzuki Clean Ocean Project

### [Project 1.] Continue the waterside clean-up activities to collect marine plastic waste

The Suzuki Group always appreciates that both of our lives and our marine business are made up of water, and our employees and their families have been voluntarily cleaning rivers, sea, lakes, etc. where outboard motors are used. Such clean-up activities were first held in 2010 at Lake Sanaru in Hamamatsu, and since the 2nd time, we expanded the clean-up activities to the world as "CLEAN-UP THE WORLD CAMPAIGN" and called for our overseas dealers. The total number of participants have exceeded 8,000 people from 26 countries. 2020 is the 10th year of the campaign, and going forward, we will continue the clean-up activities throughout the world and further develop the campaign.



Clean-up activities conducted worldwide (photos taken in 2019)

The activity is in line with the concept of the "Plastics Smart Campaign - for sustainable ocean -" which is promoted by the Ministry of the Environment toward solution of global marine plastic issues, and was registered to the campaign since 2018. The activity is also introduced at the Ministry's website.



<http://plastics-smart.env.go.jp/en>

### [Project 2.] Reduce plastic packaging of outboard motors and marine genuine parts

To reduce plastic waste from our business activity, we have started taking action towards reducing the plastic packaging of Suzuki outboard motor products. We adopted alternative packaging materials to some of the products manufactured in June 2020. We are currently assessing their feedback from the market.

For part of the Suzuki marine genuine parts, we have started replacing packaging materials from plastic to paper beginning with October 2020 shipment. Approximately 2.3 tons of plastic will be reduced every year if all packaging of marine genuine parts are replaced to eco-friendly materials.

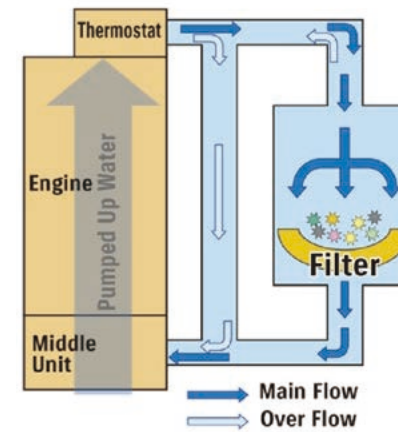


Conventional packaging material (left) and paper packaging (right) of Suzuki marine genuine parts

### [Project 3.] Develop the world's first\* Micro-Plastic Collecting Device for outboard motors



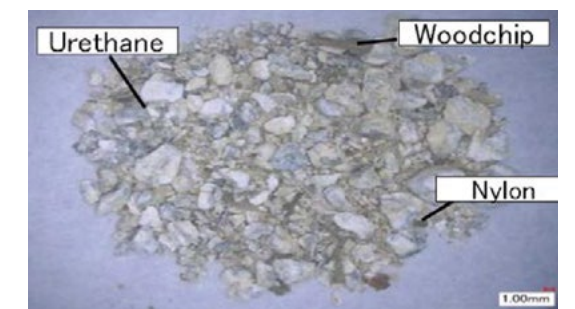
Outboard motor installed with Micro-Plastic Collecting Device



Marine plastic waste has become a significant environmental issue in the recent years and a huge amount of such wastes that has not been gathered correctly flow into the ocean. They are then broken down into micro-plastic under the natural environment and their impact on the ecological system is also becoming a concern. To tackle these issues, we focused on the structure of the outboard motor, which pumps up tons of seawater to cool the engine and then returned to the ocean. We developed a collecting device which collects micro-plastic waste utilizing the returning water. Through this device, micro-plastic waste around the water surfaces can be collected just by running the boat.

\*Suzuki research as of 1 October 2020.

The device can be installed to a return hose easily, and it does not affect the engine performance since it only utilizes the returning water that have already been used to cool the engine. According to the monitoring research conducted in Japan, microplastic waste was found within the substances collected through the filter. The research is also being conducted abroad and further improvements will be made. We plan to introduce the device as an optional part from 2021 and incorporate it into the standard feature in the future.



Actual micro-plastic waste collected during the monitoring research



Propelling the Suzuki Clean Ocean Project is one of our initiatives to solve social issues listed in the SDGs (Sustainable Development Goals). It also expresses Suzuki's commitment to pursue its brand slogan of "THE ULTIMATE OUTBOARD MOTOR" in the environmental aspect.

In order to clean the ocean, Suzuki will promote the Suzuki Clean Ocean Project together with partners and boat users all around the world under these three commitments.

# Directors, Auditors and Officers

Directors, Auditors, and Officers Corporate Governance Risks in Operations

(as of 1 December 2020)

## Representative Directors



Representative Director and Chairman  
(Chairman of the Board of Directors)

**Osamu Suzuki**



Representative Director and Vice Chairman  
Supporting Chairman

**Yasuhito Harayama**



Representative Director and President

**Toshihiro Suzuki**



Representative Director and Senior Technical Executive  
Chief Technology Officer, and Chief Officer, Inspection Reform Committee

**Osamu Honda**

## Directors



Director and Managing Officer  
Executive General Manager, Corporate Planning Office, and Committee, Inspection Reform Committee

**Masahiko Nagao**



Director and Managing Officer  
Executive General Manager, Domestic Marketing I, Domestic Marketing

**Toshiaki Suzuki**



Director (Outside Director)

**Osamu Kawamura**



Director (Outside Director)

**Hideaki Domichi**



Director (Outside Director)

**Yuriko Kato**

● Resume

- Jan. 1973 Representative Director and President of CHANSON COSMETICS HONPO CO., LTD.
- Representative Director and President of CHANSON SHOJI CO., LTD.  
(Both companies were merged in September 1997 into a company currently known as CHANSON COSMETICS INC.)
- Feb. 1973 Representative Director and Chairman of Shizuoka Information Processing Center (To the present)
- July 1975 Representative Director and Chairman of CHANSON YUSHI KOGYO CO., LTD.  
(currently known as CARING JAPAN INC.) (To the present)
- Feb. 1977 Representative Director and President of Takken Inc. (To the present)
- Nov. 2006 Representative Director and Chairman of CHANSON TEA WORLD CO., LTD. (To the present)
- Oct. 2017 Representative Director and Chairman of CHANSON COSMETICS INC. (To the present)

● Resume

- Apr. 1972 Joined Ministry of Foreign Affairs
- Aug. 2003 Director-General of Middle Eastern and African Affairs Bureau
- June 2004 Ambassador of Japan to Iran
- Sept. 2007 Ambassador of Japan to India and Kingdom of Bhutan
- Feb. 2011 Ambassador in Charge of Economic Diplomacy
- Apr. 2012 Executive Senior Vice President of Japan International Cooperation Agency
- Oct. 2016 Senior Managing Officer of Hotel Management International Co., Ltd.
- June 2017 External Audit & Supervisory Board Member of Konoike Transport Co., Ltd. (To the present)

● Resume

- Oct. 2009 Founder and President of M2Labo. Inc. (To the present)
- June 2015 Outside Director of Toclas Corporation
- Mar. 2017 Founder and Representative Director of VegiBus Inc. (To the present)
- Mar. 2018 Outside Director of SHIZUOKA GAS CO., LTD. (To the present)
- July 2018 Representative Director of Glocal Design School Inc.

## Audit & Supervisory Board Members



Audit & Supervisory Board Member

**Toyokazu Sugimoto**



Audit & Supervisory Board Member

**Masato Kasai**



Audit & Supervisory Board Member (Outside)

**Norio Tanaka**



Audit & Supervisory Board Member (Outside)

**Nobuyuki Araki**



Audit & Supervisory Board Member (Outside)

**Norihisa Nagano**

## Officers

(as of 1 December 2020)

Executive Vice President	<b>Kenichi Ayukawa</b>	Managing Director and CEO, Maruti Suzuki India Ltd.	Managing Officer	<b>Satoshi Uchida</b>	Chairman, S.M.A.I. (USA)
Senior Managing Officer	<b>Ichizo Aoyama</b>	President, TDS Lithium-ion Battery Gujarat Private Limited (India)	Managing Officer	<b>Shigetoshi Torii</b>	Managing Officer in charge of Production Engineering and Purchasing, and Deputy Chief Officer, Inspection Reform Committee
Managing Officer	<b>Taisuke Toyoda</b>	Executive General Manager, Audit	Managing Officer	<b>Masayuki Fujisaki</b>	Executive General Manager, Alliance
Managing Officer	<b>Keiichi Asai</b>	Executive General Manager, Inspection, and Deputy Chief Officer, Inspection Reform Committee	Managing Officer	<b>Shinichi Akama</b>	Branch Manager, Tokyo Branch
Managing Officer	<b>Kazuki Yamaguchi</b>	President, Suzuki Motor Sales Kinki Inc.	Managing Officer	<b>Yutaka Kikukawa</b>	Executive General Manager, Legal/IP
Managing Officer	<b>Kinji Saito</b>	Executive General Manager, Global Automobile Marketing	Managing Officer	<b>Masahiro Ikuma</b>	Executive General Manager, Automobile Vehicle Engineering
Managing Officer	<b>Keiji Miyamoto</b>	Executive General Manager, Domestic Marketing II, Domestic Marketing	Managing Officer	<b>Hisanori Takashiba</b>	Executive General Manager, Automobile Electrical/Electronic Engineering
Managing Officer	<b>Shinichi Imaizumi</b>	Executive General Manager, Domestic Marketing Administration & Promotion	Managing Officer	<b>Masamichi Suzuki</b>	Managing Officer in charge of Automobile Cost Reduction
Managing Officer	<b>Naoki Suzuki</b>	Executive General Manager, New Mobility Service	Managing Officer	<b>Hisashi Takeuchi</b>	Executive General Manager, Asia Automobile Marketing
Managing Officer	<b>Kazunobu Hori</b>	Executive General Manager, Human Resources & General Affairs, and Committee, Inspection Reform Committee	Managing Officer	<b>Yukihiro Yamashita</b>	Executive General Manager, Automobile Powertrain Engineering
Managing Officer	<b>Katsuhiro Kato</b>	Executive General Manager, Customer Quality Assurance and Service	Managing Officer	<b>Kenichiro Toyofuku</b>	Supporting CEO, Maruti Suzuki India Ltd.
Managing Officer	<b>Shigeo Yamagishi</b>	Executive General Manager, Vehicle Regulations and Engineering Administration, and Deputy Chief Officer, Inspection Reform Committee	Managing Officer	<b>Naomi Ishii</b>	Supporting President
Managing Officer	<b>Yasuharu Osawa</b>	Division General Manager, Marine Operations, and Managing Officer in charge of USA			



# Corporate Governance

Directors, Auditors, and Officers | **Corporate Governance** | Risks in Operations

## Basic Policy on Corporate Governance

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

continuing efforts to ensure the rights and equality of the shareholders and the effectiveness of the Board of Directors and the Audit & Supervisory Board as well as to upgrade the internal control system. Also, in order to be trusted further by society and stakeholders, we will disclose information quickly in a fair and accurate manner prescribed in laws and regulations and actively disclose information that we consider is beneficial to deepen their understanding of the Company. Thus we will further enhance the transparency of the Company.

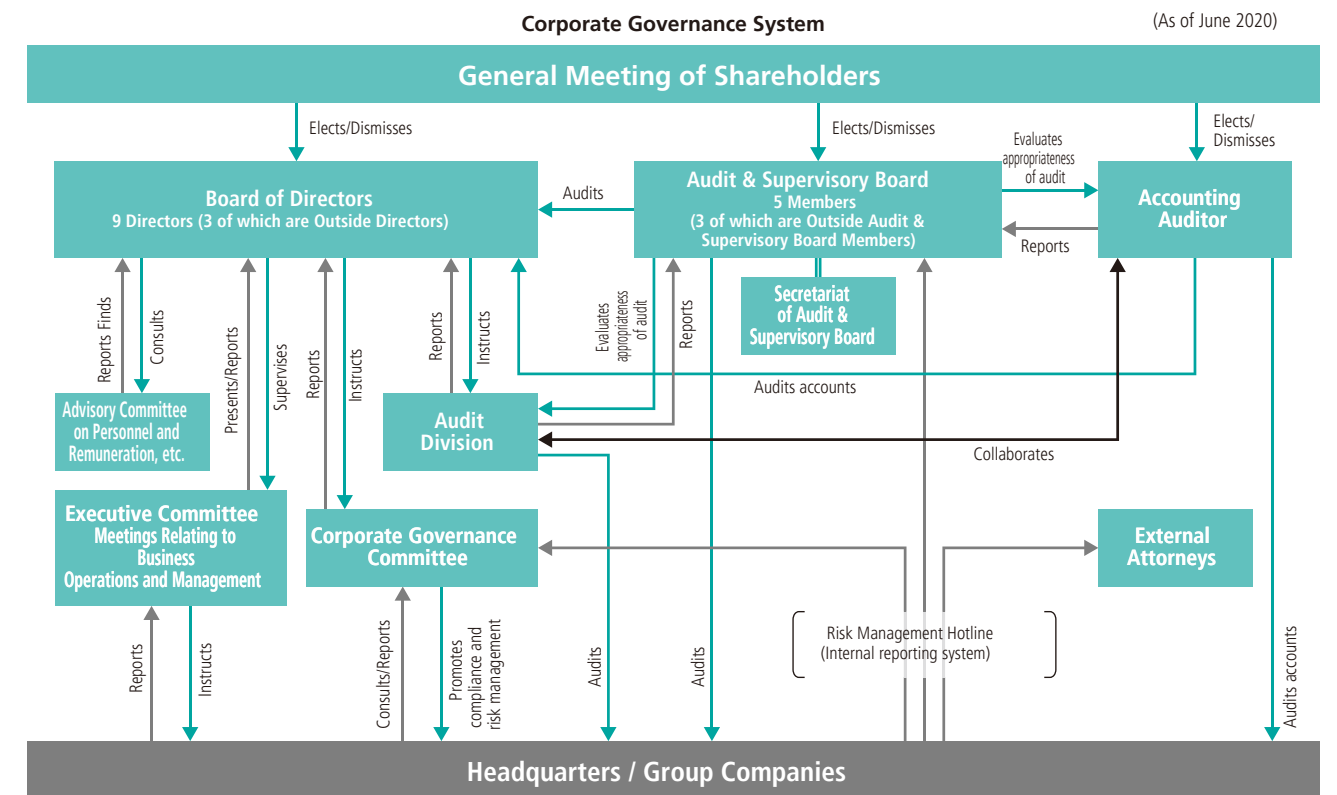
## Corporate Governance Enhancement

	~FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Mid-Term Management Target	Mid-Term Management Target (FY2010~FY2014)	New Mid-Term Management Plan SUZUKI NEXT100 (FY2015~FY2019)					
Chairman	Osamu Suzuki						
President	Chairman and President from 2008 to 2015	Toshihiro Suzuki					
Board of Directors	Term	Term of board members shortened to 1 year from 2002					
	Supervision Execution	Introduced executive officers system in 2006					
	Outside directors, total directors	Appointed outside directors from 2012, 2 outside directors among 9 total	2 outside directors among 8 total		2 outside directors among 7 total	3 outside directors among 9 total	
	Supporting div.	Corporate Governance Dept. Secretariat of Audit & Supervisory Board					
Seats	Not more than 30 from 1989		Reduced to 15				
Committees	Advisory Committee on Personnel and Remuneration, etc.						
	Corporate Governance Committee						
Vision	Corporate mission	Drafted "Mission Statement" in 1962					
	Code of conduct	Drafted Suzuki Activity Charter, Suzuki employees Activity Charter in 2003		Suzuki Group Code of Conduct			

## Corporate Governance System

The Company has adopted the current system with the thought of statutory company auditor system being the foundation and establishment of Advisory Committee on Personnel and

Remuneration, etc. and appointment of highly independent Outside Directors enables improvement of governance.



### [Board of Directors]

In June 2006, the Company reduced the number of directors from 29 to 14, following the introduction of a managing officer system to facilitate agile business execution and to clarify responsibility. The number of directors has since been reduced to speed up the decision-making process of the Board of Directors. Furthermore, in order to strengthen the management oversight function and to receive useful advice and guidance on the Company's management based on their extensive experience and expertise, two outside directors were appointed in June 2012, and the number of outside directors was increased by one in June 2020, bringing the current number of outside directors to three (two men and one woman), or one-third of the total

number of directors.

In principle, the Board of Directors meets once a month and also as needed to strengthen supervision by making decisions on basic management policies, important business execution matters, matters authorized by the General Meeting of Shareholders to the Board of Directors, and other matters prescribed by law and the Articles of Incorporation based on sufficient discussion, including from the perspective of legal compliance and corporate ethics, as well as receiving reports on the execution of important business operations as appropriate. In order to clarify managerial accountability for individual Directors and flexibly respond to the changing business environment, the term of each Director is set to one year.

### ■ Composition of the Board of Directors, and meeting attendance

Composition		Attendance to the Board of Directors meeting (in 2019)
Representative Director and Chairman (Chairman of the Board of Directors)	Osamu Suzuki	19 times/ 19 times
Representative Director and Vice Chairman	Yasuhiro Harayama	18 times/ 19 times
Representative Director and President	Toshihiro Suzuki	19 times/ 19 times
Representative Director and Senior Technical Executive	Osamu Honda	19 times/ 19 times
Director and Managing Officer	Masahiko Nagao	19 times/ 19 times
Director and Managing Officer	Toshiaki Suzuki	(Appointed in June 2020)
Outside Director	Osamu Kawamura	(Appointed in June 2020)
Outside Director	Hideaki Domichi	(Appointed in June 2020)
Outside Director	Yuriko Kato	(Appointed in June 2020)

# Corporate Governance

## [Audit & Supervisory Board]

As an independent organization which plays a part in corporate governance, the Company Auditors conduct audits conforming

with the auditing standards of the Audit & Supervisory Board for proper managerial executions, as well as expressing their opinions to the management members as appropriate.

**Composition of the Audit & Supervisory Board, and meeting attendance**

Composition		Attendance to the Audit & Supervisory Board meeting (in 2019)	Attendance to the Board of Directors meeting (in 2019)
Full-time Company Auditor	Toyokazu Sugimoto	13 times/ 13 times	15 times/ 15 times
Full-time Company Auditor	Masato Kasai	11 times/ 13 times	13 times/ 15 times
Outside Company Auditor	Norio Tanaka	16 times/ 16 times	19 times/ 19 times
Outside Company Auditor	Nobuyuki Araki	16 times/ 16 times	19 times/ 19 times
Outside Company Auditor	Norihisa Nagano	13 times/ 13 times	15 times/ 15 times

(\*Note: Attendance is those held after assumption of office as Company Auditor on 27 June 2019)

Full-time Company Auditors actively and proactively exercise their authority to express their opinions at meetings of the Board of Directors and other important meetings as appropriate.

Specifically, important meetings include full-time Directors' meetings, business reporting meetings, monthly reporting meetings, the ringi (request for approval) deliberation meetings, product planning meetings, and division meetings for the reform of motorcycle business. In addition, as an observer, Company Auditors participate in the Advisory Committee on Personnel and Remuneration, etc., the Inspection Reform Committee, the Corporate Governance Committee, the Quality Assurance Committee, and the Environment Committee, and express their opinions as necessary.

In addition, Company Auditors receive detailed audit reports from Audit HQ, which is an internal audit division, and confirm the content of each audit and provide their opinions. In addition, Company Auditors also audit the execution of business operations in light of the duty of care and loyalty of the management members. With respect to the major overseas subsidiaries, in addition to holding hearings and exchanging

opinions with the directors and other members of the subsidiaries, Company Auditors visited them directly to investigate their operations and financial conditions, etc. as necessary.

Outside Company Auditors attend meetings of the Board of Directors and the Audit & Supervisory Board, as well as various meetings on management and execution of operation, and express their opinions as necessary, and all of them are members of the Advisory Committee on Personnel and Remuneration, etc. In addition, opinions are exchanged with the Representative Director and Outside Directors.

Based on the above, the Audit & Supervisory Board received reports from each Company Auditor on the status and results of their audits, and made efforts to discuss and share information. Furthermore, the Audit & Supervisory Board regularly receives reports from the accounting auditors on the audit plan, the results of quarterly reviews, and the status of annual audits, witnesses accounting audit to know the status of the audit conducted, and strives to strengthen collaboration by exchanging opinions and sharing information as appropriate.

## [Executive Committee and other various meetings on management and execution of operation]

In order to promptly deliberate and decide on important management issues and measures, the Executive Committee, which is attended by Executive Officers and General Managers, etc. as well as the Company Auditors (Specified Company Auditors) as an observer, and other various meetings attended by Directors, Company Auditors and divisional responsible persons (Managing Officers and divisional general managers, etc.) are held regularly and as needed to report and share information on management and business execution.

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

In such way, the Company is enhancing efficiency of decision making at the meetings of Board of Directors and supervision on execution of operation.

## [Corporate Governance Committee]

Corporate Governance Committee has been established to examine matters to ensure compliance and risk management, as

well as to promote the implementation of measures and policies for Suzuki Group's sustainable growth and the medium- to long-term enhancement of corporate value.

## [Internal Auditing]

As an organization under the direct control of the President, staff members with expertise in various areas of the Company's operations regularly audit the Company's divisions and domestic and overseas affiliates in accordance with the audit plan.

Operational audits include on-site and paper audits to confirm the appropriateness and efficiency of overall operations, compliance with law and internal rules, and the development and operation of internal controls, such as the management and maintenance of assets. The operational audit results are reported to the President, the heads of related divisions, and full-time Company Auditor, as well as to the Board of Directors once every six months, at each audit along with suggestions for improvement on findings. Advice and guidance are provided until improvements are completed to solve issues at an early

timing.

In addition, the effectiveness evaluation of internal controls over financial reporting in accordance with Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act is conducted by the Corporate Governance Committee, and the results are reported by the Corporate Governance Committee to the Board of Directors and the Board of Company Auditors. For subsidiaries with an internal audit division, Internal Audit checks their activities, receives reports on their audit plans and results, and provides advice and guidance as necessary.

Furthermore, Audit results are shared with the accounting auditor as needed, and regular meetings are held to share information, enhance communication, and maintain close cooperation.

## Personnel, remuneration, etc. of Officers

### [Advisory Committee on Personnel and Remuneration, etc.]

Aimed to enhance clarity and objectivity upon electing candidates for Directors and Auditors, as well as deciding remuneration of Directors, as an advisory committee for the Board of Directors, the Company establishes the "Advisory Committee on Personnel and Remuneration, etc."

The Committee discusses issues such as election standards and adequacy of candidates for Directors and Auditors, as well as

adequacy of system and level of Director's remuneration. The Board of Directors decides based on their results.

Decision for election and remuneration of Managing Officers are also based on results of the Committee's discussion.

Committee meetings are held as needed, and since its establishment on April 2015, all committee members and observers have attended the meetings held so far, while the frequency of meetings varies from year to year.

**Composition of the Advisory Committee on Personnel and Remuneration, etc.**

Committee	Representative Director and Chairman (Chairman of the Committee)	Osamu Suzuki
	Representative Director and President	Toshihiro Suzuki
	Outside Director	Osamu Kawamura
	Outside Director	Hideaki Domichi
	Outside Director	Yuriko Kato
	Outside Company Auditor	Norio Tanaka
	Outside Company Auditor	Nobuyuki Araki
	Outside Company Auditor	Norihisa Nagano
Observer	Full-time Company Auditor	Toyokazu Sugimoto

### [Policy on Directors' remuneration]

Directors' remuneration (excluding outside directors) shall consist of fixed basic remuneration by position (Basic Remuneration), remuneration linked to the performance of each fiscal year (Bonuses), and restricted stock remuneration linked to the medium- to long-term stock price, in order for the remuneration to function as an incentive for the Company's sustainable growth. The ratios are generally estimated to be 40% fixed remuneration, 30% performance-linked bonus and 30%

restricted stock remuneration.

The restricted stock remuneration is calculated based on the criteria for each position, and in order to provide incentive remuneration for the sustainable improvement of corporate value during the director's term of office, the restricted stock transfer period is set from the date of allotment of restricted stocks to the date of retirement from the position of director.

Outside directors' remuneration shall be fixed remuneration only.



# Corporate Governance

Directors, Auditors, and Officers | **Corporate Governance** | Risks in Operations

## Amount of remuneration, etc. for Directors and Audit & Supervisory Board Members for the fiscal year

Classification of Directors/ Audit & Supervisory Board Members	Total amount of remuneration, etc.	Amount of each type of remuneration, etc.			Number of Payees (Directors/Audit & Supervisory Board Members)
		Basic remuneration	Bonus	Remuneration as the form of share acquisition	
Directors (excluding Outside Directors)	¥359 million	¥138 million	¥188 million	¥102 million	7 people
Outside Directors	¥28 million	¥28 million	-	-	2 people
Total	¥387 million	¥166 million	¥188 million	¥102 million	9 people
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	¥38 million	¥38 million	-	-	4 people
Outside Audit & Supervisory Board Members	¥26 million	¥26 million	-	-	4 people
Total	¥65 million	¥65 million	-	-	8 people

Notes: 1. The amount of remuneration for Directors (basic remuneration and bonus) has been resolved to be 750 million yen or less per year (of which 36 million yen or less per year is for Outside Directors). In addition to this, the amount of remuneration for Directors not including Outside Directors for granting restricted stock has been resolved to be 300 million yen or less per year. (Both: the 151st Ordinary General Meeting of Shareholders held on 29 June 2017)

2. The amount of remuneration for Audit & Supervisory Board Members has been resolved to be less than 120 million yen or less per year. (the 151st Ordinary General Meeting of Shareholders held on 29 June 2017)

3. As described in "Policy on determining the amount of remuneration, etc. for Directors/Audit & Supervisory Board Members," based on a calculation method linked to the Company's business performance for the fiscal year, ¥189.9 million had been recorded as "bonuses" for the above Directors (excluding outside Directors). However, since the improper conducts regarding the final vehicle inspection operation was revealed, the Company decided not to pay Directors' bonuses for the 153rd term.

4. The above-mentioned "bonus" and "remuneration as restricted stock" are amounts reported as expenses for the fiscal year.

### [Independence of Outside Directors and Outside Company Auditors]

As to independence from the Company with regard to the election of Outside Director/Company Auditor, the Company judges their independence under the below "Standard for Independence of Outside Directors and Outside Company

#### <The Standard for Independence of Outside Directors and Outside Company Auditors>

The Company will not elect any person who falls under any of the followings as a candidate Outside Director or Outside Company Auditor in order to ensure the independence:

- Persons concerned with the Company and its subsidiaries ("the Group")
  - With regard to Outside Directors, any person who is or was a person executing business (Note 1) of the Group at present or in the past,
  - With regard to Outside Company Auditors, any person who is or was a Director, Managing Officer or employee of the Group at present or in the past, or
  - A spouse or a relative within the second degree of kinship of the present Director or Managing Officer of the Group.
- Persons concerned such as business partners or major shareholders, etc. (Note 1)
  - Any person who is a person executing business of any of the followings:
    - A company of which major business partner is the Group (Note 2)
    - A major business partner of the Group (Note 3)
    - A major shareholder having 10% or more of total voting rights of the Company
    - A company for which the Group has 10% or more of total voting rights
  - A person who is or was a representative partner or a partner of the Group's Accounting Auditor at present or in the past five years

Auditors of the Company" based on "independence criteria" set by Tokyo Stock Exchange, Inc. Suzuki reports all the elected Outside Directors and Outside Auditors to the Tokyo Stock Exchange as independent officers.

- A person who receives a large amount of remuneration from the Group other than remuneration for Director/Company Auditor (Note 4)
- A person who receives a large amount of donation from the Group (Note 5)
- A spouse or a relative within the second degree of kinship of the person who falls under category from (1) through (4) above

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

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

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

(Note 4) A person who receives a large amount of remuneration : A consultant or legal or accounting expert who receives annual compensation 10 million yen or more (for the organization, 2% or more of its annual total revenues) in any of the business year in past three years

(Note 5) A person who receives a large amount of donation : A person who receives annual donation 10 million yen or more (for the organization, a person directly involved in activities which is the purpose of the donation) in any of the business year in past three years

## Training of Officers

The Company implements trainings that allow Directors and Company Auditors to deepen their understanding of their respective roles, responsibilities, etc. We intend to make the training an opportunity in which Directors and Company Auditors take part together in principle, so that they can share the information on their respective roles, responsibilities, etc.

When a new Outside Director or a new Outside Company Auditor

assumes post in the Company, the Company will explain to the person the Company objectives, lines of business, finances, organizations, etc. In addition, the Company will prepare opportunities, such as interaction with Directors, Managing Officers and employees in the Company, attending various meetings related to corporate management and business execution, and joining factory inspections, to ensure that the person can deepen understanding of the Company.

## Policies regarding cross-shareholdings, reductions, etc.

The Company will hold shares of business partners and others for realizing sustainable growth and enhancing our mid- and long-term corporate value when we determine that such shareholdings will contribute to creation of business opportunities, business alliances as well as establishment, retention, reinforcement, etc. of stable transactions and cooperative relations. Appropriateness of individual cross-shareholdings is examined by the Board of Directors every year. The Company makes a

comprehensive judgment on the accompanying benefits, risks, etc. of holdings taking into consideration nature, scale, etc. of transactions and setting qualitative criterion including aspect of enhancement of corporate value and quantitative criterion including comparison with capital costs for judgment, and once a stock is decided to be sold, then the Company shall advance reduction. In FY2019, the Company sold 6 listed company stock brands, as a result of examination by the Board of Directors.

## Number of Brands held and Amount Recorded in the Balance Sheet

Number of Brands	End of March 2018	End of March 2019	End of March 2020
Unlisted Company stocks	41	41	42
Stocks other than Unlisted Company stocks	94	88	80

Amount recorded in the balance sheet (in million yen)	End of March 2018	End of March 2019	End of March 2020
Unlisted Company stocks	17,173	17,126	16,907
Stocks other than Unlisted Company stocks	121,014	104,109	123,422

The Company will exercise the voting rights under cross-shareholdings examining for each agenda from the viewpoint of conditions of their operation, contribution to raising our medium- and long-term corporate value and whether subject agenda does not spoil stakeholders' value while respecting the management

policy of the companies in which we hold shares. As specially focused agendas, the Company assumes introduction of anti-takeover measure, business reorganization, agendas relating to appointment of directors in the cases of continuously deteriorating business performance, etc.

## Compliance System and Risk Management System

The following is the basic policies regarding the systems to ensure the appropriateness of execution of duties (internal control systems), which were resolved at the Board of Directors Meeting of the Company.

### Basic Policy

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

- The Board of Directors shall formulate the "Suzuki Group Code of Conduct" to ensure Directors and Managing Officers and employees in the Company and its Consolidated Subsidiaries (Suzuki Group) execute their duties in a healthy manner, as well as oversee the state in which the Code is fully known to the Group.
- A corporate governance committee, chaired by the Director or Managing Officer in charge of corporate planning, shall be established under the Board of Directors. The Corporate Governance Committee shall deploy measures for advancing in thorough compliance and promote efforts to address cross-sectional challenges in coordination with the relevant sections.
- Executive General Managers shall clearly define the division of work among their responsible sections and establish work regulations and manuals that include compliance with laws and regulations related to their responsible duties, approval and decision procedures, and rules for the confirmation process

by other sections. Executive General Managers shall ensure that the people concerned are fully aware of said regulations, manuals, rules, etc.

- The Human Resources Department shall hold seminars about compliance and individual laws/regulations for executives and employees in a continuous manner in cooperation with the Corporate Planning Office, Legal Department, Engineering Department and other related departments.
- To prevent violations of laws and regulation and take corrective measures at an early stage, a whistleblowing system (Suzuki Group Risk Management Hotline) that has both internal and external contact points, shall be established to allow executives and employees of the Suzuki Group to report on breach of laws and regulations or their possibility without any disadvantageous treatment to the whistleblower. The Corporate Planning Office shall strive to make the whistleblowing system fully known and to promote its use.

## Corporate Governance

Directors, Auditors, and Officers | **Corporate Governance** | Risks in Operations

### 2. Systems relating to the storage and administration of information related to Directors' execution of their duties

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

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

- (1) Important matters regarding corporate management shall be decided after meetings of the Board of Directors, the Executive Committee, circular resolutions and other systems deliberate and evaluate their risks in accordance with the standard for deliberation.
- (2) Executive General Managers shall establish work regulations and manuals that include preventive measures against risks that can be presumed in their responsible duties, and countermeasures in case of their occurrence. Executive General Managers shall ensure that the people concerned are fully aware of said regulations, manuals, measures, etc.
- (3) To prepare for a large-scale disaster, action manuals and business continuity plans shall be formulated, and drills shall be carried out.

### 4. Systems to ensure efficient execution of duties by Directors

- (1) Important matters regarding corporate management shall be deliberated at the Executive Committee and other meetings prior to decision-making.
- (2) The Board of Directors shall clarify responsibilities regarding the execution of Managing Officers' and Executive General Manager's duties, and shall supervise their execution.
- (3) The Board of Directors shall receive reporting from the person responsible for the execution of the duties, as necessary, on how the matters, which were decided at meetings of the Board of Directors, the Executive Committee and other meetings, are executed. In response to reports, the Board of Directors shall give necessary instructions.
- (4) The Board of Directors shall formulate mid-term management plans that include consolidated subsidiaries and regularly verify the progress of business plans for fiscal years as made by Executive General Managers in order to achieve the mid-term plan.
- (5) The Audit Department, which directly reports to the President, shall audit the state of establishment and operation of internal controls, which are based on the basic policies, on a regular basis and shall report on the outcome to the Board of Directors.

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

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

- (1) The Board of Directors shall formulate mid-term management plans that include consolidated subsidiaries, and the presidents of the subsidiaries shall make business plans in the fiscal years in order to achieve the mid-term plans.
- (2) The Company shall set forth regulations for managing subsidiaries, which clarify the departments that are responsible for administering the subsidiaries, and receive reporting from subsidiaries on the situation of their business on a regular basis and on matters set forth in the regulations. Important matters related to the corporate management of subsidiaries shall be subject to prior approval from the Company.
- (3) The Corporate Governance Committee shall deploy thorough compliance and measures for risk management, which include consolidated subsidiaries, to the presidents of subsidiaries as well as give them necessary assistance in coordination with the relevant departments.

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

well as report the results to the Board of Directors.

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

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

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

- (1) The Company shall establish the Secretariat of Audit & Supervisory Board in which staff is dedicated to executing their duties under the direction of Audit & Supervisory Board Members.
- (2) Audit & Supervisory Board Members whom the Audit & Supervisory Board appoints can ask a change of their staff anytime, and Directors shall not refuse the requests without proper reason.
- (3) Transfers, treatments, disciplinary punishments, etc. of the staff in the Secretariat of Audit & Supervisory Board shall be subject to approval from Audit & Supervisory Board Members whom the Audit & Supervisory Board appoints. Evaluation of personnel shall be conducted by Audit & Supervisory Board Members as appointed by the Audit & Supervisory Board.

### 7. Systems for reporting to the Audit & Supervisory Board Members

- (1) Audit & Supervisory Board Members may attend the Executive Committee, other important meetings and various committees in addition to meetings of the Board of Directors to ask questions and express their opinions.
- (2) In additions to delivering circular resolutions and other important documents to Audit & Supervisory Board Members, the Board of Directors, departments and the presidents of subsidiaries shall submit necessary information and report on the state of business and duties at the request of Audit & Supervisory Board Members.
- (3) Upon finding a fact that can cause serious damage to the Suzuki Group, the Board of Directors shall report on the fact to the Audit & Supervisory Board immediately.
- (4) The Audit Department, directly reporting to the President, shall report on the results of internal audits to the Audit & Supervisory Board.
- (5) One of the contacts of the "Suzuki Group Risk Management Hotline" shall be Audit & Supervisory Board Members. In addition, the state of whistleblowing activities outside that of Audit & Supervisory Board Members shall be reported to Audit & Supervisory Board Members on a regular basis.
- (6) The Company shall not engage in disadvantageous treatment against those who reported to Audit & Supervisory Board Members, and shall ask the subsidiaries to treat them in the same way.

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

The Company shall budget a certain amount of funds each year to pay expenses, etc. caused by the execution of Audit & Supervisory Board Members' duties. When Audit & Supervisory Board Members claim an advance payment of expenses and others related to the execution of their duties, the Company shall process the claim without delay.

### 9. Other System to ensure effecting auditing by the Audit & Supervisory Board Members

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

The following is an overview of operation of the basic policies related to the systems for ensuring appropriate execution of duties in FY2019:

#### [Measures relating to compliance]

- As a part of efforts to firmly establish compliance awareness throughout the Company based on improper conducts regarding final vehicle inspection in 2018 following the improper sampling inspection of fuel consumption and exhaust gas in 2016, the Company has distributed a Compliance Handbook that shows the standards of behavior related to compliance to all Directors, officers and employees as a supplementary to the Suzuki Group Code of Conduct. Furthermore, regarding education and training, in addition to the previous lessons on compliance through e-learning and for respective levels and positions, we are enhancing our training for employees to sufficiently understand laws and regulations related to automobile manufacturing, sales and service, such as the Road Transport Vehicle Act, and conducting this training for a broader scope of staff including Directors, officers and employees.
- From 18 May 2017, one year after the incident regarding the improper sampling inspection of fuel consumption and exhaust gas was disclosed, we set the day as "Remember 5.18", an effort to be conducted every May with the aim of retaining a sense of awareness against improper conducts, on which we perform a comprehensive inspection by stopping all operations for one day, to ensure that we are not violating regulatory compliance in any way. From this year, we have expanded the scope of participation from the staff of the engineering, manufacturing, and purchase departments to all departments of the Company.
- Education, training, and urging posters at all worksites are some methods being used to ensure awareness of the "Suzuki Group Risk Management Hotline" in an effort to discover compliance issues early and to respond appropriately. In the current fiscal year, the Company established new rules that clarified procedures for whistleblowing including a specific outline for whistleblower protections and the investigation process.
- The Corporate Governance Committee engages in enhancement of compliance awareness by employees and urges caution for individual legal compliance throughout the Company. Furthermore, if compliance issues arise, the Committee conducts deliberation for each issue, formulates required measures, and reports the details to the Directors and the Audit & Supervisory Board Member as appropriate.



Distribution of the Compliance Handbook

#### [Measures relating to risk management]

- The Company has constructed a system in which issues occurring or recognized in any department are deliberated on promptly by the Corporate Governance Committee or the Executive Committee, depending on their urgency and severity.
- Since smooth communication of information within the Group is effective for early discovery of problems, the top level of management is supervising the thorough application of these basic rules of information communication by all Directors, officers, and employees by incorporating them into lectures at various corporate events: "Immediately give reports to your manager. Immediately contact your manager. Think for yourself, then consult;" and "Observe the actual site or object to plan measures and take action."
- The Company conducts risk management training for Directors, officers and Executive General Managers, by inviting outside experts. In addition to compliance risk, cyber risk was also taken up as a main theme for the current fiscal year.
- Internal rules are constantly being developed in each department. The Company is working to strengthen systems for efficient and appropriate operations in compliance with laws, regulations, etc. Also, every year, we provide opportunities to check each work procedure and make necessary improvements regularly.
- In accordance with the Company's "CSR Guidelines for Suppliers" to comply with laws and regulations, we are working with suppliers to fulfill our corporate responsibilities together, including those relating to human rights, labor and the environment, with the principle of safety and quality first in our mind.
- As part of measures to prepare for natural disasters, the Company held two trainings for tsunami evacuation assuming the occurrence of the Nankai Trough Megaquake. The Company also reviewed issue in our Business Continuity Plan (BCP) and made necessary revisions.
- Furthermore, in March 2020, the Company organized the "COVID-19 Response Headquarters" headed by the Executive General Manager of Corporate Planning Office in order to implement measures to prevent the spread of COVID-19 and develop our BCP in the event of an infection outbreak. The Company will thoroughly implement health maintenance programs for employees, make working arrangements (including the introduction of telecommuting), and encourage hygiene management, disinfection, and ventilation as measures to prevent the spread of COVID-19 at all domestic and overseas bases, and will take timely and appropriate measures to enable business continuity while paying constant attention to the status



# Corporate Governance

Directors, Auditors, and Officers | **Corporate Governance** | Risks in Operations

## [Measures relating to efficiency improvements in Directors' execution of their duties]

- To allow the Board of Directors to make decisions on vital management issues efficiently and quickly, such issues are deliberated at the Executive Committee attended by the Representative Directors and other concerned Directors, Managing Officers and others before being put to the Board of Directors. Also, in order to allow sufficient time for the Board of Directors to deliberate important issues related to management, meetings of the Board of Directors are operated to secure ample time in schedule and materials for the meetings are distributed in advance.
- The Company tries to clearly assign an executor to new management issues as they arise.
- The Company is aiming to improve efficiency and speed in decision-making by the Board of Directors through certain measures such as by delegating decisions on individual matters to Directors or Managing Officers through the approval system, by receiving monthly reports on the state of operations of each department, the state of progress of each department's plans. etc., and by holding meetings of the Executive Committee attended by the Representative Directors and other concerned Directors, Managing Officers and others periodically and as the need arises to deliberate and make decisions on vital management issues and measures quickly.
- The internal audit department audits the state of establishment and operation of internal controls, which are based on these basic policies, on a regular basis and reports the results of audits to the Board of Directors.

## [Measures for ensuring appropriate execution of duties at the Group]

- The Company has defined the Rules of Business Control Supervision for Affiliated Companies and established departments responsible for the management of each of its subsidiaries. Subsidiaries are managed and supervised to ensure regular provision of status reports and reports on other matters as defined by these Rules, and to ensure the receipt of approval from the Company ahead of any significant matters.
- Through the Suzuki Group Risk Management Hotline, the Company strives to identify compliance issues at subsidiaries.
- In accordance with the audit plan, through on-site auditing and investigation of written documentation, etc., the Company's internal audit department with personnel thoroughly familiar with the various fields of the Company's operation periodically audits the state of establishment and operation of internal controls, including the

appropriateness and efficiency of business at departments of the Company and at domestic/overseas subsidiaries, the state of compliance with laws/regulations and internal rules, and the state of management/maintenance for assets. Based on audit results, the audit department provides advice and guidance for making reforms until they are complete. In addition, for subsidiaries that have an internal audit department, the Company's audit department checks the activities of those internal audit departments, receives reports on audit plans and results, and provides advice and guidance as needed.

## [Measures related to audits by Audit & Supervisory Board Members]

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

## Topic

### Implementation status of preventive measures related to improper conducts in final vehicle inspections

#### 1. Determination and actions of the management team

The President made an announcement to all of the employees of Suzuki reflecting on his lack of insight to identify and improve the actual situations occurring at worksites and the actual issues the employees might be facing, and being unable to personally stay in close contact with the worksites, and expressing his determination to create an environment in which employees can feel reassured and devote themselves to their work while complying with the relevant laws, regulations, and rules. As one specific action of that sentiment, the President and the management team visit each plant, listening to the actual voices of employees on the worksite and promoting the necessary improvements. In addition, at various internal events, the top management takes advantage of the opportunity to reiterate messages to our employees on preventing the recurrence of compliance issues.

From an organizational standpoint, we have engaged in activities to clarify the ideal format for final vehicle inspections and promote the reform of final inspection operations by establishing both the inspection department as an independent division separate from the production department and introducing the Inspection Reform Committee. At the same time, we are strengthening the audit system that provides a three-tier process for audits of final inspection operations.

#### 2. Raise companywide awareness and improve organizational culture

In our efforts to develop initiatives to serve as lessons on compliance awareness learned from the improper sampling inspection of fuel consumption and exhaust gas in 2016 and the latest improper conducts regarding final vehicle inspection, we have established a permanent exhibit area within the head office, and we focus on activities such as providing thorough education on these incidents to all employees, from new employees to those in managerial positions, without exception, and distributing a Compliance Handbook to all Directors, officers and employees to be used for daily guidance and operational confirmation.

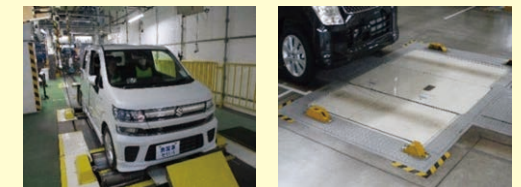
In addition, as part of our initiative to revitalize communication within the

Company, we have newly introduced training aimed at raising awareness for employees who are in the position to receive reports, contact and consultations, and have established a system in which the President works to ensure awareness of "Attitude to Perform Work" throughout the Company, while managers take responsibility for understanding operations and giving instructions, guidance, and confirmation to subordinates, ensuring that subordinates disclose relevant facts and report, contact and consult appropriately.

#### 3. For more reliably correct inspections

Through efforts such as arranging counselors, collecting notes on employee concerns, gathering opinions of leaders and supervisors, and holding individual interviews and group meetings, we identify tasks that are considered difficult and problems in the workplace, and use this information to make improvements in the worksite.

In addition, we have increased the number of inspectors to reduce the burden of inspections, and established dedicated inspection lines (photo left) for the education of assistant inspectors undergoing training in order to smoothly increase the number of inspectors. We have also improved inspection facilities, focusing on processes that are particularly prone to mistakes. For example, we have installed equipment to automatically record inspection data that had been hand-written by the inspector. In sideslip inspections (wheel alignment inspections: photo right), vehicle transit speed is measured with a sensor and the inspection is automatically invalidated if the speed exceeds the prescribed speed. In this way, we are increasing the reliability of inspections while reducing the burden on the inspectors.



## Protecting Personal Information

We fully recognize that personal information (information regarding our customers, business partners, shareholders, investors, employees, etc.) is a valued asset that we receive from individuals, and it is our obligation under the law and our accountability to society, to handle this information properly and with care. In response to this, we establish the "Basic policy on protection of personal information" and work hard for protection of personal information. Details on the handling of personal information are released on our public website: <https://www.globalsuzuki.com/cookies/index.html>

We establish the in-house rules and revise them as required

according to revision of related laws etc. in order to handle personal information appropriately. To familiarize our employees with these rules, Suzuki provides education through employee seminars or enlightenment from the internal homepage so that all employees thoroughly become aware of protection and appropriate handling of personal information. In addition, the "Basic policy on protection of personal information" is followed also at member companies of the Suzuki Group to thoroughly ensure protection of personal information. We will continuously review and improve the personal information protection system.

# Corporate Governance

Directors, Auditors, and Officers | **Corporate Governance** | Risks in Operations

## Activities on Information Security

As described in the section “Protecting Personal Information”, Suzuki prepares codes related to protection of personal information and those related to information control in order to manage information useful for the Company including those provided by other companies. In addition, we thoroughly ensure appropriate handling of confidential information by prescribing proper handling and leakage prevention of confidential information in the Suzuki Group Code of Conduct for employees. As for information security, we promote improvement in work by introducing the information system and network, and determine the

concept and rules to build, manage and operate such information system and network in order to prevent information leakage and unauthorized access, while improving availability of information. Servers which may cause severe influence if it stops and those that save data important for security such as personal information are installed in a lockable server room with seismic countermeasure taken by seismic isolators etc. Suzuki organizes the confidential information control promotion meeting and reinforces the information control system of the entire Suzuki Group.

### Topic

#### Suzuki obtains ISO27001 certification, the international standard for information security

In August 2020, Suzuki obtained the “ISO27001” certification, the international standard for information security management systems. The Company will continue to promote activities regarding information security management.

[Range of certification] Suzuki Motor Corporation  
Head office, Kosai Plant, Iwata Plant, Sagara Plant, Yokohama Lab., Shimokawa Proving Grounds, and Sagara Proving Grounds

## Disaster measures by Suzuki

Suzuki takes various measures for natural disasters including Great Earthquake along the Nankai Trough to minimize influence of damages, giving top priority to “protecting employees’ lives” and “quickly recovering our business for our customers”. For example, we have taken various preventive measures such as earthquake-resistant measures for buildings and facilities, fire prevention measures, establishment of the disaster action manual and Business Continuity Plan (BCP) that include establishment of the disaster response organization, and purchases of earthquake insurances.

### Disaster prevention

While the Group has been taking various measures to prevent anticipated damage caused by Great Earthquake along the Nankai Trough, after experiencing the Great East Japan Earthquake, it has diversified production and research sites including overseas. Firstly, it is relocating plants and facilities to Miyakoda district in northern part of Hamamatsu from Ryuyo region in Iwata, Shizuoka, since massive tsunami damages are anticipated in the region. The Group decided to found the test course of the motorcycle in the Aoya district of Tenryuku, Hamamatsu. Also, the Group has diversified its production of engine for minivehicle, which was concentrated to Sagara Plant, to Kosai Plant

to mitigate risk. Further, the Group is expanding its research facilities in India partly in order to mitigate risk concerning product development facility for automobile in Sagara Proving Grounds. In order to enhance performance of Disaster Prevention Headquarters, which is to be established upon disaster, the headquarters periodically conduct trainings with officers and each representative of the Disaster Prevention Headquarters attending in cooperation with consulting company specialized in disaster prevention. Through these initiatives, the Group will continue to enhance its preparedness against natural disasters.

### Measures against earthquakes and tsunami taken by Suzuki for local residents

A part of Suzuki’s facilities is registered as a tsunami shelter for local residents, and they are invited to see the facilities registered as shelter once a year. Also, we have a system for an earthquake to deploy watchmen on the roof of the headquarters, look out for the occurrence of tsunami, and sound a siren to notify residents when a tsunami is found. Manual and electric



sirens are installed on the roof of the headquarters. The electric siren is designed to be operated with the dedicated electricity generator in case of a

power failure.

### Measures against earthquakes and tsunami taken by Suzuki for employees

Aimed to protect the lives of our employees, Earthquake Early Warning Systems are installed at the headquarters, each plant, and manufacturing companies. Earthquake and tsunami evacuation drills are repetitively conducted with all employees participating, so that when the Earthquake Early Warning System goes off, the employees are able to secure their safety, and at offices with risk of tsunami, safely evacuate to places where damage from flooding is not anticipated. We have a system to confirm safety of employees immediately when a disaster occurs via communication equipment such as satellite telephones and radios, which are installed at each plant and sales distributors all over Japan as an emergency communication tool, and we conduct a communication drill every month to be ready for an emergency. In addition, since 2012, first aid trainings are conducted in all offices by retired fire fighters, and repetitive trainings are continuously carried out so that upon large-scale disasters, our employees are able to arrest bleeding, treat injuries, convey in stretchers, and perform CPR using

AEDs on their own. In the 8 years from 2012, a total of 5,075 employees participated in this training (as of the end of March 2020). Furthermore, in order to confirm safety of off-duty employees, we introduced the “safety information system” in case an earthquake or tsunami occurs. In order to confirm safety of employees and their family, this system automatically sends “safety inquiry e-mails” to e-mail addresses that each employee has registered and those who receive the e-mail send a reply about their own safety situation, and managers are able to confirm the situation.



### Measures against fire disasters

At the headquarters and each plant, regardless of how small the size of the fire, we conduct an initiative to find out the real cause of fire and thoroughly carry out effective measures. All cases of fire are shared throughout the Suzuki Group in an effort to cross-functionally take measures in preventing familiar disasters. A fire drill using fire extinguishers and fire hydrant is conducted at plants so that everyone in a worksite can perform first-aid firefighting to minimize damage caused by fire. Also, water discharge drills by fire engine or by small transportable pump are

performed for promoting individual disaster prevention activities by the “private fire brigade”, a fire prevention organization consisting of employees. Above all, the premises of headquarters, Kosai Plant, Iwata Plant, and Osuka Plant, are certified as cooperative business entities for local fire brigades by the city of Hamamatsu, Kosai, Iwata, and Kakegawa respectively, for their contribution to reinforcement of local fire-fighting and disaster-prevention system etc.



### Contribution to construction of storm surge barrier in the coastal zone of Hamamatsu

Suzuki contributed 500 million yen by FY2014 to “Hamamatsu Tsunami Protection Measure Fund” that Hamamatsu city has founded for constructing the storm surge barrier as a countermeasure for tsunami caused by an earthquake. The Suzuki Suppliers Association organized by Suzuki’s associated companies also decided to contribute 39.06 million yen in total over five years. The Company also contributed 340 million yen in total to neighboring

eight cities and towns for disaster measures such as earthquakes and tsunami by the end of March 2019. In addition, a total of 500 million yen was contributed to “Hamamatsu Sports Facility Align Fund” by FY2014 to cooperate with construction of a sports facility which has both tsunami evacuation base and urgent relief heliport functions in case of a disaster.



## Risks in Operations

### Risks in Operations

Major risks that the management of the Company acknowledges, which may significantly affect the financial situation, management results, and cash flows of the Group include the followings.

Forward-looking statements in this section are based on our conclusions as of the end of FY2019.

#### 1. Risk relating to markets

##### [Change in economic situations, demand fluctuation in the markets]

The long term economic slowdown, world economic deterioration and financial crisis, and the reduced buying motivation of the consumers may lead to a substantially reduced demand for the products of the Group including automobiles, motorcycles and outboard motors. They may also adversely affect the performance and financial conditions of the Group.

In addition, we conduct businesses around the world, and our dependency on the overseas manufacturing plants especially in the emerging countries of the Asian regions has been increasing over the years. The unexpected situation in these markets such as the rapid change in the economic situations may adversely affect the performance and financial conditions of the Group. Further, unexpected change or new application of tax systems, financial policies and others in each country may also adversely affect the performance and financial conditions of the Group.

In the Indian market, which accounts for approximately one-third of consolidated net sales of the Group, the market as a whole had been stagnating owing to such factors as reluctance to loans and increase in insurance price. In addition, increase in sales price of products associated with the reinforcement of

environmental restriction has also become a factor, and the recovery of the market has been slow.

As a result, the Group's sales in India in FY2019 largely decreased by 18% to 1,414,000 units year-on-year, despite its continuous efforts in arousing the market such as by launching new models (S-PRESSO, the mini SUV and XL6, the mid-size SUV) and sharing the benefits of corporate tax reduction to customers in the form of reduction in sales price of products, which was conducted during the festive season.

##### [Severer competitions with other companies]

We are facing competitions with rival companies in every global market where we conduct our businesses. As the automobiles and motorcycles industries in the world are globalized further, competitions may get harder. Competitions with other companies include various aspects such as product quality, safety, price, environmental performance, as well as efficiency of product development and manufacturing system, establishment of sales and service systems and sales finance.

We will make further efforts for maintaining and improving our competitive edges, but there may be risks that impede our competitive advantages.

#### 2. Risk relating to business

##### [New product development and launching abilities]

It is very important for an automobile and motorcycle manufacturer to grasp correctly the customer needs and environment surrounding cars and to develop and launch to the market new attractive products that satisfy the customers in a timely manner. It has become more important than ever to grasp the customer needs that rapidly change and environment surrounding cars, such as the reduced demands caused by domestic and overseas economic slowdown, the increased interest in the environmental performance and the rapid spread of cars loaded with advanced technology.

Besides, launching of new products will require abilities of specific product development, development capability of advanced technology toward the future, and further abilities of continually manufacture products, in addition to appropriately

understanding customer needs and environment surrounding cars.

However, even if we are able to grasp correctly the customer needs and environment surrounding cars, we may not be able to develop new products matching the customer needs in a timely manner on account of technical abilities, procurement of parts, production capabilities, securities of superior human resources and other factors. If we are unable to launch products matching the customer needs to the market in a timely manner, the sales share and sales may be reduced, which may adversely affect the performance and financial conditions of the Group.

The Group secures approximately 50% share in the passenger vehicle market in India. However, in the recent years, the popularity for SUVs is increasing in India as well, and the trend is especially expanding in segments which are bigger than our

specialized small car segments. Although the Company set up a premium sales channel NEXA to meet our customers' shift to upper grade models, there is a need for reinforcing our lineup of mid-sized cars in the future.

We would like to secure the 50% share even in 2030, and to realize this, we need not only to fulfil the small car lineup but also expand the mid-sized car lineup as well. We will further reinforce our development and introduce such models.

##### [Change in product prices and purchase prices, dependence on specific suppliers]

Various factors including insufficient supply or price rise of specific parts and raw materials, unstable economic conditions, revisions of import regulations and harder price competition may rapidly change the product prices and purchase prices of the Group. There is no guarantee that such rapid price change does not last long or such change does not occur in the markets where there have not been such changes so far. Rapid changes in product prices and purchase prices may adversely affect the performance and financial positions of the Group in any market where we conduct our businesses.

In addition, the procurement of some of the parts has been limited to specific suppliers on account of technical abilities, quality, and price competitiveness. If we are unable to obtain the parts continuously and stably on account of unforeseeable accidents of the suppliers, it may adversely affect the performance and financial conditions of the Group.

##### [Business development in various countries in the world]

We have been conducting our businesses in various countries in the world, and in some of the countries, we conduct joint ventures with local companies in accordance with local laws or other requirements. These businesses are restricted by various legal and other regulations in each country (including those related to tax, tariff, overseas investment and fund transfer to the home country). Any changes to such regulations, or management policies or management environment of the joint venture partners may adversely affect the performance and financial conditions of the Group.

##### [Fluctuations of exchange rates and interest rates]

We export automobiles, motorcycles, outboard motors and related parts to various countries in the world from Japan. In addition, we export those products and parts from the overseas manufacturing plants to multiple other countries. The ratio of the overseas sales has reached 70 percent of consolidated sales for the current consolidated fiscal year. As the Group depends heavily on the overseas manufacturing plants located mainly in emerging countries, it is susceptible to fluctuations in the foreign currencies. Also, since the Group procures a major part of fund in Japan where interest rates continue to be low, it is susceptible to changes in the interest rates.

We take hedging measures such as forward exchange contracts and decentralization of production sites to optimize the production system globally to reduce the risks of exchange rates and interest rates fluctuations, but it is impossible to hedge every risk. The currencies appreciation in main production countries against other currencies may adversely affect the performance and financial conditions of the Group. On the other hand, by transferring production sites to other countries, it may result in opportunity losses that the Group can no longer benefit from foreign exchange gain in export even when the currency of its local country weakens.

Further, rapid increase of interest rates in Japan may adversely affect the performance and financial conditions of the Group.

The specific amount of foreign exchange loss for FY2019 were ¥96.8 billion for net sales and ¥29.7 billion for operating income.

##### [Government regulations]

Various legal regulations are applied to the automobile, motorcycle and outboard motor industries in relation to the emission level of emission gas, mileage, noises, safety and contaminated material emission level from the manufacturing plants. These regulations may be revised, in many cases strengthened. Increase in expenses to comply with these regulations may adversely affect the performance and financial situation of the Group.

In addition, many governments determine the imposition of tariffs, price control regulations and exchange control regulations. The Group is paying expenses to comply with these regulations and will expect to continue bearing them. We may pay more expenses depending on the establishment of new laws or changes of existing laws. Further, unexpected changes or new application of tax systems and economic measures of each country may adversely affect the performance and financial conditions of the Group.

Specifically, CO<sub>2</sub> regulations in the EU are being strengthened, and it may lead to a new burden of expenses. The Group is working on development and introduction of products with less CO<sub>2</sub> emissions to mitigate the burden.

In India, where air pollution is a social issue, the new emission regulation BS6 was introduced from April 2020. Although sales were impacted owing to increase in cost and sales price of products due to expenses to meet the regulation, the Company proactively met the regulation by eventually launching BS6 compliant models from one year ahead of the regulation. By proactively meeting the risk of regulation reinforcement, we believe that the Company was able to change that risk into an opportunity to appeal its environmental consciousness.



## Risks in Operations

Directors, Auditors, and Officers | Corporate Governance | **Risks in Operations**

### [Quality assurance]

We place the top priority on the product safety and make efforts to establish the quality assurance system from development to sales. We buy insurance for the product liability, but there are risks not covered by insurance. The occurrence of large expenses for a large-scale recall to ensure safety of the customers may adversely affect the performance and financial conditions of the Group.

The quality-related expenses in FY2019 had a large impact on performance, which accounted for 1.4% of the Group's consolidated net sales.

The Group is striving to provide development, production, inspection, and aftersales services of high-quality products that the customers can use with ease, by placing safety and ease of customers as the top priority. By precisely capturing the quality customers need, each department will continue to be quality-conscious and pour in all efforts so that customers can continue using our products with ease.

### [Alliance with other companies]

We conduct various alliance activities with automobile manufacturer around the world and other companies such as for research and development, manufacturing, sales and finance, but factors that cannot be controlled by the Group such as situations inherent to the alliance partners may adversely affect the performance and financial conditions of the Group.

### [Dependency on information technology]

We create, process and stock information in the form of electronic data in all areas of the business activities such as design and development, production, marketing and accounting. The Group's products are also equipped with a variety of electronic control systems, which control vehicles and mounted equipment. While safety measures have been taken on the said items, infrastructure failure such as power shutoff and attacks by computer hacker and viruses may occur. If the Group's operation is interrupted, and data is destroyed or lost, and leakage of confidential information takes place, it may adversely affect the performance and financial conditions of the Group.

### [Leakage of information]

We have adopted a structure to prevent leakage of personal information of inside and outside of company and confidential information related to the Group's management, operation and technology, etc. But if such information is leaked or used without due authorization attributable to unexpected circumstances, the Group may be subject to legal demand, lawsuit, indemnity liability and obligation to pay a fine, and this may adversely affect the performance and financial conditions of the Group.

### [Compliance to laws and regulations]

We are undertaking a compliance system to prevent violation of

laws and regulations and respond quickly to various issues related to compliance. Such system includes establishment of the Suzuki Group Code of Conduct for all officers and employees of the Group to healthily conduct their operation, establishment of the Corporate Governance Committee, compliance to laws and regulations related to each operation, approval and decision procedure, maintenance of regulations and manuals in operations, implementation of compliance trainings and other trainings related to individual laws and regulations, and establishment of whistleblowing system (Suzuki Group Risk Management Hotline). Nevertheless, if we detect a fact of violation of laws or inappropriate response to compliance issues due to unexpected circumstances, the Group's social credibility may be affected seriously, which may adversely affect the performance and financial conditions of the Group.

With respect to the large recall announced in April 2019 which was conducted in response to the improper final inspection, the cause of this issue was improper conducts, and there were problems in the compliance system of the Company. We conducted measures such as reinforcing management of final inspection process and inspection operation, maintaining regulations, collecting opinions from the workers, reducing load on inspectors through increasing the number of inspectors, and improving inspection facilities. We will continue the initiatives toward further improvement of final inspection operations while making efforts for company-wide innovation of consciousness and improvement of corporate climate for thorough compliance to laws and regulations led by the management.

### [Protection of intellectual property]

We have stocked intellectual property such as technology and knowhow to distinguish its products with those of competitors, and have taken measures to protect such property and to prevent infringement of intellectual property rights by a third party. Nonetheless, if the Group's intellectual property is infringed unlawfully, or if the Group is pointed out by a third party to have infringed intellectual property rights and faces lawsuit or asked to terminate manufacturing and marketing of its products and to pay indemnity, it may adversely affect the performance and financial conditions of the Group.

### [Legal proceedings]

We may become a party to lawsuits and other legal proceedings in the course of our business activities. In the case where any judgments disadvantageous to us are made in such legal proceedings, it may adversely affect the performance and financial conditions of the Group.

### [Influences of natural disasters, epidemics, wars, terrorism and strikes, etc.]

In Japan, we are exposed to a variety of risks such as natural disasters including earthquake, typhoon and flood and

unexpected accident such as at the nuclear power plants. Especially, the Group's major facilities including head office, R&D sites and major manufacturing plants are concentrated in Shizuoka where occurrence of periodic massive earthquakes is highly probable.

We have taken various preventive measurements such as quake-resistant measures for buildings and facilities, fire preventive measures, establishment of BCP (Business Continuity Plan), purchases of earthquake insurances and others to minimize the influences of damage by natural disasters such as Tokai and Tonankai Earthquake. But if the size of the disasters exceeds the anticipation, it may adversely affect the performance and financial condition of the Group largely.

We also conduct businesses around the world and are exposed to number of risks relating to our overseas operations. These risks around the world are natural disasters, epidemics, wars, terrorism, strikes, and various matters attributable to unstable political and social situation and difficulties, etc. These unexpected events may delay or suspend the purchase of raw materials and parts, manufacturing, sales of products, and provision of logistics and services. If such delay or suspension

caused by any of these factors occur or prolong, it may adversely affect the performance and financial conditions of the Group.

The spread of the new coronavirus pandemic became a factor of decrease in the operating income for FY2019 by ¥12.8 billion. It may prolong to largely affect the performance and financial situation of the Group, and its outlook for the size and the end of the pandemic is still unclear. Therefore, we are currently unable to calculate its effect on the performance of the Group.

The Group is taking measures toward the pandemic such as banning business trips and meetings, and having web conferences and conference calls as their alternatives. Other safety measures include working at home for employees working at the Tokyo Branch and the Yokohama Lab., and introducing time shift in attendance for employees working at the headquarters. Working at home is also promoted in the overseas and other measures are taking properly according to the situation of each country.

Further, there are various risks other than those mentioned above, and what have been stated in this section does not represent all the risks of the Group.

# Environmental Initiatives

Environment | Product Quality/Product Safety | Human Resources | Business Partners | CSR Policy



## Environmental Vision 2050 and Milestone 2030

With regard to four significant environmental themes (Mitigation of climate change, Air conservation, Water resource conservation, and Resource circulation), the Group set the Environmental Vision 2050 as a challenging goal to be tackled toward 2050, and Milestone 2030 as a milestone toward realizing the goal.

### [Mitigation of climate change]

In the recent years, abnormal climates are frequently occurring, which are considered to be caused by global warming. In order to suppress such impact of climate change, the Paris Agreement was adopted. The Paris Agreement aims for net zero emission of greenhouse gas in the second half of this century, in order to suppress increase in global average temperature to less than 2°C compared to pre-industrial revolution.

In line with the philosophy of "Smaller, fewer, lighter, shorter, and neater", Suzuki has been continuously making products that emit less CO<sub>2</sub> while also emitting less CO<sub>2</sub> upon making them. Going forward, Suzuki will be conscious of a challenge that we must reduce CO<sub>2</sub> in a higher level and promote our efforts toward achieving the 2°C target by setting climate science based reduction targets.

### Targets for mitigating climate change

**<CO<sub>2</sub> emitted from products>**

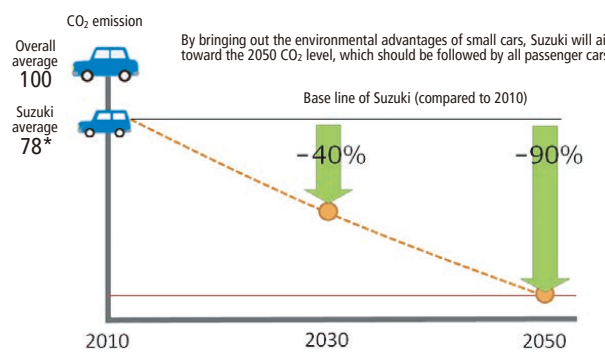
**[Environmental Vision 2050]**

- Reduce CO<sub>2</sub> emitted from new automobiles by 90% in Well-to-Wheel base compared to FY2010 by 2050

**[Milestone 2030]**

- Reduce CO<sub>2</sub> emitted from new automobiles by 40% in Well-to-Wheel base compared to FY2010 by 2030

\*Well-to-Wheel: A method in considering CO<sub>2</sub> emitted from excavating and refining fuel as well as in generating electricity, in addition to CO<sub>2</sub> directly emitted from the tailpipe of vehicles upon driving.



\*Based on Suzuki research on relative value with CO<sub>2</sub> emission of general passenger cars as 100.

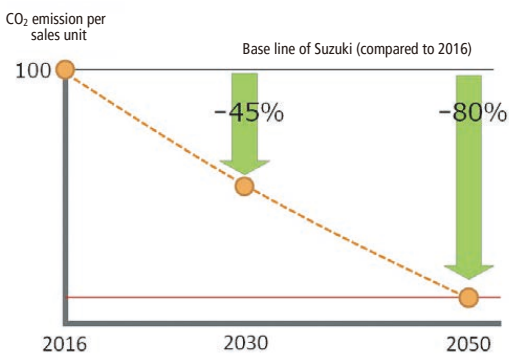
**<CO<sub>2</sub> emitted from business activities>**

**[Environmental Vision 2050]**

- Reduce CO<sub>2</sub> from business activities by 80% in base unit per sales unit compared to FY2016 by 2050

**[Milestone 2030]**


- Reduce CO<sub>2</sub> from business activities by 45% in base unit per sales unit compared to FY2016 by 2030



### [Air conservation]

Suzuki has been promoting efforts for air conservation such as by introducing low emission cars to meet the requests of each country. Because Suzuki has its main markets in emerging countries including India and Southeast Asia, we would like to contribute more in air conservation. For example, by promoting our efforts for in-house generation and procurement of electricity that derive from renewable

energies, we will contribute not only in global reduction of CO<sub>2</sub> emission, but also in conserving air environment of areas that Suzuki expands its business\*. Also, with regard to products, in addition to introducing powertrain that suit the situation of energy infrastructure in each market, we will promote reduction of volatile organic compounds (VOC) that are emitted during the production process, etc.



### Targets for conserving air environment

**[Environmental Vision 2050]**

- Minimize air-polluting substances emitted from business activities and products by 2050

**[Milestone 2030]**


- By 2030: - Reduce use of fossil fuel in business activities and expand use of renewable energies
- Contribute in improving air-pollution in each country/region by promoting development of clean products
- Reduce volatile organic compounds (VOC) from manufacturing and products

\*Sulfur oxide and nitrogen oxide emitted upon burning fossil fuel are considered to be one of the causes of air pollution. Electricity made through burning fossil fuel emit air-polluting substances during the generation stage. Under such background, air pollution in emerging countries that are highly dependent on thermal generation are becoming serious.

### [Water resource conservation]

Water resource is the root of all lives while at the same time, it is the base of economic activities for the humanity. However, fresh water that can be used by the humanity is limited to only 0.01% of water on earth. Also, due to the recent climate changes and the population growth, it is forecasted that supply and demand of water resource will run out in the future.

Especially in Suzuki's main markets of India and Southeast Asia, due to rapid industrialization, overuse and contamination of water are appearing. Taking such regionality into concern, Suzuki will evaluate water risks of each base and supplier, and promote management of water resources depending on the level of risks. We will also promote thorough reduction of water usage and purification of water discharge toward sustainable use of limited water resources.



### Targets for efficient use of water resource

**[Environmental Vision 2050]**

- Realize use of sustainable water resources through minimizing load on water environment by 2050

**[Milestone 2030]**

- By 2030: - Implement reduction of water withdrawal and purification of discharged water at all manufacturing sites through specifying water risks surrounding Suzuki

### [Resource circulation]

Along with rising global population and economic growth in emerging countries, consumption of natural resources is increasing globally. If such situation continues, there is a possibility that resource depletion and environmental contamination due to increased wastes from heavy consumption might become serious. Especially, there are strong worries for future resource depletion of useful resources including rare metals used on secondary (rechargeable) batteries for propulsion of electric vehicles. Circulation use of such resources is requested. Also, in regions with

insufficient establishment of structures for treatment of end-of-life vehicles, they may lead to illegal dumping and improper treatment of vehicles and parts. Therefore, there are worries for various issues including environmental contamination and health damage due to leakage of hazardous materials. Taking such situation into concern, Suzuki will not only make efforts to make systems for its own vehicles, but for all vehicles for safe collection and treatment of renewable resources from end-of-life vehicles without putting load on the environment.




### Targets for realizing circulatory society

**[Environmental Vision 2050]**

- Promote reduction, recycle, and proper treatment of wastes from manufacturing activities and products through globally expanding recycling technologies and systems developed in Japan by 2050

**[Milestone 2030]**

- By 2030: - Globally expand automobile recycling system
- Promote recycling, rebuilding, and reusing of secondary (rechargeable) batteries used for propulsion of electric vehicles
- Mitigate waste discharge amount at global manufacturing sites
- Reduce plastic packaging materials

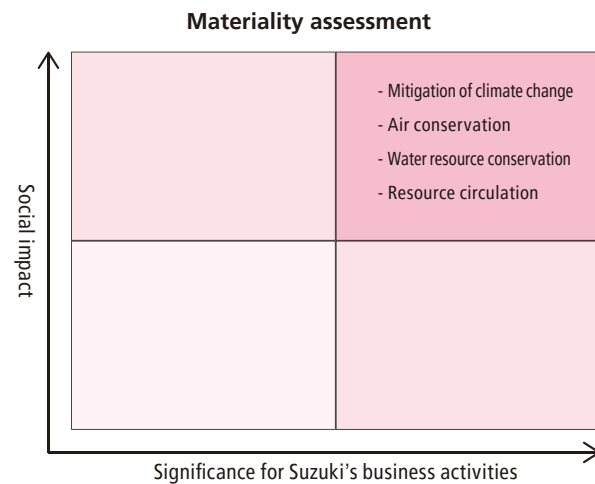
# Environmental Initiatives

Environment | Product Quality/Product Safety | Human Resources | Business Partners | CSR Policy

## Upon establishing the Suzuki Environmental Vision 2050

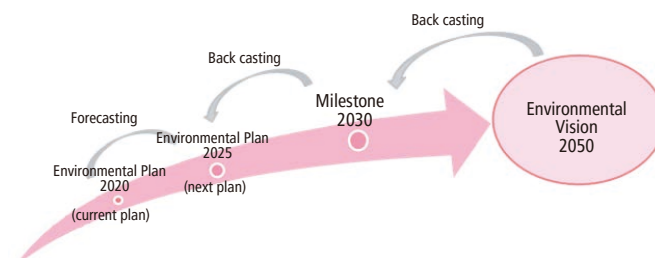
### [Establishment process]

- 1. Assessment of Suzuki's current environmental efforts (specifying materiality)**
  - Under the Suzuki Global Environment Charter, which sets Suzuki's philosophy and basic policy toward the environment, Suzuki aims to contribute to the society and become a company loved and trusted throughout the world, and established the Suzuki Environmental Plan 2020. The Group is tackling together for environmental conservation.
  - In 2019, in order to enhance our contribution to the society, we specified the key issues (materiality) of these initiatives from two aspects: significance for the stakeholders such as customers and investors (social impact) and significance for the Suzuki Group.
  - Upon specifying the key issues, we reported to the management and exchanged opinions, thereby confirming the issues to be tackled by throughout the Group.
- 2. Establishment of the Suzuki Environmental Vision 2050**
  - The specified key issues (materiality) were discussed many times at the Environmental Committee participated by the management, taking into concern the impact on our business, trends in environmental policies worldwide, and mid-to long-term requests from the stakeholders. Consequently, environmental issues that should be tackled by Suzuki toward 2050 were focused into four areas: mitigation of climate change, air conservation, water resource conservation, and resource circulation.
  - Finally, the details of these four areas were approved by the management and then put together in the Suzuki Environmental Vision 2050.



### [Overall image of Suzuki's environmental strategy]

The Group placed Milestone 2030 by back casting from the Environmental Vision 2050, which was established as our ideal appearance in the future. The path toward the Milestone 2030 will be established every 5 years as the Suzuki Environmental Plan. The plans will include detailed action plans, which the Company will promote.



### Announcement of support for TCFD

In April 2020, we announced our support for the final report disclosed by the Task Force on Climate-related Financial Disclosures (TCFD) which was established by the Financial Stability Board. In line with the recommendations of TCFD, we will work to enhance disclosure regarding climate change.



## Suzuki Environmental Plan 2020

We believe that our most important task is to seriously recognize effects to environment generated from our business operations, develop products that carefully consider environment and promote business operations that reduce environmental effects. To accomplish this, as a company that reached its 100th year in 2020 since its foundation, Suzuki is tackling as Team Suzuki including all group companies in Japan and overseas, in order for the Company to continue contributing to the society and become sustainable company for the next 100 years, following the 4 themes listed in the Suzuki Environmental Plan 2020: Control of global warming; Promotion of environmental conservation; Promotion of 3Rs (Reduce, Reuse and Recycle); and Reinforcement of environmental management. The details of the Suzuki Environmental Plan 2020 are available in the Suzuki CSR & Environmental Report. The report features ESG (Environment, Social, and Governance) initiatives and data receiving increased attention from stakeholders, including the environment, human rights, labor, and compliance.

Suzuki CSR & Environmental Report  
<https://www.globalsuzuki.com/corporate/environmental/report/>

## Reduction in amount of CO<sub>2</sub> emitted

### Efforts for climate change

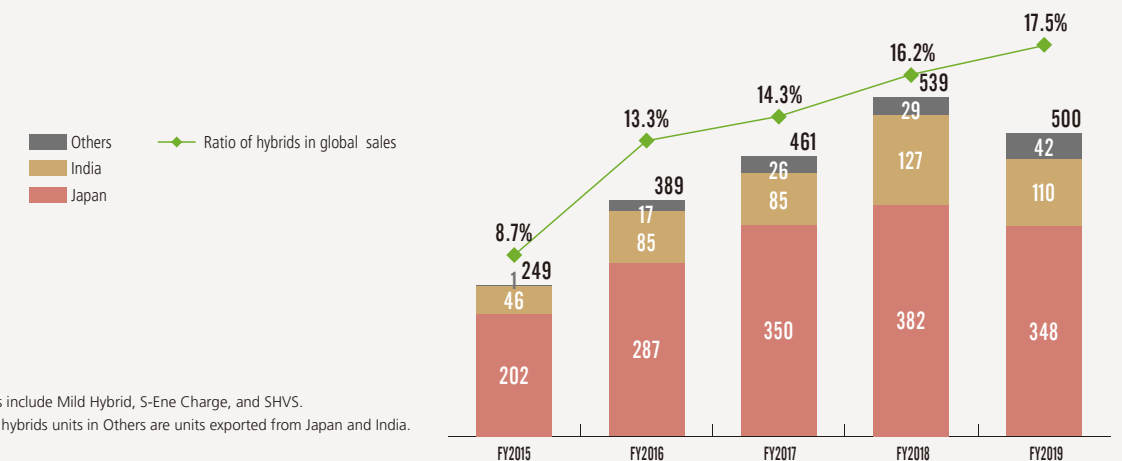
Problems with global environment are the big theme for sustainable development of human, and Suzuki believes that we must cope with these problems as a global enterprise. In particular, we must work on global warming as an important theme. For this reason, Suzuki is tackling for reduction of greenhouse gas by setting CO<sub>2</sub> reduction goals from products and their production.

### [Efforts for products]

Suzuki works toward manufacture of eco-friendly products. We promote reduction of CO<sub>2</sub> emissions by promoting downsizing, weight reduction, improvement in combustion efficiency, and reduction in resistance for all products. With respect to introduction of next-generation technology, in vehicle sales, hybrid vehicles accounted for 17.5% of units sold globally.

### ■ Sales units of models equipped with hybrid system (Thousand units)

	FY2015			FY2016			FY2017			FY2018			FY2019		
	Global automobile sales units	Of which hybrids	Hybrid ratio	Global automobile sales units	Of which hybrids	Hybrid ratio	Global automobile sales units	Of which hybrids	Hybrid ratio	Global automobile sales units	Of which hybrids	Hybrid ratio	Global automobile sales units	Of which hybrids	Hybrid ratio
Japan	630	202	32.1%	639	287	44.9%	668	350	52.4%	725	382	52.7%	672	348	51.7%
India	1,305	46	3.5%	1,445	85	5.9%	1,654	85	5.2%	1,754	127	7.2%	1,436	110	7.7%
Others	926	1	0.1%	835	17	2.0%	902	26	2.9%	848	29	3.5%	744	42	5.7%
Total	2,861	249	8.7%	2,918	389	13.3%	3,224	461	14.3%	3,327	539	16.2%	2,852	500	17.5%



\*Hybrids include Mild Hybrid, S-Ene Charge, and SHVS.  
 \*Part of hybrids units in Others are units exported from Japan and India.



## Product Quality/Product Safety

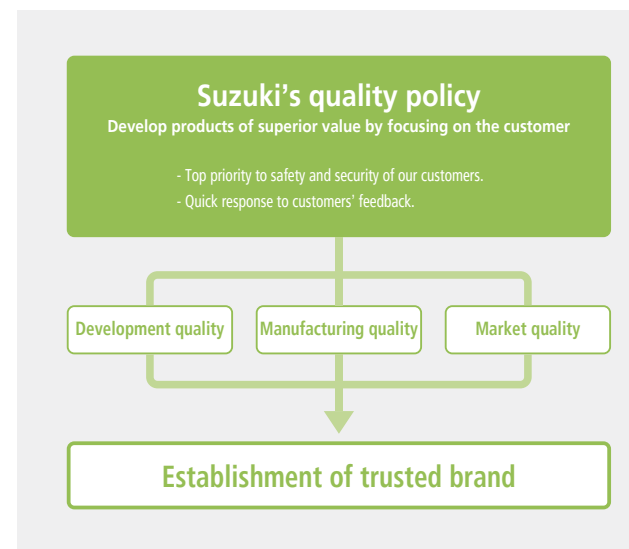
Environment Product Quality/Product Safety Human Resources Business Partners CSR Policy

### Efforts for Product Quality

Suzuki Group is making efforts to give “the first priority to quality” as the most critical matter for “strengthening of manufacturing”. We are aiming at becoming a trusted brand by giving top priority to the safety and security of our customers, developing and manufacturing quality products that our customers can use with security, and quickly responding to feedback from our customers during after-sales services.

#### Suzuki's quality policy

In order to have our products used by our customers safely and securely, all departments involved in the entire process, including product development and design, manufacturing at production plants, sales to customers at markets, and the provision of after-sales services, are promoting actions cross-functionally to improve the quality from the viewpoint of customers.



#### Quality management system

Suzuki Group has adopted the international standard ISO9001 as its quality-management system. In addition to 5 plants in Japan, major overseas plants in India, Indonesia, Thailand, Hungary, etc., have also adopted the ISO9001. Suzuki Manufacturing of America Corp., which is a subsidiary for production of ATV in the USA, also acquired the certificate in FY2019.

As a result, the ratio of production at plants certified by ISO9001 against the entire global production of automobiles in the Suzuki Group in FY2019 (2,967,000 vehicles) reached approximately 99.6%. We will promote quality management in the entire Suzuki Group, and continue to make efforts to realize quality improvement.

#### Acquisition of ISO9001

Country	Plant	Country	Plant
1	Suzuki Motor Corporation: Kosai Plant	10	Indonesia: PT. Suzuki Indomobil Motor
2	Osuka Plant	11	Thailand: Suzuki Motor (Thailand) Co., Ltd.
3	Japan: Sagara Plant	12	Thailand: Thai Suzuki Motor Co., Ltd.
4	Iwata Plant	13	Vietnam: Vietnam Suzuki Corp.
5	Hamamatsu Plant	14	Hungary: Magyar Suzuki Corporation
6	India: Maruti Suzuki India Limited	15	USA: Suzuki Manufacturing of America Corp.
7	India: Suzuki Motor Gujarat Private Limited	16	Colombia: Suzuki Motor de Colombia S.A.
8	India: Suzuki Motorcycle India Private Limited	17	China: Jinan Qingqi Suzuki Motorcycle Co., Ltd.
9	Pakistan: Pak Suzuki Motor Co., Ltd.	18	China: Changzhou Haojue Suzuki Motorcycle Co., Ltd.

### Efforts for safety

Suzuki reinforces “efforts for safety technologies” and actively improves the safety so that every single person including pedestrian and bicycle, motorcycle, and automobile drivers can live in a safe mobility society with each other.

#### Suzuki Safety Support

Suzuki Safety Support was born from our wish to have everyone enjoy their cars safely.

In order to prevent accident and secure customer's safety in case of an accident, we will make our utmost effort to minimise even near-miss accidents through various driving-support technologies.



#### Suzuki Safety Support Technologies

- Collision-mitigation braking
- Dual Sensor Brake Support
- Dual Camera Brake Support
- Radar Brake Support II
- Back-up Brake Support
- False Start Prevention Function
- Lane Departure Prevention Function
- Lane Departure Warning Function
- Adaptive Cruise Control
- Road Sign Recognition Function
- Head-up Display
- High Beam Assist
- Preceding Car Departure Announcing Function
- Blind Spot Monitor
- Rear Cross Traffic Alert
- Camera for all-direction monitor

\*As of October 2020. For specific model and variant equipped with these technologies, please refer to each model's catalogue.

#### Efforts for traffic safety

Suzuki Group not only makes efforts in technologies but also in awareness of traffic safety as well. For example, in overseas, Maruti Suzuki India makes efforts in various projects in execution of traffic laws and awareness of traffic safety. Such projects include Automated Driving Test Centres, introduction of traffic safety management system, management of Institutes of Driving Training and Research, and traffic safety education.



### Topic

#### Started offering aftersales sudden start prevention system, Misstep Acceleration Prevention System

Suzuki started offering aftersales sudden start prevention system called the Misstep Acceleration Prevention System from August 2020. The system is offered as aftersales parts for the WagonR<sup>\*1</sup>, and the Company plans to expand the lineup.

The Misstep Acceleration Prevention System can be installed onto a vehicle that the driver currently uses<sup>\*2</sup>. The system alerts with lamp and buzzer if it detects an obstacle in front or behind upon start. If it detects that the accelerator pedal is stepped hard under such condition, it suppresses engine output.

Suzuki is making efforts in popularizing the Suzuki Safety Support preventive safety technologies toward the future with no accidents. The Misstep Acceleration Prevention System offers peace of mind to customers who are favoring the vehicle for a long time.



Ultrasonic sensor (front) | Ultrasonic sensor (rear) | Display  
\*Sensor color is only black. \*Display is lit for explanatory purpose.

- [Function]**
- Alerting upon detection of obstacle in front or behind, and suppressing acceleration
  - Suppressing acceleration when backing-up with no obstacle behind
- [Specification]**
- Ultrasonic sensors (2 each in front and rear)
  - Display size: Width 77mm x Length 44mm x Height 35mm

\*1 For FX variant sold from September 2012 to July 2014, excludes model installed with Radar Brake Support, 5MT, 20th Anniversary Model, lifting seat type vehicle, and Stingray.  
\*2 The system may not be installed under certain conditions, and the dealer for installing the system is limited. Please consult with your nearest distributor or dealer.

# Human Resources

## Human Resources

Under the mission statement “Develop products of superior value by focusing on the customer”, Suzuki takes actions to accomplish the mission that our every single employee thinks and acts by themselves and provides customers with products that will enrich their life. We give the first priority to assurance of stable employment. Also, we try to improve work conditions in order to build a healthy and better working environment. Employees mutually help each other and try to be a person who can contribute to the society with the spirit of “Team Suzuki”, and the management and employees band together and build a refreshing and innovative company. In addition, we strive to create systems and environments, focusing on the following points, in order to cultivate the corporate climate that employees go for a big future with motivation and ambition.

- **Create a safe and healthy workplace for our employees**
- **Create a system that fairly evaluates and supports human resources who challenge higher goal**
- **Create good and stable relationships between the employer and employees**

### Efforts for safety, health and traffic safety

Suzuki is promoting the safety and health management activities through our basic safety concept.

#### Basic Safety Concept

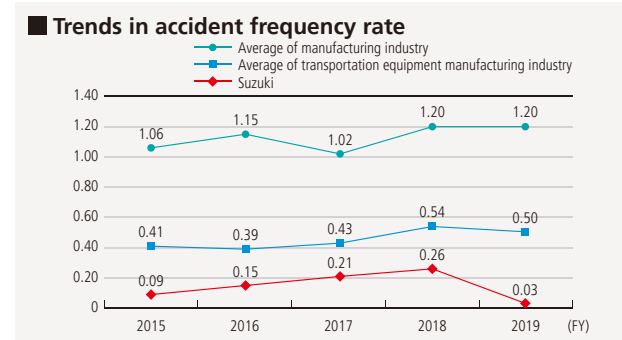
- **Make safety as first priority. (Safety First)**  
The basis of corporate activities is “people”.  
The first priority must be always given to safety that protects “people”.
- **All accidents are preventable.**  
Managers must lead the workplace, having the strong belief “all labor accidents can be prevented”.
- **Safety is everyone’s responsibility.**  
While the corporate conducts what they should do, every single person must take responsible actions to protect themselves.  
Let’s make the climate where everyone follows the rules and mutually warns each other in the workplace.

### ● Safety and health control system

The “Central Safety and Health Committee” to which representatives from offices and labor unions attend is held twice a year to determine basic policies related to corporate “work safety”, “labor health” and “traffic safety”. In addition, the Central Safety and Health Committee conducts the central safety patrol once a year to raise safety awareness within the company through crossfunctional safety activities by inter-department crosschecks. The Departmental Safety and Health Committee is established at each office and constantly conducts activities related to safety and health based on the policy of the Central Safety and Health Committee.

### ● Risk assessment activities

Suzuki implements “risk assessment” mainly for prevention of risks as safety prefetch activities. Through these activities, we try to improve safety by identifying potential risks in operations and promoting countermeasures to prevent them. We have introduced risk assessment for the close call cases in 2001 and have been working on risk assessment in regular operations since 2013. Same initiatives for safety and health control as well as risk assessment are also conducted overseas.



Safety education at overseas plant

## Secure and Comfortable Working Environment

### ● Diversity (varieties of human resources)

The Suzuki Group Code of Conduct, which applies all those working in the Suzuki Group, addresses to make a workplace that does not have any discrimination or harassment due to gender, age, nationality, race, religion, etc. Variety of human resources regardless of gender, age and nationality are active in various departments.

We will maintain and improve our working environment so that a wide variety of human resources can work actively.

### ● Actions to promote participation by women

In order to further realize a society where women can demonstrate their abilities and work successfully, from FY2020, the Company will raise “increase in number of female employees with job titles” and “promotion to take paid holiday” for building better working environment as our issues. Based on these issues, the Company will target to “triple the number of female employees with job titles compared to FY2015 in 2025” as well as to “improve rate of paid holiday taken by all employees including managers by 10% compared to FY2018 in 2025”.

Specifically, the Company will systematically conduct initiative including “education for promoting understanding of work and family balancing for young employees and employees with job titles”, “gathering of employees taking childcare leave”, “opening website to provide information regarding work and family balancing”, and “clarifying the situation of paid holiday taken”.

### ● Initiatives for shortening working hours

Initiatives are made to shorten working hours by introducing various systems so not to have our employees to become ill due to long working hours.

- **Strict management of overtime working hours based on total working hours**
- **Introduction of flexible time system that bans early and late working hours**
- **Introduction of interval system between working hours to secure continuous resting time**
- **Setting a day with no overtime work aimed for work and life balancing**

## Employee relations

Through mutual trust, we have developed a good relationship with the Suzuki Labor Union, which represents Suzuki employees. Among the labor union’s goals are stable employment and maintaining and improving work conditions. In order to meet these conditions, stable development of the company is required. When negotiating salaries, bonuses, labor hours, etc. as distributions of the results of corporate activities, we do share the same basic vector, which aims for stable development of the company while having discussions from different standpoints: the company and labor union.

The number of the labor union members is 16,499 as of the end of FY2019, and the unionization rate of full-time employees (excluding managers and non-union members defined in the labor agreement) is 100%.

### ● Employee communication

We arrange frequent labor-management consultations to ensure that employee ideas are reflected in all of our departments, such as research and development, design, manufacturing, sales, etc.

In addition to discussing requirements (salaries, bonuses, labor hours, etc.) we hold monthly discussions that regularly cover a wide range of issues such as management policies, production planning, working hours, welfare, safety and health, etc., and earnestly exchange ideas on what Suzuki and the labor union can do to deliver quality products to the customer.

	Frequency
Central Labor-Management Consultation	Monthly
District Labor-Management Consultation	Monthly

### ● Building a stable relationship with the labor union in the Suzuki Group

The Suzuki Group has 130 member companies (manufacturers, non-manufacturers, sales companies) at home and abroad. It is our hope that those 130 member companies are individually trusted by the local residents, society, and customers.

At Suzuki, seminars are given to union officials and human resource management personnel of overseas companies to make them understand the importance of cooperative relationship and smooth communication between labor and management, as well as the need for a fair and equal personnel management system, etc. We also work with the labor union to promote global personnel exchanges both domestically and abroad, and we strive to establish a work climate which allows our 68,000 employees in 130 companies to enjoy working with a highly creative and stable labor-management relationship.



# Human Resources

## ● Initiatives by Maruti Suzuki India Limited

At Maruti Suzuki India Limited, maintaining harmonious industrial relations to facilitate smooth plant operations and achieve competitive business goals, is the pivotal aspect of human resources business strategy of the plant.

By recognizing the above, establishing good relations with unions across all three plants (Gurgaon, Manesar, and Manesar Powertrain) and making unions aware of business challenges and accordingly taking them together onboard in decisions pertaining to employee welfare policies, has also been an essential aspect of industrial relations at the company. Based on the integral philosophy of connection between people, the company has designed its employee engagement framework wherein proactive communication with all stakeholders and making them more skillful in their work has been the core focus area.

The company is making efforts in continuously strengthening mutual labor-management communication by holding periodical meetings with union, Managing Director, plant managers, human resources managers and other shop floor employees.

Consolidating its strong connection between people and employee engagement ambit, the company organized various welfare and employee engagement activities jointly with unions on cultural, academic and sports front so as to get connected with employees and their families resulting in enhanced motivation and commitment of employees. Accordingly, company organizes plant tour for the employee's families, sports tournaments, family day, upgrading the existing skills of associates (Higher Education Scheme), career counseling for the children of employees and various other initiatives where all employees participate.

Meeting	Frequency
Managing Director meeting with department heads & above	Quarterly
Managing Director meeting with unions	Monthly
Top management (executive officers, plant managers, human resources managers) meeting with unions	Monthly
Top management (production and human resources) meeting with associates and supervisors	Monthly
Plant human resource managers & plant managers with union	Monthly



Plant tour for family members



Sports tournaments



Family day

The company respects the right of employees to form and join a union. Its management officially recognizes three employee unions, one each at its three plants. These are internal and independent labor unions and their elections are held as per union by-laws. A minimum notice period of 21 days, as per regulatory requirements, is typically given to employees prior to implementation of any significant change in the conditions of service, that could affect them substantially. All major policy changes affecting employees are discussed with union representatives and the same are communicated to employees directly and through union representatives.

## ● Efforts for career advancement

Suzuki believes that setting high goals is an excellent way to grow one's self and that such trial itself is the DNA of Suzuki. In order to cope with rapid changes in the market environment, every single employee must set higher goals and strive to acquire higher technical capabilities. Suzuki implements the rich human resource development program that supports such individual challenging spirit.

## ● Goal Challenge System

Suzuki believes that it is an excellent way to improve one's self by not simply waiting for instructions from the supervisor but voluntarily setting and striving for the goal in terms of accomplishment of the work. Our Goal Challenge System is introduced to allow employees to set and achieve higher goals. In this system, employees confer with their supervisors every half period and set specific goals to be achieved over the course of six months. Through this process, employees can clarify their own goals and improve motivation toward them. In addition, their supervisors can appropriately evaluate their goal attainment levels and recognise the training points required to further improve their capabilities.

Suzuki's personnel system places greater emphasis on occupational ability than seniority. Intended to develop professional human resources who will lead Suzuki's further growth, it is based on an objective and fair personnel evaluation system according to types of work, roles, responsibilities and results of individual employees. The performance-based personnel system and the Goal Challenge System motivate employees' intentions to step up each rung of the corporate ladder.

## ● Self-assessment System

This system is to grant employees with opportunities to review their work and capabilities once a year, reconfirm their own strength and weakness, and lead them to further improvement in capabilities. In addition, they can clarify jobs and departments that they want to try as the career plan, and submit it to their supervisors and the Human Resources Department. The submitted contents are effectively utilized as the basic data for development and optimal assignment of human resources.

## ● Rotation system

Suzuki implements systematic rotations of human resources by preparing the companywide personnel change plan in order to improve employees' knowledge and technical skills and activate our organizations. The goal we set in this system is to have all young employees of technical jobs, office jobs and sales jobs experience the transfer to different departments within 10 years after entering the company.

## ● International training program

Since FY2015, we have been implementing "6-month overseas training business trip expatriate" that sends young employees to overseas affiliates, aiming to develop global human resources.

(FY2015~2019 total 31 persons...FY2015-6 persons, FY2016-6 persons, FY2017-5 persons, FY2018-10 persons, FY2019-4 persons)



## ● Foreign language training program

In order to improve language skills of employees, we have introduced the system to allow young employees up to 7th year at the company to set the target score of TOEIC and to take a TOEIC test for free (examination fees are paid by the Company every year). In addition, we support improvement of language skills by introducing correspondence courses provided by external educational organizations, as well as opening in-house language seminars of English, Spanish, Chinese, Thai, Indonesian, etc. before and after work hours by inviting external teachers to the company. Suzuki provides employees who have completed such programs with a subsidy for a part of the expenses. 830 employees took the program in FY2019.

## In-house education system

Suzuki's education system is comprised of three pillars, which are group training, in-house training, and voluntary skill development. At the Training Center (Suzuki Juku), a group in charge of education, enterprise education including seminars according to managerial hierarchy are conducted based on the policy of our mission statement. Training Center also cooperates with engineering and manufacturing departments to conduct individual occupational (specialized) training of fundamental knowledge and abilities needed for execution of operation. Also, active efforts are made to enhance employee performances by educating specific knowledge and skills in each department to nurture human resources, as well as through e-learning, correspondence course, and language seminars. In seminars according to managerial hierarchy, main focus is emphasizing education for "enhancing abilities of young employees", "developing leaders in each managerial hierarchy", and "systematically developing management class".



### 1. Training for enhancing abilities of young employees

- Trainings according to the year of joining the company are conducted every year for young employees from 2nd to 7th year employees.

### 2. Selected trainings for systematically developing management class

- Trainings for new employees with job titles and their follow-up.

### ■ Number of training participants (Suzuki Group)

2017	59,500
2018	60,500
2019	62,200

# Business Partners

## With Our Business Partners

Suzuki intends to make a social contribution under the first paragraph of the mission statement: "Develop products of superior value by focusing on the customer". In creating such valuable products, we believe that it is our role to work in mutual cooperation with our business partners so that both parties may prosper. Those business partners are selected through an impartial procedure based on quality, cost, delivery deadline, technical development capabilities, risk management, and past track record. We also have an open door policy, which offers the chance of teaming up with Suzuki regardless of size, track record, or countries/regions.

### Sustainable relationships

In creating trusting relationships with our business partners we aim to establish sustainable relationships. For that purpose, we regard the mutual communications as the most important factor, and are making efforts in mutual understanding by holding Procurement Policy Presentation once a year to our business partners to share Suzuki's policy and product/production plans as well as to inform our procurement policy based on those plans. Also, we are sharing ideas not only between the top and middle managements, but also between managements and individuals responsible for daily business operations.



Procurement policy presentation (March 2019)

### Global procurement

We will accelerate global procurement activities by working with worldwide manufacturing bases. Previously, procurement activities were carried out mainly on individual local bases, but we have shifted to a more global-basis approach to obtain the most suitable parts at competitive prices. That benefits not only Suzuki, but also our business partners who can stably receive orders and accumulate various technologies. By sharing those merits we can build more confident relationships.

### Business continuity plan

In addition to earthquake-proof reinforcing of individual office buildings, we have started compilation of a business continuity plan (BCP). We regard the preparation for earthquakes, tsunami and other wide-scale disasters as part of our responsibility to local community, business partners, and customers. We recommend disaster measures such as quakeproofing to our partners located in areas that are likely to experience heavy damage. We are tackling such initiatives together with our business partners for their early recovery if they should fall victim to such disaster.

### Efforts for compliance with laws and regulations, respect for human rights and environmental conservation

Suzuki is complying with laws and regulations of each country and region (for example, compliance with "Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors" and business operations according to the five principles for procurement in "Automotive Industry Appropriate Transaction Guidelines" in Japan), respect for human rights and environmental conservation. Also we establish Suzuki CSR Guidelines for Suppliers and request our business partners to practice efforts for compliance with laws and regulations, respect for human rights and environmental conservation.

#### ● Basic policy regarding human rights

As stated in the "Suzuki Group Code of Conduct", thorough efforts are made by the Suzuki Group (Suzuki Motor Corporation and domestic/overseas Group companies) to respect human rights. The Suzuki Group has no intention of taking part in any action that would lead to infringement of human rights even in procurement activities. We will promote respect of human rights with our business partners.

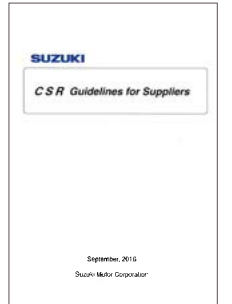
Initiatives concerning human rights

- Prohibiting all types of harassments
- Safe and healthy working environment, and good employee relations
- Eliminating discrimination in employment
- Prohibiting child labor and forced labor
- Not using conflict minerals causing human rights infringement

#### ● Suzuki CSR guidelines for our business partners

Stakeholders including business partners of Suzuki are getting multinationalized and diversified as our business activities are developed globally. Therefore, we are expected to fulfill social responsibilities with due considerations to other cultures and histories, as well as to follow legal and social norms of various countries. Based on such social requests, we compiled basic concept and practices of social responsibilities that we should accomplish with our business partners as "Suzuki CSR Guidelines for Suppliers". We are requesting our partners to comply with the guidelines upon making procurement throughout the Suzuki Group. We kindly request our business partners to understand the purpose and cooperate with us to promote CSR activities together.

[https://www.globalsuzuki.com/corporate/environmental/green\\_policy/pdf/SUZUKICSRGuidelinesforSuppliers.pdf](https://www.globalsuzuki.com/corporate/environmental/green_policy/pdf/SUZUKICSRGuidelinesforSuppliers.pdf)



#### (Initiatives to maintain workable guideline)

- Efforts are made in understanding the environmental conservation initiatives of our business partners by conducting research on greenhouse gas emissions and water usage amount once a year.
- Aimed to prevent one-sided cost reduction request and delay in payment to our suppliers throughout the whole supply chain, we are holding case-by-case presentation to widely notify about proper trading.
- Quality audit are held periodically (frequency based on rank in quality) under the Supplier Quality Assurance Manual that compiles Suzuki's basic policy, activities, and requests for quality assurance.

### CSR Guidelines for Suppliers (excerpt)

**1. Safety/Quality**

- Providing products and services that meet customers' needs
- Sharing appropriate information about products and services
- Ensuring safety of products and services
- Ensuring quality of products and service

**3. Environment**

- Implementing environmental management
- Reducing greenhouse gas emissions
- Preventing air, water, and soil pollution
- Saving resources and reducing wastes
- Managing chemical substances

**2. Human Rights/Labor**

- Eliminating discrimination
- Respecting human rights
- Prohibiting child labor
- Prohibiting forced labor
- Not using conflict minerals causing human rights infringement
- Wages
- Working hours
- Dialogue with employees
- Safe and healthy working environment

**4. Compliance**

- Compliance with laws
- Compliance with competition laws
- Preventing corruption
- Refusing relations with antisocial forces
- Managing and protecting confidential information
- Managing export trading
- Protecting intellectual property

**5. Information Disclosure**

- Information disclosure to stakeholders

#### ● Suzuki Green Procurement Guideline

Please refer to the following URL for our initiatives for promotion of green procurement.

\*Green procurement guideline [https://www.globalsuzuki.com/corporate/environmental/green\\_policy/pdf/suzukiGreenGuideline.pdf](https://www.globalsuzuki.com/corporate/environmental/green_policy/pdf/suzukiGreenGuideline.pdf)



# CSR Policy

## Structure for promoting CSR

At the Executive Committee meetings attended by Representative Directors and Directors and Managing Officers concerned, issues, policies, and measures concerning CSR activities are discussed. Along with the management, the Company as a whole, aims to promote viable CSR activities.

## Steps in defining materiality (key issues) in CSR activities

We have defined the materiality (key issues) in CSR activities of the Suzuki Group, led by the departments in charge of CSR including corporate planning departments (Corporate Communications, Corporate Management/IR, and Corporate Governance) and environmental departments, using the following steps.

### Steps in defining materiality in CSR activities

Step 1	Extract issues based on GRI guidelines, etc.
Step 2	Departments in charge of CSR organize and discuss issues extracted, and decide their significance for the Suzuki Group
Step 3	Decide significance for the stakeholders through meetings with ESG investors and environmental NGOs
Step 4	Define materiality and decide their priority from two axis: significance for the Suzuki Group and for the stakeholders
Step 5	Check their compliance with the mid-term management plan

The defined materiality is shown in the following matrix. Based on this materiality, the Company will work on the CSR activities and review it periodically.

Significance for the Stakeholders	Extremely High	<ul style="list-style-type: none"> <li>- Occupational health and safety</li> <li>- Traffic safety</li> <li>- Environmental conservation</li> <li>- Respect for human rights</li> <li>- Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>- Enhancement of product quality (development, production, sales, and service)</li> <li>- Reduction of CO<sub>2</sub> emissions</li> <li>- Development and popularization of environmental technologies</li> <li>- Development and popularization of safety technologies</li> <li>- Corporate governance and compliance</li> <li>- Stable growth of sales and income</li> </ul>
	High	<ul style="list-style-type: none"> <li>- Effective use of resources (raw materials, energy, and water)</li> <li>- Diversity</li> <li>- Educational support</li> <li>- Contribution to the local communities</li> </ul>	<ul style="list-style-type: none"> <li>- Enhancement of corporate value</li> <li>- Nurturing of human resources</li> <li>- Stable labor/management relations</li> <li>- Enforcement of risk management</li> </ul>
		High	EXTREMELY HIGH
Significance for the Suzuki Group			

## SDGs and CSR activities of the Suzuki Group

Sustainable Development Goals (SDGs), which were adopted by the United Nations in September 2015, aims to realise better international society by setting 17 goals in society, economy, and environment to be worked on by 2030 and make efforts for their solutions. All entities including corporations and all persons in all countries and regions are required to take necessary actions.

The Suzuki Group supports SDGs and will actively take responsibilities in goals that we can contribute in their achievements through our CSR activities.



## Policy for stakeholders

Main stakeholders	Policy	Ways of dialogue and communication
Customers	<b>For Customer Satisfaction</b> While keeping in step with the times and taking the opinions of the public into full consideration, use our knowledge and skills to create useful products of real value that satisfy the customer. Do our best to provide quick, reliable, and stress-free sales and after-sales services in order to enhance customer satisfaction.	<ul style="list-style-type: none"> <li>- Marketing activity (sales and after-service)</li> <li>- Customer Relations Office</li> <li>- Customer events</li> <li>- Safety driving lectures, etc.</li> </ul>
Business Partners	<b>For Prosperous Coexistence</b> Cooperate with our business partners on even ground to maintain confidential and prosperous relationships for manufacturing value-packed products while practicing initiatives for compliance to laws and regulations, respect of human rights, and preservation of the environment.	<ul style="list-style-type: none"> <li>- Presentation of procurement policy</li> <li>- Procurement activity</li> <li>- Co-development</li> <li>- Trading of opinions between the management or persons in charge, etc.</li> </ul>
Shareholders & Investors	<b>For Improvement of Corporate Value</b> Disclose information promptly, appropriately, and fairly while seeking communication with shareholders and investors, and strive to reinforce management base and improve our corporate value.	<ul style="list-style-type: none"> <li>- Annual General Meeting of Shareholders</li> <li>- Presentation for institutional investors</li> <li>- IR events for individual investors</li> <li>- Publication of various reports, etc.</li> </ul>
Employees	<b>For Comfortable and Worthwhile Workplaces</b> Create a workplace based on the following points that allows for employee self-improvement and advancement. 1. Create a safe and healthy workplace for employees. 2. Create a system that fairly evaluates and supports those who want to take the initiative in advancing their careers. 3. Create a good and stable employer-employee relationship.	<ul style="list-style-type: none"> <li>- Safety and health committee</li> <li>- Consultation desk</li> <li>- Goal-challenging system</li> <li>- Self-actualization system</li> <li>- In-house education and training program</li> <li>- Labor-management consultations, etc.</li> </ul>
Local Community	<b>For a Community-Friendly Company</b> Contribute to the development of social community through positive communications with local communities and social action programs, and act as a responsible member of society.	<ul style="list-style-type: none"> <li>- Local contribution activities in each domestic and overseas office</li> <li>- Educational support activity</li> <li>- Suzuki Plaza, etc.</li> </ul>
Environment	<b>For Global Environmental Conservation</b> We acknowledge that activities in environmental conservation are the most important part of business management. Environmental conservation is promoted in accordance with our "Suzuki Global Environment Charter" through our business activities and products in order to achieve a society with sustainable development.	<ul style="list-style-type: none"> <li>- Establishment, promotion, and reporting of Environment Plan 2020</li> <li>- Opening of and participation into various environment events</li> <li>- Environment education and lectures, etc.</li> </ul>

## Examples of communication with stakeholders

Customers	The opinions and suggestions of customers are distributed to related departments in order to develop better products and improve manufacturing, quality, sales, and after-sales services. Such important information are promptly fed back to the relevant persons in charge depending on the criticality of the information. While not only collecting users' requests and opinions, but also fully examining the collected information, we often summarize potential customer needs and inform the relevant departments.
Business partners	We hold Procurement Policy Presentation once a year to our business partners to share Suzuki's policy and product/production plans as well as to inform our procurement policy based on those plans.
Shareholders and investors	In addition to the settlement briefing for analysts held every quarter of the year, investors' conference and other presentation meetings, domestic/international IR meetings, new model announcement shows (to invite analysts), and plant tour events for analysts are held. Amid the COVID-19 where we are unable to hold face-to-face meetings, we continue to have communication with investors by utilizing online tools. Also, the company periodically holds IR presentations for individual investors, and we have been inviting shareholders to the Suzuki Plaza, after the annual meeting of shareholders since 2008. (Due to the COVID-19, we cancelled the event for June 2020.)
Local society	The domestic automobile plants accept students from the local schools, as part of the outdoor studies program, and provide them with a plant tour. We also hold exchanges of opinions for having mutual communication with the local community, as well as autumn festival for promoting friendship among employees, their families, and local residents.

## 11-Year Financial/Non-Financial Data

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		Unit	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Automobile	Production unit	Thousand units	2,545	2,878	2,803	2,878	2,857	3,043	2,951	3,074	3,338	3,394	2,964
	Domestic production		959	994	1,020	1,044	998	1,055	861	871	971	1,011	944
	Overseas production		1,586	1,884	1,782	1,834	1,859	1,988	2,090	2,203	2,367	2,383	2,020
	Of which India		1,028	1,273	1,134	1,169	1,153	1,308	1,424	1,585	1,781	1,850	1,580
	Sales unit	Thousand units	2,350	2,643	2,560	2,661	2,709	2,867	2,861	2,918	3,224	3,327	2,852
	Domestic production		622	588	596	672	728	756	630	639	668	725	672
	Overseas production		1,729	2,055	1,964	1,989	1,981	2,111	2,231	2,279	2,556	2,602	2,179
	Of which India		871	1,133	1,006	1,051	1,054	1,171	1,305	1,445	1,654	1,754	1,436
	Sales unit of hybrid models	Thousand units	–	–	–	–	–	55	249	389	462	539	500
	Motorcycle	Production unit	Thousand units	2,904	2,735	2,574	2,269	2,033	1,799	1,480	1,370	1,627	1,747
Domestic production		162		185	174	169	180	154	122	141	152	115	95
Overseas production		2,743		2,550	2,400	2,100	1,852	1,645	1,358	1,229	1,475	1,632	1,634
Sales unit		Thousand units	3,019	2,695	2,589	2,312	2,022	1,764	1,501	1,367	1,576	1,745	1,708
Domestic production			78	79	78	76	74	67	61	62	60	57	49
Overseas production			2,941	2,616	2,511	2,236	1,948	1,697	1,440	1,305	1,516	1,688	1,659

		Unit	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Net sales	Billion yen	2,469.1	2,608.2	2,512.2	2,578.3	2,938.3	3,015.5	3,180.7	3,169.5	3,757.2	3,871.5	3,488.4	
Automobile		2,160.8	2,302.0	2,209.0	2,297.8	2,615.7	2,702.0	2,878.5	2,895.6	3,435.8	3,532.5	3,157.4	
Motorcycle		262.9	257.7	254.8	230.3	266.6	250.5	233.9	206.3	246.4	255.1	242.6	
Marine, etc.		45.4	48.5	48.4	50.2	56.0	63.0	68.3	67.6	75.0	83.9	88.4	
Domestic sales		952.6	937.4	986.8	1,040.9	1,132.7	1,094.6	1,047.9	1,037.5	1,116.7	1,252.4	1,179.5	
Overseas sales		1,516.5	1,670.8	1,525.4	1,537.4	1,805.6	1,920.8	2,132.8	2,132.0	2,640.5	2,619.1	2,308.9	
Europe		451.1	395.1	350.9	286.5	398.9	372.0	404.7	425.3	510.6	524.8	465.3	
North America		131.8	99.0	105.3	95.6	65.1	66.0	67.0	56.1	62.5	70.8	67.0	
Asia		771.7	973.0	886.3	985.4	1,112.0	1,214.5	1,394.7	1,393.0	1,773.2	1,762.3	1,523.7	
Others	161.8	203.5	182.9	169.9	229.7	268.3	266.3	257.6	294.2	261.2	252.9		
Operating income	Billion yen	79.4	106.9	119.3	144.6	187.7	179.4	195.3	266.7	374.2	324.4	215.1	
Ordinary income		93.8	122.5	130.6	155.6	197.8	194.3	209.1	286.7	382.8	379.5	245.4	
Net income*		28.9	45.2	53.9	80.4	107.5	96.9	116.7	160.0	215.7	178.8	134.2	
Capital expenditures	Billion yen	120.2	130.3	126.7	169.3	213.6	194.5	171.5	198.8	213.4	268.9	236.4	
Depreciation expenses		141.8	138.4	103.1	93.7	117.2	134.4	168.3	163.4	150.9	148.9	164.2	
R&D expenses		108.8	104.1	109.8	119.3	127.1	125.9	131.0	131.5	139.4	158.1	148.1	
Interest-bearing debt	Billion yen	547.0	484.6	439.8	427.5	445.3	554.7	529.3	639.9	577.9	375.4	404.2	
Total assets		2,381.3	2,224.3	2,302.4	2,487.6	2,874.1	3,252.8	2,702.0	3,116.0	3,340.8	3,402.0	3,339.8	
Net assets		1,089.8	1,107.0	1,111.8	1,298.6	1,494.4	1,701.4	1,187.7	1,387.0	1,595.2	1,715.9	1,793.7	
Shareholders' equity ratio	%	40.0	43.6	42.9	46.1	46.2	45.6	35.4	35.9	38.8	40.9	44.5	
Net income per share, Basic	Yen	62.76	80.65	96.06	143.31	191.60	172.67	234.98	362.54	488.86	395.26	286.36	
Cash dividends per share (annual)		12.00	13.00	15.00	18.00	24.00	27.00	32.00	44.00	74.00	74.00	85.00	
ROE	%	3.6	4.7	5.5	7.5	8.7	6.9	9.6	15.4	17.9	13.3	9.3	

\*Net income attributable to owners of the parent

		Unit	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Number of employees	Person	14,504	14,532	14,389	14,405	14,571	14,751	14,932	15,138	15,269	15,431	15,646	
Male		13,222	13,269	13,147	13,140	13,260	13,347	13,467	13,603	13,711	13,808	13,932	
Female	1,282	1,263	1,242	1,265	1,311	1,404	1,465	1,535	1,558	1,623	1,714		
Employees with job titles*1	Person	–	–	–	–	–	–	4,184	4,232	4,333	4,437	4,518	
Male		–	–	–	–	–	–	4,131	4,162	4,243	4,339	4,403	
Female	–	–	–	–	–	–	53	70	90	98	115		
Managers	Person	–	–	–	–	–	926	965	1,014	1,049	1,080	1,140	
Male		–	–	–	–	–	921	957	1,004	1,037	1,066	1,121	
Female	–	–	–	–	–	5	8	10	12	14	19		
Ratio of female managers	%	–	–	–	–	–	0.54	0.83	0.99	1.14	1.30	1.67	
Employment rate of people with disabilities	%	–	–	–	–	–	2.09	2.08	2.04	2.02	2.14	2.20	
New employment	Person	1,037	249	306	427	588	571	635	794	642	563	708	
Male		879	232	268	364	496	496	532	674	541	445	569	
Female	158	17	38	63	92	75	103	120	101	118	139		
Of which college graduates	Person	625	230	280	367	446	462	472	585	456	475	494	
Male		573	214	247	328	404	425	412	523	396	396	413	
Female	52	16	33	39	42	37	60	62	60	79	81		
Turnover rate	%	–	–	–	–	–	4.3	4.1	3.8	4.2	3.9	3.1	
Number of employees (consolidated)	Person	51,503	52,731	54,484	55,948	57,749	57,409	61,601	62,992	65,179	67,721	68,499	
Ratio of paid holiday taken**2	%	–	–	–	–	–	–	76.0	70.2	75.7	76.7	84.8	

\*1: Manager, assistant manager, supervisor, and foremen (including expert and technical master)

\*\*2: Excludes managers



## Financial Review

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### Business Segments and Scope of Consolidation

The corporate group of the Company consists of subsidiaries of 129 companies and affiliates of 32. The main businesses are manufacturing and marketing of automobiles, motorcycles, outboard motors, motorized wheelchairs, and houses, and also businesses of logistics and other services related to the respective operations.

#### [Significant notes that are fundamental in making the consolidated financial statement]

- Note regarding scope of consolidation  
... **Consolidated subsidiaries 127 companies**
- Note regarding scope of equity method  
... **Affiliates accounted for using equity method 28 companies**

### Management results of FY2019

With respect to the management environment of the Group for FY2019, the outlook for the global economy has been increasingly uncertain, particularly with regard to the U.S.-China trade issue.

In India, which is the important market for our Group, the economic downturn that began in the second half of the previous fiscal year has become prolonged.

In Japan, also, the company needs to pay attention to the future of the economy due to the impact of the consumption tax hike and the impact of the U.S.-China trade issue.

In addition, since the beginning of this year, the impact of the new coronavirus has spread worldwide, and the severe situation is expected to continue.

Under such circumstances, net sales and income of FY2019 (April 2019 to March 2020) decreased owing to late recovery in the

Indian automobile market and the impact of foreign exchange, and partly owing to the impact of the new coronavirus which occurred at the end of the fiscal year.

Consolidated net sales decreased by ¥383.1 billion (9.9%) to ¥3,488.4 billion year-on-year. In terms of income, operating income decreased by ¥109.3 billion (33.7%) to ¥215.1 billion, ordinary income decreased by ¥134.1 billion (35.3%) to ¥245.4 billion, and net income attributable to owners of the parent decreased by ¥44.6 billion (24.9%) to ¥134.2 billion year-on-year. The decreased amount of net income attributable to owners of the parent was smaller compared to that of ordinary income, since the extraordinary loss (accounted ¥81.3 billion in FY2018 for conducting recall campaign in Japan) largely decreased year-on-year.

### R&D Expenses

R&D expenses of the Group for FY2019 were ¥148.1 billion, and their breakdown by segment is as per below.

Segment	R&D Expenses
Automobile business	¥130.2 billion
Motorcycle business	¥14.8 billion
Marine business, etc.	¥3.1 billion
Total	¥148.1 billion

### Capital Expenditures

Capital expenditures for FY2019 were ¥236,450 million, which were used for production, R&D, and marketing facilities. Breakdown by segment is as per below.

Segment	Capital Expenses	Facilities	Financing
Automobile business	¥220,098 million	Production, R&D, and marketing facilities, etc. of automobiles	Self-financing and outside financing
Motorcycle business	¥13,753 million	Production, R&D, and marketing facilities, etc. of motorcycles	Same as above
Marine business, etc.	¥2,598 million	Production, R&D, and marketing facilities, etc. of outboard motors	Same as above
Total	¥236,450 million		

Note

- The above amounts do not include consumption tax, etc.
- Capital expenditure amount is a total of the Company and its subsidiaries.
- Investment in each segment are as per below.  
In the automobile business, the Company made capital expenditure of ¥56,933 million, which includes expansion of production ability and production facilities for new models. Maruti Suzuki India Ltd. also made capital expenditure of ¥45,408 million, which includes expansion of production ability, production facilities for new models, and maintenance and expansion of sales networks. Suzuki Motor Gujarat Private Ltd. made capital expenditure of ¥61,406 million, which includes expansion of production ability.  
In the motorcycle business, the Company made capital expenditure of ¥4,814 million, which includes expansion of production ability.

### Liquidity and Source of Funds

#### [Financial Position]

With respect to the financial positions at the end of FY2019, total assets were ¥3,339.8 billion (increased by ¥62.2 billion from the end of the previous consolidated fiscal year), total liabilities were ¥1,546.1 billion (decreased by ¥139.9 billion from the end of the previous consolidated fiscal year), total net assets were ¥1,793.7 billion (increased by ¥77.7 billion from the end of the previous consolidated fiscal year).

As for the shareholders' equity ratio, 44.5% was achieved, reflecting the completion of the procedure for disposition of treasury stock by way of third-party allotment to Toyota Motor Corporation, and it recovered to the level prior to the acquisition of treasury stock of ¥460.3 billion in September 2015.

Although there are concerns regarding the impact of the new coronavirus in the current situation, cash on hand totaling cash and deposits and short-term investment securities at the end of the current consolidated fiscal year was ¥604.4 billion, which equals to 2.1 months of monthly sales. The Company has also secured an unused commitment line of ¥300.0 billion, therefore, the Company has no immediate cash flow problems at the moment.

As the outlook is uncertain, the Company would like to increase cash on hand as much as possible, therefore, the Company will consider raising more funds in the future.

With respect to internal cash reserves, the Company plans to use them for various investments such as investment for further improvement of quality and safety, investment into growing market including India, dealing with global environmental concerns, and R&D for making valuable products such as safety technologies and information and communication technologies.

#### [Capital Resources, Liquidity of Funds, and Cash Flows]

Cash flow provided by operating activities for FY2019 amounted to ¥171.5 billion (¥383.4 billion was provided in the same period of the previous fiscal year) due to lower performance. In investing activities, ¥297.0 billion was used for capital expenditure in India, etc. (¥250.8 billion was used in the same period of the previous fiscal year). As a result, free cash flow amounted to ¥125.5 billion of negative (¥132.6 billion of positive in the same period of the previous fiscal year). In financing activities, ¥80.7 billion was provided due to the completion of the procedure for disposition of treasury stock by way of third-party allotment to Toyota Motor Corporation, etc. (¥256.1 billion was used in the same period of the previous fiscal year).

As a result, the balance of cash and cash equivalents at the end of FY2019 was ¥420.4 billion, which decreased by ¥52.7 billion from the end of the previous consolidated fiscal year.

### Basic Policy on Profit Distribution and Dividends

Our Company celebrated its 100th anniversary in March 2020. Over the past 100 years, Suzuki has ventured in the fields of looms, motorcycles, automobiles and outboard motors. These have made Suzuki what it is today. The Company would like to express our gratitude to our shareholders, customers, business partners, employees, and all of our Company's stakeholders. Indeed, it has been "a hundred years of feeling nothing less than the deepest gratitude".

With respect to the dividends, although net sales and income of FY2019 decreased, the Company offered our gratitude to the shareholders for making the Company celebrate its 100th anniversary of foundation, in the form of a commemorative dividend. The Company paid the year-end

dividends of ¥48.00 per share, including an ordinary dividend of ¥37.00 per share and a commemorative dividend of ¥11.00 per share. As an interim dividend of 37.00 yen was paid, the annual dividends for FY2019 were ¥85.00 per share.

In line with our basic policy, the surplus is distributed twice a year in the forms of the interim dividend and the year-end dividend. According to the resolution of our Board of Directors, the interim dividend is available for the shareholders as of 30 September every year as the record date, which is stipulated in our company contract. The decision-making meetings for the dividends are the Board of Directors for the interim dividend, and the shareholder meeting for the year-end dividend.

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## Consolidated Balance Sheets

(Amount: million yen)

	FY2018 (As of 31 March 2019)	FY2019 (As of 31 March 2020)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	509,717	485,808
Notes and accounts receivables-trade	445,700	427,358
Short-term investment securities	189,046	118,584
Merchandise and finished goods	238,013	245,409
Work in process	54,033	47,420
Raw materials and supplies	59,850	62,662
Other	131,075	155,349
Allowance for doubtful accounts	(5,120)	(2,871)
<b>Total current assets</b>	<b>1,622,317</b>	<b>1,539,722</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	185,779	186,544
Machinery and equipment, net	252,596	241,974
Tools, furniture and fixtures, net	76,337	68,402
Land	299,977	304,652
Construction in progress	89,585	118,571
<b>Total property, plant and equipment</b>	<b>904,276</b>	<b>920,144</b>
<b>Intangible assets</b>		
Goodwill	135	-
Other	2,152	1,604
<b>Total intangible assets</b>	<b>2,288</b>	<b>1,604</b>
<b>Investments and other assets</b>		
Investment securities	635,184	662,194
Long-term loans receivable	711	549
Deferred tax assets	198,422	174,320
Other	39,342	41,843
Allowance for doubtful accounts	(379)	(445)
Allowance for investment loss	(193)	(150)
<b>Total investments and other assets</b>	<b>873,088</b>	<b>878,312</b>
<b>Total noncurrent assets</b>	<b>1,779,653</b>	<b>1,800,060</b>
<b>Total assets</b>	<b>3,401,970</b>	<b>3,339,783</b>

(Amount: million yen)

	FY2018 (As of 31 March 2019)	FY2019 (As of 31 March 2020)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	327,373	257,996
Electronically recorded obligations	71,532	71,869
Short-term loans payable	93,807	121,082
Current portion of long-term loans payable	63,845	74,515
Current portion of bonds with subscription rights to shares	-	2,972
Accrued expenses	297,200	279,911
Income taxes payable	34,661	22,310
Provision for product warranties	248,199	243,920
Provision for directors' bonuses	77	95
Other	202,963	150,830
<b>Total current liabilities</b>	<b>1,339,662</b>	<b>1,225,506</b>
<b>Noncurrent liabilities</b>		
Bonds with subscription rights to shares	11,535	8,560
Long-term loans payable	206,250	197,064
Deferred tax liabilities	2,895	5,121
Provision for directors' retirement benefits	1,161	1,161
Provision for disaster	436	436
Provision for product liabilities	4,890	4,646
Provision for recycling expenses	10,255	9,654
Liabilities for retirement benefits	82,813	67,206
Other	26,154	26,768
<b>Total noncurrent liabilities</b>	<b>346,393</b>	<b>320,619</b>
<b>Total liabilities</b>	<b>1,686,055</b>	<b>1,546,126</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	138,161	138,202
Capital surplus	143,965	146,490
Retained earnings	1,314,587	1,414,665
Treasury stock	(113,963)	(21,775)
<b>Total shareholders' equity</b>	<b>1,482,750</b>	<b>1,677,583</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	95,873	87,455
Deferred gains or losses on hedges	(219)	(269)
Foreign currency translation adjustment	(164,544)	(255,266)
Accumulated adjustment for retirement benefit	(21,369)	(21,951)
<b>Total accumulated other comprehensive income</b>	<b>(90,260)</b>	<b>(190,032)</b>
Subscription rights to shares	115	115
Non-controlling interests	323,309	305,990
<b>Total net assets</b>	<b>1,715,914</b>	<b>1,793,657</b>
<b>Total liabilities and net assets</b>	<b>3,401,970</b>	<b>3,339,783</b>

## Consolidated Financial Statement

11-Year Financial/Non-Financial Data | Financial Review | Consolidated Financial Statement | Company Information/Stock Information

## Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

## Consolidated Statement of Income

(Amount: million yen)

	FY2018 (1 April 2018 – 31 March 2019)	FY2019 (1 April 2019 – 31 March 2020)
Net sales	3,871,496	3,488,433
Cost of sales	2,738,958	2,514,779
<b>Gross profit</b>	<b>1,132,538</b>	<b>973,654</b>
Selling, general and administrative expenses	808,172	758,585
<b>Operating income</b>	<b>324,365</b>	<b>215,069</b>
Non-operating income		
Interest income	51,206	25,450
Dividend income	3,688	3,325
Equity in earnings of affiliates	5,029	6,315
Other	19,482	15,930
<b>Total non-operating income</b>	<b>79,406</b>	<b>51,021</b>
Non-operating expenses		
Interest expenses	4,241	5,555
Loss on valuation of securities	257	1,812
Foreign exchange losses	2,853	3,508
Contribution	3,797	526
Loss of liquidation of subsidiaries and affiliates	4,446	–
Other	8,645	9,272
<b>Total non-operating expenses</b>	<b>24,241</b>	<b>20,675</b>
<b>Ordinary income</b>	<b>379,530</b>	<b>245,414</b>
Extraordinary income		
Gain on sales of noncurrent assets	1,763	1,501
Gain on sales of investment securities	158	170
<b>Total extraordinary income</b>	<b>1,922</b>	<b>1,672</b>
Extraordinary loss		
Loss on sales of noncurrent assets	210	279
Loss on sales of investment securities	9	215
Impairment loss	1,514	565
Measure expenses for final inspection	81,329	–
<b>Total extraordinary loss</b>	<b>83,062</b>	<b>1,060</b>
<b>Income before income taxes etc.</b>	<b>298,390</b>	<b>246,027</b>
Income taxes-current	103,503	48,881
Income taxes-deferred	(42,000)	34,537
<b>Income taxes</b>	<b>61,502</b>	<b>83,418</b>
<b>Net income</b>	<b>236,887</b>	<b>162,608</b>
Net income attributable to non-controlling interests	58,128	28,386
<b>Net income attributable to owners of the parent</b>	<b>178,759</b>	<b>134,222</b>

## Consolidated Statement of Comprehensive Income

(Amount: million yen)

	FY2018 (1 April 2018 – 31 March 2019)	FY2019 (1 April 2019 – 31 March 2020)
Net income	236,887	162,608
Other comprehensive income		
Valuation difference on available-for-sale securities	(16,012)	(2,603)
Deferred gains or losses on hedges	(214)	(313)
Foreign currency translation adjustment	(25,318)	(119,454)
Adjustment for retirement benefits	(10,848)	(1,239)
Share of other comprehensive income of affiliates accounted for using equity method	(6,565)	(1,308)
<b>Total other comprehensive income</b>	<b>(58,958)</b>	<b>(124,919)</b>
<b>Comprehensive income</b>	<b>177,928</b>	<b>37,688</b>
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	131,010	34,425
Comprehensive income attributable to non-controlling interests	46,918	3,263

## Consolidated Statement of Cash Flows

(Amount: million yen)

	FY2018 (1 April 2018 – 31 March 2019)	FY2019 (1 April 2019 – 31 March 2020)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes	298,390	246,027
Depreciation and amortization	148,926	164,158
Impairment loss	1,514	565
Increase (decrease) in allowance for doubtful accounts	(112)	(1,868)
Increase (decrease) in provision for product warranties	143,410	(3,524)
Interest and dividends income	(54,894)	(28,776)
Interest expenses	4,241	5,555
Foreign exchange losses (gains)	996	(2,527)
Equity in losses (earnings) of affiliates	(5,029)	(6,315)
Loss (gain) on sales of property, plant and equipment	(1,553)	(1,222)
Decrease (increase) in notes and accounts receivable-trade	(60,053)	1,109
Decrease (increase) in inventories	(7,431)	(29,177)
Decrease (increase) in accounts receivable-other	11,853	(23,360)
Increase (decrease) in notes and accounts payable-trade	(107,695)	(51,727)
Increase (decrease) in accrued expenses	84,193	(7,665)
Other, net	(15,881)	(54,511)
<b>Subtotal</b>	<b>440,875</b>	<b>206,736</b>
Interest and dividends income received	55,057	28,525
Interest expenses paid	(3,636)	(4,808)
Income taxes paid	(108,858)	(58,921)
<b>Net cash provided by (used in) operating activities</b>	<b>383,437</b>	<b>171,533</b>
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(88,201)	(97,968)
Proceeds from withdrawal of time deposits	138,195	93,678
Purchase of short-term investment securities	(819,455)	(682,913)
Proceeds from sales and redemption of securities	730,247	698,776
Purchase of property, plant and equipment	(251,507)	(245,825)
Purchase of investment securities	(30,000)	(88,048)
Other, net	69,874	25,311
<b>Net cash provided by (used in) investing activities</b>	<b>(250,848)</b>	<b>(296,989)</b>
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	(125)	36,358
Proceeds from long-term loans payable	78,779	72,741
Repayment of long-term loans payable	(95,001)	(70,395)
Purchase of convertible bond with stock acquisition rights	(182,400)	–
Proceeds from disposal of treasury stock	–	96,096
Purchase of treasury stock	(7)	(4)
Cash dividends paid	(36,340)	(34,139)
Dividends paid to non-controlling interests	(20,819)	(19,975)
Other, net	(194)	27
<b>Net cash provided by (used in) financing activities</b>	<b>(256,110)</b>	<b>80,708</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(4,228)</b>	<b>(7,956)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(127,749)</b>	<b>(52,704)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>600,846</b>	<b>473,097</b>
<b>Cash and cash equivalents at the end of period</b>	<b>473,097</b>	<b>420,392</b>



## Company Information/Stock Information

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Company Name	■ SUZUKI MOTOR CORPORATION
Date of Incorporation	■ March 1920 Incorporated as Suzuki Loom Manufacturing Co. June 1954 Name changed to Suzuki Motor Co., Ltd. October 1990 Name changed to Suzuki Motor Corporation
Representative	■ Representative Director and President Toshihiro Suzuki
No. of Employees	■ [Consolidated] 68,499 [Non-consolidated] 15,646 (as of 31 March 2020)
Net Sales	■ [Consolidated] 3,488,433 million yen [Non-consolidated] 1,792,834 million yen (FY2019)
Head Office	■ 300 Takatsuka-cho, Minami-ku, Hamamatsu, Shizuoka 432-8611 Japan Website Address: <a href="https://www.globalsuzuki.com">https://www.globalsuzuki.com</a>
Fiscal Year-End	■ 31 March
Public Accounting Firm	■ Seimei Audit Corporation
Main Products	■ Automobiles, Motorcycles, Outboard Motors, Motorized Wheelchairs, etc.
Main Facilities	■ Head Office Hamamatsu, Shizuoka Kosai Plant Kosai, Shizuoka Iwata Plant Iwata, Shizuoka Osuka Plant Kakegawa, Shizuoka Sagara Plant Makinohara, Shizuoka Hamamatsu Plant Hamamatsu, Shizuoka Tokyo Branch Office Minato-ku, Tokyo Yokohama Lab. Yokohama, Kanagawa Marine Technical Center Kosai, Shizuoka

### Suzuki Group Companies (as of 31 March 2020)

Consolidated subsidiaries 127 companies

#### <Japan>

Consolidated subsidiaries in Japan 70 companies

Manufacturing companies including Suzuki Auto Parts Mfg. Co., Ltd., Snic Co., Ltd., etc.

Sales companies including Suzuki Motor Sales Tokyo Inc., Suzuki Motor Sales Kinki Inc., etc.

#### <Overseas>

Overseas consolidated subsidiaries 57 companies

Manufacturing companies including Maruti Suzuki India Ltd. (India),

Pak Suzuki Motor Co., Ltd. (Pakistan),

PT. Suzuki Indomobil Motor (Indonesia),

Magyar Suzuki Corporation Ltd. (Hungary), etc.

Sales companies including Suzuki Deutschland GmbH (Germany), etc.

### Consolidated Statement of Cash Flows (as of 31 March 2020)

- Capital ..... ¥138,202 million
- Total number of authorized shares ..... 1,500 million
- Total number of shares issued ..... 491,067,800
- Number of shareholders ..... 31,025
- Stock Listing ..... Tokyo Stock Exchange
- Securities Code ..... 7269
- Ordinary General Meeting of Shareholders ..... June
- Record Dates ..... Ordinary General Meeting of Shareholders 31 March  
..... Year-End Dividend 31 March  
..... Interim Dividend 30 September
- Shareholders' Register Manager ..... Sumitomo Mitsui Trust Bank, Limited  
1-4-1, Marunouchi, Chiyoda-ku, Tokyo

### Top Ten Largest Shareholders

Name of Shareholders	Number of Shares (1,000 shares)	Percentage of Shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	46,031	9.5
Japan Trustee Services Bank, Ltd. (Trust Account)	25,188	5.2
Toyota Motor Corporation	24,000	4.9
Tokio Marine & Nichido Fire Insurance Co., Ltd.	17,961	3.7
MUFG Bank, Ltd.	16,000	3.3
Resona Bank, Ltd.	13,000	2.7
The Shizuoka Bank, Ltd.	12,100	2.5
JP Morgan Chase Bank 385632	11,626	2.4
Japan Trustee Services Bank, Ltd. (Trust Account 9)	9,437	1.9
The Bank of New York Mellon 140042	8,916	1.8

(Note) 1. Number of shares less than 1,000 is truncated.

2. Percentage of Shareholding is calculated excluding treasury stock (5,654 thousand shares).

### Total Shareholder Return (%)

FY2015	FY2016	FY2017	FY2018	FY2019
84.2	130.0	162.8	141.8	80.1

(Note) 1. Number of shares less than 1,000 is truncated.

2. Percentage of Shareholding is calculated excluding treasury stock (5,654 thousand shares).

### Third-party evaluation

The Company will continuously be conscious of disclosing the efforts for ESG, and enhance communication with the stakeholders to consistently promote sustainable enhancement of corporate value.

#### ● FTSE4Good Index Series

Created by FTSE Russell, a wholly owned subsidiary of London Stock Exchange Group, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indexes are used by a wide variety of market participants focused on ESG investments to create and assess responsible investment funds and other products.

More information about FTSE4Good Index Series

<https://www.ftserussell.com/products/indices/FTSE4Good>



FTSE4Good

#### ● FTSE Blossom Japan Index

The FTSE Blossom Japan Index is an ESG index focused on Japanese firms. The index is constructed so that industry weights align with the Japanese equity market and uses the globally established FTSE4Good Index Inclusion Rules which are drawn from existing international standards including the UN Sustainable Development Goals.

More information about FTSE Blossom Japan Index

<https://www.ftserussell.com/products/indices/blossom-japan>



FTSE Blossom  
Japan