

(This document is an English translation of the original Japanese document. If there are any discrepancies between this document and the original Japanese document, the original Japanese document prevails.)

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SUZUKI MOTOR CORPORATION

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<http://www.suzuki.co.jp/>

Corporate Governance Report

Corporate governance at Suzuki Motor Corporation (the “Company”) is as follows:

I. Basic Policy on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Policy

Through fair and efficient corporate activities, the Company always intend to be trusted by all our stakeholders including shareholders, customers, partner companies, local communities and employees, and to be a continuously growing company, while making a further contribution to the international community. In order to realize that intention, the Company consider that the enhancement of corporate governance is one of the most important issues for proper corporate management and are aggressively taking various kinds of 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 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.

【Reasons for not implementing principles of the Corporate Governance Code】

Revised

【Supplementary Principle 4.11.1 View on the appropriate balance between knowledge, experience and skills of the board as a whole, and also on diversity and appropriate board size】

The Board of Directors is structured in such a way so as to strike the right balance among knowledge, experience, capacity, and performance, etc. to exercise the Company’s business strategies and

confront the challenges that we face, and also in consideration of the appropriate number of Directors for engaging in exhaustive discussions and making reasonable and timely decisions.

In addition, in order to enable the Company to realize sustainable growth and enhance its corporate value, the Company will nominate multiple Outside Directors who are highly independent so that the Company can receive advice that is based on their extensive experience and expertise and reinforce the supervisory function of corporate management.

As for diversity and scale of the Board of Directors, the Company will continuously examine an optimal structure in advancing the Company's business management.

【Disclosure based on principles of Corporate Governance Code】 Revised

【Principle 1.4 Cross-Shareholdings】

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.

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 mid- 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.

【Principle 1.7 Related Party Transactions】

When Directors and Company Auditors of the Company assume the post of officers in other companies concurrently, prior approval must be obtained from the Board of Directors.

Transactions involving conflict of interest between the Company and Directors are required to obtain prior approval from the Board of Directors, and regular reporting on material facts to the Board of Directors about such transactions has enabled the Board of Directors to monitor them appropriately.

In addition, we disclose related party transactions appropriately pursuant to the applicable laws, regulations and accounting standards.

【Principle 2.6 Roles of Corporate Pension Funds as Asset Owners】

In order to ensure appropriate management of corporate pension, the Company has established a pension management committee consisting of personnel having appropriate capacity, such as directors or general managers in charge of finance, human resources, and audit divisions. The committee hears opinions from asset management institutions, etc., and conducts regular monitoring on the status of management, and it

makes decision on investment policy of pension assets, selects entrusted management institutions, and conducts reviews on investment products, asset allocation, etc.

【Principle 3.1 Enhancement of Information Disclosure】

(i) Company objectives, business strategies and business plans

The Company group has established the motto "Develop products of superior value by focusing on the customer" in the prime agenda of its mission statement. The Company group will continuously strive for manufacturing of really valuable products appreciated by customers.

The Company group commits itself to make efforts to promote the production of small and subcompact vehicles and the development of environmentally benign products needed by customers with the slogan "Small Cars for a Big Future".

The Company group makes efforts to promote the "Smaller, Fewer, Lighter, Shorter, and Neater" on every side and has been working for the efficient, well-knit and healthy management.

Mission Statement

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

In addition, the New Mid-Term Management Plan SUZUKI NEXT 100 (from FY2015 to 2019) announced on 30 June 2015 is available at our homepage.

<Japanese>

<http://www.suzuki.co.jp/ir/library/forinvestor/pdf/suzukinext100.pdf>

<English>

<http://www.globalsuzuki.com/ir/library/financialpresentation/pdf/2015/suzukinext100.pdf>

(ii) Basic policy and guidelines on corporate governance

Please refer to "1. Basic Policy" above.

(iii) Basic policies and procedures in determining the remuneration of the senior management and Directors

Please refer to "1. Organizational Structure and Operation, etc. 【Director Remuneration】 Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" in "II. Overview of Business Management Organization and Other Corporate Governance Systems related to Decision-making, Execution of Business and Management Supervision" below in this report.

(iv) Basic policies and procedures in the nomination/dismissal of the senior management and the nomination of the candidates for Directors and Company Auditors

The standard for nominating Directors includes that they must have rich experience and knowledge in their respective fields, that they must be capable and qualified managers, and that they must have a broad perspective required for global business management.

For candidate Outside Directors, the Company looks for people who have broad knowledge, experience and sufficient achievements in their field of origin, and who satisfy the Company's

“Standard for Independence of Outside Directors and Outside Company Auditors” in order to strengthen their ability to supervise management.

For candidate Company Auditors, the nomination standard includes that the candidate must possess a high level of knowledge and proficiency in auditing all fields of the Company’s business, including auditing accounts.

For candidate Outside Company Auditors, the Company seeks for people who have a high level of specialist knowledge and rich experience in finance, accounting, technology, business management, etc., and who satisfy the Company’s “Standard for Independence of Outside Directors and Outside Company Auditors” in order to secure the neutrality of the auditing system.

As a policy, the Company does not regard whether or not the candidate is from within the Company, gender, nationality, etc. when looking to candidate Directors and Company Auditors.

The suitability of candidate Directors and Company Auditors is deliberated by the Advisory Committee on Personnel and Remuneration, etc., where Outside Directors/Auditors make up a majority of the membership, and based on the result of this deliberation, and with the assent of the Board of Company Auditors in the case of candidate Company Auditors, the Board of Directors then decides on the candidates to propose for election as an agenda item for a General Meeting of Shareholders.

As for Managing Officers, Advisory Committee on Personnel and Remuneration, etc. deliberates suitability in compliance with the standards for election of candidate Directors and based on the results the Board of Directors elects Managing Officers.

In the event of violation of laws and regulations, etc. by a Director or Managing Officer or of other cases where the needs of discharge or removal arises, the Board of Directors makes a resolution for discharge or removal (removal of a director is subject to a resolution through an agenda of a general shareholders’ meeting) based on the results of deliberations made by Advisory Committee on Personnel and Remuneration, etc.

(v) Explanations with respect to the individual appointments and nominations

Please refer to the “Notice of Convocation of the 152nd Ordinary General Meeting of Shareholders held on 28 June 2018 (Agenda Item 3)”, which is available at our homepage.

<Japanese>

<http://www.suzuki.co.jp/ir/stock/pdf/convocation152.pdf>

<English>

<http://www.globalsuzuki.com/ir/stock/toShareholders/pdf/2018/convocation152.pdf>

【Supplementary Principle 4.1.1 Scope of delegation to management】

The Board of Directors is clearly defining the matters to be resolved at its meetings including those required by laws, regulations and the Articles of Incorporation. Also, the Company is taking measures for agile execution of operation and to clarify the individual responsibilities such as introduction of Managing Officers System and revision of organization structure as necessary, and has established an internal regulation on approval standard for execution of operation by Directors and Managing Officers.

To quickly deliberate and decide important managerial issues and measures to be taken, the Company holds Executive committee meetings attended by Representative Directors and other Directors and Managing Officers concerned periodically and whenever necessary.

【Principle 4.9 Independence Standards and Qualification for Independent Directors】

Please refer to “1. Organizational Structure and Operation, etc. 【Independent Directors/ Company Auditors】 Matters relating to Independent Directors/ Company Auditors” in “II. Overview of Business Management Organization and Other Corporate Governance Systems related to Decision-making, Execution of Business and Management Supervision” below in this report.

【Supplementary Principle 4.11.2 Current positions of Directors and Company Auditors held at other listed companies】

Please refer to the “Notice of Convocation of the 152nd Ordinary General Meeting of Shareholders held on 28 June 2018 (Matters relating to Directors/Company Auditors and Agenda Item 3)” which is available at our homepage.

<Japanese>

<http://www.suzuki.co.jp/ir/stock/pdf/convocation152.pdf>

<English>

<http://www.globalsuzuki.com/ir/stock/toShareholders/pdf/2018/convocation152.pdf>

【Supplementary Principle 4.11.3 Board evaluation】

The Company evaluates the effectiveness of the Board of Directors as a tool to further enhance the role of the Board of Directors.

(1) Method of Evaluation

In FY2017, upon confirmation by the Board of Directors of the purpose of the effectiveness evaluation the Company conducted a survey with questionnaire on all Directors and Company Auditors and the result was deliberated by the Board of Directors.

(2) Results of Evaluation

The Company has confirmed that the effectiveness of the Board of Directors is secured, for instance, the deliberation by the Members of the Board of Directors being revitalized, but at the same time, a proposal has been made to further deliberate the mid- and long-term matters and strategies regarding corporate management. The Company will make further improvement on effectiveness of the Board of Directors through further deliberation.

【Supplementary Principle 4.14.2 Training policy for Directors and Company Auditors】

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.

【Principle 5.1 Policy for Constructive Dialogue with Shareholders】

In the belief that understanding the interests and concerns of the shareholders through constructive dialogues from a mid- and long-term perspective will contribute to our sustainable growth and the mid- and long-term enhancement of our corporate value, the Company is striving to promote dialogues with the shareholders. The following are the policies for advancing constructive dialogues with the shareholders.

1. IR organization

- The Corporate Planning Office is responsible for promoting dialogues with our shareholders, etc., supervised by the Director or Managing Officer in charge of corporate business planning. The contact of IR will be established in Tokyo and the Head Office.
- Dialogues with our shareholders, etc. will be advanced within a reasonable scope in consideration of requests of the shareholders and main matters that they are interested in. In principle, this duty will be executed within a reasonable scale by Directors or managers in senior positions who have ample knowledge and experience to make appropriate explanations.

2. Interdivisional cooperation

The Corporate Planning Office will engage in activities including preparing materials through discussing and building a common understanding with related organizations in advance, depending on dialogue themes with shareholders, etc.

3. Measure of dialogue

In addition to individual interviews, the Company will hold regular financial result briefings for securities companies' analysts and institutional investors every quarter; investors' conferences at home and abroad, IR events (including new car presentation meetings, factory tours and information meetings on technologies) when the need arises. In parallel, we intend to upgrade IR-related materials that are posted on the Company's homepage (including the English version).

4. Feedback

Opinions, interests, concerns and others, obtained from meetings with our shareholders, etc. will be reported to the top management, as necessary, with the aim of reflecting them in sustainable growth and the mid-and long-term enhancement of the corporate value in the Company.

5. Measures to control insider information

- Thoroughly control insider information in order to prevent it from leaking from the Company.
- Observe a silent period of a month or so prior to the announcement of financial results in order to limit dialogues with our shareholders, etc. regarding information on financial results.
- Make multiple staffers involved in dialogues with our shareholders, etc. in principle from the viewpoint of monitoring one another.

6. Fair Disclosure of information

We will comply with the Financial Instruments and Exchange Act when disclosing information to the investors, securities companies' analysts and stock trading related parties.

2. Capital Structure

Percentage of shares held by foreign investors	More than 30%
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【Principal Shareholders】 Revised

Name	Number of Shares Held	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	41,007,600	8.90
Japan Trustee Services Bank, Ltd. (Trust Account)	24,067,400	5.23
Tokio Marine & Nichido Fire Insurance Co., Ltd.	17,961,766	3.90
MUFG Bank, Ltd.	16,000,858	3.47
The Shizuoka Bank, Ltd.	13,100,723	2.84
Resona Bank, Ltd.	13,000,000	2.82
JP Morgan Chase Bank 380055	12,968,381	2.82
Sompo Japan Nipponkoa Insurance Inc.	7,761,500	1.69
Nippon Steel & Sumitomo Metal Corporation	7,759,531	1.68
Japan Trustee Services Bank, Ltd. (Trust Account 5)	7,427,100	1.61

Controlling Shareholder (excluding parent company)	—
Parent Company	None

Supplementary Explanation Revised

- (1) Principal shareholders listed above are as of 30 September 2018.
- (2) In addition to the above, the Company owns 30,437,174 shares as treasury stock.
- (3) According to the Change Report Pertaining to Report of Possession of Large Volume dated 7 February 2017, Mizuho Bank, Ltd. and its joint holders held 30,933,761 shares as of 31 January 2017. However, the Company has not been able to confirm the practical number of shares held by them as of 30 September 2018, and therefore they are not included in principal shareholders listed above.

Mizuho Bank, Ltd.	3,000,000 shares
Asset Management One Co., Ltd.	22,807,434 shares
Mizuho Securities Co., Ltd.	4,017,127 shares
Asset Management One International Ltd.	1,109,200 shares
Mizuho International plc	- shares

(Above numbers of shares include 6,648,055 shares of Residual security held in the form of bond with stock purchase warrant.)

- (4) According to the Change Report Pertaining to Report of Possession of Large Volume dated 21 February 2018, BlackRock Japan Co., Ltd. and its joint holders held 30,270,385 shares as of 15 February 2018. However, the Company has not been able to confirm the practical number of shares held by them as of 30 September 2018, and therefore they are not included in principal shareholders listed above.

BlackRock Japan Co., Ltd.	7,051,600 shares
BlackRock Institutional Trust Company, N. A.	6,424,720 shares
BlackRock Fund Advisors	5,527,498 shares
BlackRock Advisors, LLC	4,645,646 shares
BlackRock (Luxembourg) S. A.	1,810,959 shares

BlackRock Asset Management Ireland Limited	1,664,501 shares
BlackRock Investment Management LLC	1,013,021 shares
BlackRock Investment Management (UK) Limited	951,926 shares
BlackRock Life Limited	591,004 shares
BlackRock Fund Managers Limited	589,510 shares

(Above numbers of shares include 7,288 shares of Residual security held in the form of bond with stock purchase warrant.)

- (5) According to the Change Report Pertaining to Report of Possession of Large Volume dated 16 April 2018, MUFG Bank, Ltd. and its joint holders held 34,163,894 shares as of 9 April 2018. However, the Company has not been able to confirm the practical number of shares held by joint holders as of 30 September 2018, and therefore they are not included in principal shareholders listed above.

MUFG Bank, Ltd.	16,000,858 shares
Mitsubishi UFJ Trust and Banking Corporation	12,058,022 shares
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	5,020,000 shares
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1,085,014 shares

(Above numbers of shares include 75,309 shares of Residual security held in the form of bond with stock purchase warrant.)

- (6) According to the Change Report Pertaining to Report of Possession of Large Volume dated 8 May 2018, Sumitomo Mitsui Trust Bank, Limited and its joint holders held 30,590,750 shares as of 30 April 2018. However, the Company has not been able to confirm the practical number of shares held by them as of 30 September 2018, and therefore they are not included in principal shareholders listed above.

Sumitomo Mitsui Trust Bank, Limited	18,060,300 shares
Nikko Asset Management Co., Ltd.	11,567,004 shares
Sumitomo Mitsui Trust Asset Management Co., Ltd.	963,446 shares

(Above numbers of shares include 194,350 shares of Residual security held in the form of bond with stock purchase warrant.)

- (7) According to the Change Report Pertaining to Report of Possession of Large Volume dated 6 September 2018, Nomura Securities Co., Ltd. and its joint holders held 26,024,012 shares as of 31 August 2018. However, the Company has not been able to confirm the practical number of shares held by them as of 30 September 2018, and therefore they are not included in principal shareholders listed above.

Nomura Securities Co., Ltd.	1,043,803 shares
Nomura Asset Management Co., Ltd.	21,130,900 shares
NOMURA INTERNATIONAL PLC	3,849,309 shares

(Above numbers of shares include 2,819,370 shares of Residual security held in the form of bond with stock purchase warrant.)

- (8) The shares listed above held by the Master Trust Bank of Japan, Ltd. (Trust Account), Japan Trustee Services Bank, Ltd. (Trust Account) and Japan Trustee Services Bank, Ltd. (Trust Account 5) is shares pertaining to trust operation.

3. Corporate Attributes

Stock Exchange Listings and Market Section	First Section, Tokyo Stock Exchange
Fiscal Year-End	March
Industry	Transportation Equipment
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

4. Policies for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Situations that may have significant influence on Corporate Governance

The Company does not hold any listed subsidiary company in Japan, but has 2 listed subsidiary companies abroad. The Company will retain necessary cooperation with subsidiary companies from the view point of sustainable growth and enhancing corporate value in the Group, but at the same time will hold independency in estimation with subsidiary companies.

II. Overview of Business Management Organization and Other Corporate Governance Systems related to Decision-making, Execution of Business and Management Supervision

1. Organizational Structure and Operation, etc.

Organization Form	Company with Audit & Supervisory Board
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15 persons
Directors Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors	Chairman
Number of Directors	8 persons
Appointment of Outside Directors	Yes
Number of Outside Directors	2 persons
Number of Independent Directors and Outside Directors	2 persons

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Masakazu Iguchi	Academic											○
Sakutaro Tanino	Other											○

* Relationship with the Company

* "○" when the person presently falls or has recently fallen under the category;

"△" when the person fell under the category in the past

* "●" when a close relative of the person presently falls or has recently fallen under the category;

"▲" when a close relative of the person fell under the category in the past

- a. A person executing business of the Company or its subsidiaries
- b. A person executing business or non-executive director of a parent company of the Company
- c. A person executing business of a fellow subsidiary of the Company
- d. A person whose major business partner is the Company or a person executing business of a company of which major business partner is the Company
- e. A person who is a major business partner of the Company or a person executing business of a major business partner of the Company
- f. A consultant, accounting expert or legal expert who receives a large amount of remuneration from the Company other than remuneration for director
- g. Major shareholder of the Company (or a person executing business of such shareholder if the shareholder is a legal entity)
- h. A person executing business of a business partner of the Company (which does not correspond to any of d, e, or f) (the outside director himself/herself only)
- i. A person executing business, between which and the Company outside directors/outside company auditor are mutually appointed (the outside director himself/herself only)
- j. A person executing business of an entity which receives a donation from the Company (the outside director himself/herself only)
- k. Others

Relationship with the Company (2)

Name	Independent Director	Supplementary Information of the Relationship	Reasons for Selecting as Outside Director and Reason for Designation as an Independent Director
Masakazu Iguchi	○	—	<p><Reasons for Selecting as Outside Director> Since his appointment as Outside Director in June 2012, he has been supervising the management of the Company from a neutral position and giving beneficial advice related to the management of the Company in the manufacturing industry, based on his ample academic expertise as doctor of engineering. For the reasons stated above, the Company is of an opinion that he would be able to carry out adequately the role of outside director.</p> <p><Reason for Designation as an Independent Director> The company has established its “Standard for Independence of Outside Directors and Outside Company Auditors of the Company”, taking into consideration the independence criteria set by Tokyo Stock Exchange, Inc., and the Company believes that he meets the Standard and has no risk of having conflicts of interest with ordinary shareholders.</p>
Sakutaro Tanino	○	—	<p><Reasons for Selecting as Outside Director> Since his appointment as Outside Director in June 2012, he has been supervising the management of the Company from a neutral position and giving beneficial advice related to the management of the Company from global viewpoint, based on his ample experience and knowledge as diplomat. For the reasons stated above, the Company is of an opinion that he would be able to carry out adequately the role of outside director.</p> <p><Reason for Designation as an Independent Director> The company has established its “Standard for Independence of Outside Directors and Outside Company Auditors of the Company”, taking into consideration the independence criteria set by</p>

			Tokyo Stock Exchange, Inc., and the Company believes that he meets the Standard and has no risk of having conflicts of interest with ordinary shareholders.
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Establishment of Optional Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Yes
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Establishment of Optional Committee(s), Composition, and Attributes of Chairperson

	Optional Committee Corresponding to Nomination Committee	Optional Committee Corresponding to Remuneration Committee
Name of Committee	Advisory Committee on Personnel and Remuneration, etc.	Advisory Committee on Personnel and Remuneration, etc.
Total Number of Members	5	5
Full-time Members	-	-
Internal Directors	2	2
Outside Directors	2	2
Outside Experts	-	-
Other	1	1
Chairperson	Internal Director	Internal Director

Supplementary Explanation

Advisory Committee on Personnel and Remuneration, etc. bears the function of both Nomination Committee and Remuneration Committee.

Subjects to be consulted from Directors to the Advisory Committee on Personnel and Remuneration, etc. are matters related to nomination of the candidates for Directors and Company Auditors, appointment of Representative Directors and Managing Officers, remuneration of the Directors and Managing Officers etc.

Members of this Committee are Representative Director / Chairman Osamu Suzuki, Representative Director / President Toshihiro Suzuki, Outside Director Masakazu Iguchi, Outside Director Sakutaro Tanino and Outside Company Auditor Norio Tanaka.

[Company Auditors]

Establishment of Audit & Supervisory Board	Yes
Maximum Number of Company Auditors Stipulated in Articles of Incorporation	5 persons
Number of Company Auditors	5 persons

Cooperation among Company Auditors, Independent Auditor and Audit Department

Company Auditors, Audit Department and Independent Auditor cooperate appropriately and audit concerning compliance with laws, internal control, and management efficiency from three different angles.

Company Auditors receive periodical reports from Independent Auditor such as on audit plans and results of quarter reviews, as well as on situation of conducting fiscal auditing. Company Auditors exchange opinions and share information as necessary to strengthen cooperation, such as by conducting observation of Independent External Auditor's audit to comprehend situation of conducting

auditing, while also receiving reports on the efforts for quality management of auditing as an audit corporation.

Also, Company Auditors adjust audit plans and auditing themes with the Audit Department, attend its audit whenever necessary, and receive reports and explanation on all its audits.

Appointment of Outside Company Auditors	Yes
Number of Outside Company Auditors	3 persons
Number of Independent Company Auditors	3 persons

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Norio Tanaka	CPA													○
Yasuhiro Yamazaki	Other													○
Nobuyuki Araki	Academic													○

* Relationship with the Company

* "○" when the person presently falls or has recently fallen under the category;

"△" when the person fell under the category in the past

* "●" when a close relative of the person presently falls or has recently fallen under the category;

"▲" when a close relative of the person fell under the category in the past

- A person executing business of the Company or its subsidiaries
- Non-executive director or accounting advisor of the Company or its subsidiaries
- A person executing business or non-executive director of a parent company of the Company
- A company auditor of a parent company of the Company
- A person executing business of a fellow subsidiary of the Company
- A person whose major business partner is the Company or a person executing business of a company of which major business partner is the Company
- A person who is a major business partner of the Company or a person executing business of a major business partner of the Company
- A consultant, accounting expert or legal expert who receives a large amount of remuneration from the Company other than remuneration for company auditor
- Major shareholder of the Company (or a person executing business of such shareholder if the shareholder is a legal entity)
- A person executing business of a business partner of the Company (which does not correspond to any of f, g, or h) (the outside company auditor himself/herself only)
- A person executing business, between which and the Company outside directors/outside company auditor are mutually appointed (the outside company auditor himself/herself only)
- A person executing business of an entity which receives a donation from the Company (the outside company auditor himself/herself only)
- Others

Relationship with the Company (2)

Name	Independent Company Auditor	Supplementary Information of the Relationship	Reasons for Selecting as Outside Company Auditor and Reason for Appointing as Independent Company Auditor
Norio Tanaka	○	—	<p><Reasons for Selecting as Outside Company Auditor></p> <p>Since his appointment as Outside Company Auditor in June 2012, he has been performing his duties as Outside Company Auditor properly from a neutral position, based on his ample experience and expertise as a Certified Public Accountant.</p> <p>For the reasons stated above, the Company is of an opinion that he would be able to carry out</p>

			<p>adequately the role of outside company auditor.</p> <p><Reason for Designation as an Independent Company Auditor> The company has established its “Standard for Independence of Outside Directors and Outside Company Auditors of the Company”, taking into consideration the independence criteria set by Tokyo Stock Exchange, Inc., and the Company believes that he meets the Standard and has no risk of having conflicts of interest with ordinary shareholders.</p>
Yasuhiro Yamazaki	○	—	<p><Reasons for Selecting as Outside Company Auditor > Since his appointment as Outside Company Auditor in June 2016, he has been performing his duties as Outside Company Auditor properly from a neutral position, based on his ample experience and knowledge that he acquired through performance of local administration. For the reasons stated above, the Company is of an opinion that he would be able to carry out adequately the role of outside company auditor.</p> <p><Reason for Designation as an Independent Company Auditor> The company has established its “Standard for Independence of Outside Directors and Outside Company Auditors of the Company”, taking into consideration the independence criteria set by Tokyo Stock Exchange, Inc., and the Company believes that he meets the Standard and has no risk of having conflicts of interest with ordinary shareholders.</p>
Nobuyuki Araki	○	—	<p><Reasons for Selecting as Outside Company Auditor > Since his appointment as Outside Company Auditor in June 2016, he has been performing his duties as Outside Company Auditor properly from a neutral position, based on his ample experience and expertise as doctor of engineering and other important offices such as in the field of academy/environment. For the reasons stated above, the Company is of an opinion that he would be able to carry out adequately the role of outside company auditor.</p> <p><Reason for Designation as an Independent Company Auditor> The company has established its “Standard for Independence of Outside Directors and Outside Company Auditors of the Company”, taking into consideration the independence criteria set by Tokyo Stock Exchange, Inc., and the Company believes that he meets the Standard and has no risk of having conflicts of interest with ordinary shareholders.</p>

[Independent Directors/ Company Auditors]

Number of Independent Directors/Company Auditor	5 persons
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Other Matters relating to Independent Directors/ Company Auditor

All of Outside Directors and Outside Company Auditors of the Company that qualify as an Independent Director/Company Auditor are designated as Independent Directors/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 Auditors of the Company” based on “independence criteria” set by Tokyo Stock Exchange, Inc.

<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:

1. Persons concerned with the Company and its subsidiaries (“the Group”)
 - (1) 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,
 - (2) 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
 - (3) A spouse or a relative within the second degree of kinship of the present Director or Managing Officer of the Group.
2. Persons concerned such as business partners or major shareholders, etc.
 - (1) Any person who is a person executing business of any of the followings:
 - 1) A company of which major business partner is the Group (Note 2)
 - 2) A major business partner of the Group (Note 3)
 - 3) A major shareholder having 10% or more of total voting rights of the Company
 - 4) A company for which the Group has 10% or more of total voting rights
 - (2) 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
 - (3) A person who receives a large amount of remuneration from the Group other than remuneration for Director/Company Auditor (Note 4)
 - (4) A person who receives a large amount of donation from the Group (Note 5)
 - (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, an executive officer, a managing 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

[Incentives]

Implementation of Measures to Provide Incentives to Directors	Introduction of Performance-linked Remuneration System, etc,
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Supplementary Explanation

Total amount of the Directors (except Outside Directors) bonuses is calculated in connection with the Consolidated Operating income. In addition, Shares with Restriction on Transfer based remuneration has been introduced.

For details, please refer to "Disclosure of Policy on Determining the Amounts of Remuneration and Calculation Methods" described below.

Grantees of Stock Options	—
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Supplementary Explanation

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[Remuneration of Directors]

Disclosure Status (of Remuneration for Individual Director)	Partial individual
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Supplementary Explanation

The Company makes it a rule to disclose in its Securities Report, each case of those with consolidated compensation of 100 million yen or more.

The Securities Report is posted on the website of the Company for public viewing.

The total amount of specific compensation, etc. for FY2017 are as below.

During FY2017, the total amount of compensation that the Company paid to 7 Directors (excluding Outside Directors and including 1 Director who retired at the conclusion of the 151st Ordinary General

Meeting of Shareholders held on 29 June 2017) was 582 million yen (which is broken down to basic remuneration of 226 million yen, bonus of 271 million yen, Shares with Restriction on Transfer based remuneration of 74 million yen and stock-based remuneration of 11 million yen, which has been provided before the introduction of Shares with Restriction on Transfer based remuneration). The total amount of compensation, etc. paid to two Outside Directors is 27 million yen (basic remuneration). The total amount of compensation, etc. paid to Representative Director Osamu Suzuki is 220 million yen (which is broken down to basic remuneration 89 million yen, bonus of 93 million yen, Shares with Restriction on Transfer based remuneration of 34 million yen and stock-based remuneration of 2 million yen) and to Representative Director Toshihiro Suzuki is 111 million yen (which is broken down to basic remuneration 36 million yen, bonus of 56 million yen, Shares with Restriction on Transfer based remuneration of 16 million yen and stock-based remuneration of 2 million yen) .

Existence of Policy on Determining the Amounts of Remuneration and Calculation Methods	Yes
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Disclosure of Policy on Determining the Amounts of Remuneration and Calculation Methods

[Remuneration of Directors]

Remuneration of Directors (excluding Outside Directors) shall consist of basic remuneration for each position (fixed sum), bonus as a short term incentive linked with the Company's performance of each fiscal year and Shares with Restriction on Transfer as a mid- and long-term incentive. Remuneration of Outside Directors shall be solely basic remuneration (fixed sum).

Remuneration of Directors is decided at the Board of Directors meetings based on the policy on deciding Directors' remuneration, standard, remuneration system and the result of review on appropriateness of the remuneration by the Advisory Committee on Personnel and Remuneration, etc.

The basic remuneration and bonus shall be within the range of remuneration limit (maximum yearly amount of 750 million yen including maximum yearly amount of 36 million yen for Outside Directors), approved at the General Meeting of Shareholders, the amount of basic remuneration for each Director shall be determined and paid in consideration of the duties and responsibilities of each Director. Bonuses will be paid based on the calculation method linked with indexes such as consolidated performance set by the Company.

Shares with Restriction on Transfer shall be granted within the Remuneration limit (maximum amount of 300 million yen) and maximum number of shares (not more than 100,000 shares a year) approved at the General Meeting of Shareholders and should function as an incentive to realize sustainable enhancement of corporate value and has the purpose of directors to further share the value with the shareholders.

[Remuneration of Company Auditors]

Remuneration of Company Auditors shall be solely basic remuneration (at fixed amount), and the amount shall be decided and paid in the discussion among Company Auditors within the range of the amount of remuneration limit (maximum yearly amount of 120 million yen) approved at a General Meeting of Shareholders.

(Reference)

Bonuses for Directors (excluding Outside Directors) are calculated using the method as per below.

1 Calculation method

Paid amount = Consolidated Operating income x 0.020% x Multiplying Factor by Position

2 Multiplying Factor by Position

Chairman	Multiplying Factor	1.00 (1 person)
Vice Chairman	Multiplying Factor	0.50 (1 person)
President	Multiplying Factor	0.53 (1 person)
Senior Technical Executive	Multiplying Factor	0.50 (1 person)
Directors	Multiplying Factor	0.20 (2 persons)

Note: Above numbers are based on the number of Directors as of 28 June 2018

[Support System for Outside Directors (Outside Company Auditors)]

[Outside Directors]

The Company has assigned a liaison officer to each Outside Director to assist in their duties. Through liaison officer, , Outside Directors have been provided information by receiving explanations on agenda for Board of Directors meetings in advance as necessary, attending various meetings related to corporate management and business execution and interviewing Directors, Managing Officers and employees individually as well as having access to documents at their request and others.

[Outside Company Auditors]

The Company has established the Secretariat of Audit & Supervising Board as the organization dedicated to the Audit & Supervisory Board to assist in their duties. Regarding the provision of information, Outside Company Auditors have been provided information by attending not only Board of Directors meetings but also various meetings related to corporate management and business execution and being placed in the loop on meeting minutes of various meetings related to corporate management and execution of business as well as receiving a copy of materials at their request.

[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]

The Company has terminated such positions.

2. Matters Related to Business Execution, Audit and Supervision, Nominations and Decisions on Remuneration (Overview of Current Corporate Governance System)

[Board of Directors]

The Board of Directors is composed of 8 Directors and its meetings are held once in a month and whenever necessary. The Board of Directors discusses important managerial matters besides the matters set forth in the Articles of Incorporation and the laws and regulations, and makes decisions through sufficient discussion including legal compliance and corporate ethics view points, and is strengthening oversight of business execution. In addition, the Company has elected 2 Outside Directors who maintains high degree of independence and have no possibility of causing conflict of interest between them and shareholders to further enhance supervision to management and receiving beneficial advice and indication to the management of the Company based on rich

experience and professional knowledge.

Also, the Company has introduced Managing Officers system for the purpose of enabling the agile execution of operation and clarifying individual responsibilities.

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.

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

The Company holds meetings attended by Representative Directors and other Directors and Managing Officers concerned to quickly deliberate and decide important managerial issues and measures to be taken. In addition, the Company holds meetings attended by Directors, Company Auditors, Managing Officers and Executive General Managers, etc. to report and exchange information related to management. Both meetings are regarded as Executive Committee meetings and are held periodically and whenever necessary.

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 Board of Directors meetings and supervision on execution of operation.

[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 “Advisory Committee on Personnel and Remuneration, etc.”.

The Committee is composed of 5 persons including 3 Outside Company Directors (2 Outside Directors and 1 Outside Company Auditor).

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.

[Corporate Governance Committee]

For sustainable growth and enhancing the mid- and long-term corporate value of the Group, the Corporate Governance Committee has been in place to advance compliance with laws and relations and examine matters including risk management as well as promote the implementation of measures and policies thereof.

[Company Auditor’s Audit]

The Audit & Supervisory Board of the Company is composed of five Company Auditors including three Outside Company Auditors.

Pursuant to the standard for the Company Auditor’s Audit, set forth by the Audit & Supervisory Board, and following the policy of auditing and division of duties, each Company Auditor has audited the

execution of business in the Company in an appropriate manner by attending not only Board of Directors meetings but also important meetings such as the Executive Committee, viewing circular resolutions, meeting minutes and other documents as well as receiving reports or having hearings on the state of business from Directors.

In addition, the Company has established the Secretariat of Audit & Supervisory Board as the dedicated staff organization that is independent from the chain of command of Directors, etc. in order to reinforce a supportive system for duties of Company Auditors.

In addition, Mr. Kunio Nakamura has long experience of being in charge of the Group's finance and accounting, Mr. Norio Tanaka has long and rich experience as a Certified Public Accountant and Mr. Yasuhiro Yamazaki has long experience in finance department in the local administration, therefore these 3 Company Auditors have considerable knowledge on finance and accounting.

[Internal Auditing]

The Audit Department (with about 30 members) is the internal auditing organization independent from the chain of command and directly reporting to President. It is staffed by experts in wide range of fields and audits the Company, subsidiaries and affiliated companies at home and abroad.

Audit Department shall report on a regular basis on the results of internal audits together with proposals for improving the problems to the Board of Directors meetings and Audit & Supervisory Board in order to take corrective measures at an early stage.

In addition, the Audit Department holds internal audit result briefing session at workplace and at the Company to share information on the results of internal audits with people concerned and continue instruction until completion of improvement.

[Independent Auditor]

3 certified public accountants who engaged in the audit for FY2017 are Messrs. Satoru Imamura, Akira Iwama and Takashi Imamura, who belong to Seimei Audit Corporation. The numbers of other assistant members for audit are 11 certified public accountants and 7 others.

[Contracts for Limitation of Liability]

Under the provision of Paragraph 1, Article 427 of the Companies Act, the Company has concluded Contract for Limitation of Liabilities with Outside Directors and Outside Auditors, which limits the liability for damages on liabilities specified in Paragraph 1, Article 423 of the Companies Act to the minimum amount specified by law.

3. Reasons for the Selection of its Current Corporate Governance System

The Company has adopted the current system with the thought of traditional statutory auditor system being the foundation and establishment of Advisory Committee on Personnel and Remuneration, etc. and appointment of highly independent Outside Directors enables enhancement of governance.

III. Status of Implementation of Measures relating to Shareholders and Other Stakeholders

1. Measures to Vitalize the General Meeting of Shareholders and Smooth Facilitation of the Exercise of Voting Rights

	Supplementary Explanation
Early Dispatch of Convocation of General Meeting of Shareholders	Notice of Convocation of the 152 nd Ordinary General Meeting of Shareholders held on 28 June 2018 was sent on 31 May 2018.
Electronic Exercise of Voting Rights	Electronic exercise of voting rights has become possible by using the website that the Company designates for electronic exercise of voting rights since the 142 nd Ordinary General Meeting of Shareholders held on 27 June 2008.
Participation in Electronic Voting Platform and Other Efforts to Enhance an Environment for Exercise of Voting Rights by Institutional Shareholders	Electronic exercise of voting rights has become possible by using the electronic voting platform since the 142 nd Ordinary General Meeting of Shareholders held on 27 June 2008.
Provision of Convocation Notice in English	The English version is available at the electronic voting platform, the websites of the Tokyo Stock Exchange and of the Company.
Others	To allow as many shareholders as possible to attend a general meeting of shareholders, we use Grand Hotel Hamamatsu as the venue that has a large seating capacity as well as run shuttle buses between the venue and JR Hamamatsu Station, the nearest railway station. During the meetings, we provide video presentations to help attending shareholders better understand the explanations on matters to be reported. Since the 142 nd Ordinary General Meeting of Shareholders on 27 June 2008, we have offered a tour in the "Suzuki Plaza Museum" to help attending shareholders deepen their understanding of the Company after the general meeting is over.

2. Investor Relations Activities

	Supplementary Explanations	Explanation by the Representative
Preparation and Publication of Disclosure Policy	The Company's basic policy on disclosure, company structure for timely disclosure and constructive dialogue with shareholders are available at IR website in the Company's website. <Japanese> http://www.suzuki.co.jp/ir/home/pdf/disclosurepolicy.pdf <English> http://www.globalsuzuki.com/ir/home/pdf/disclosurePolicy.pdf	
Holding periodic Private investors Briefing	Jointly with securities company, the Company holds briefings by Directors, Managing Officers in Charge or person in charge of IR for private investors. In addition, the Company holds briefings for securities company's sales staff whenever necessary.	No
Holding Regular Investor Briefings for Analysts and Institutional Investors	The Company holds a financial result briefing every quarter that is presented by Representative Director or Directors and Managing Officers in Charge. In addition, the Company provides various meetings, including investors' conferences and other briefings, IR meetings at home and abroad, invitations of analysts to new car presentations, factory tours for analysts and information meetings on technologies when the need arises.	Yes
Holding Regular Investor Briefings for Foreign Investors	The Company has Representative Director or Directors and Managing Officers in charge attend IR Conferences for foreign investors in Japan.	Yes
Disclosure of IR Materials on the Company's Website	On the Company's website available are materials including financial statements, reference to financial	

	<p>statements, materials of financial result briefings for investors, securities reports, annual reports, business result reports, environmental and social reports, and various IR reports such as IR news, IR calendar, and information of shares and ratings.</p> <p>IR pages for overseas investors contain the similar information in English.</p> <p><Japanese> http://www.suzuki.co.jp/ir/index.html</p> <p><English> http://www.globalsuzuki.com/ir/index.html</p>	
Establishment of IR Department	The Corporate Planning Office of the Company has in place the Corporate Management/IR Department as the IR contact in the Head Office, and the Tokyo IR, Tokyo Branch, as the IR contact in Tokyo. As the organization that prepares documents for disclosure such as financial statements, the Finance Division has in place the Accounting Group, Financial Department, Finance.	
Others	<p>The Company is ready to be interviewed by a number of securities analysts, institutional investors, laboratories and public offices.</p> <p>The Company has provided financial statements and timely disclosure in English through "Tokyo Stock Exchange English Data Distribution Service" since the term ended March 2012.</p>	

3. Measures Concerning Respect of the Positions of Stakeholders

	Supplementary Explanations
Stipulation of Internal Regulations concerning the Respect of Positions of Stakeholders	<p>The Company's effort toward each stakeholder is described in "Suzuki CSR & Environmental Report."</p> <p>"Suzuki CSR & Environmental Report" is available on the websites of the Company.</p> <p><Japanese> http://www.suzuki.co.jp/corporate/csr_environment/</p> <p><English> http://www.globalsuzuki.com/corporate/environmental/index.html</p>
Implementation of Environmental Conservation Activities, CSR Activities, etc.	<p>The Company issues "Suzuki CSR & Environmental Report," which outlines our environmental efforts, philosophy of CSR and activities.</p> <p>"Suzuki CSR & Environmental Report" is available on the website of the Company.</p> <p><Japanese> http://www.suzuki.co.jp/corporate/csr_environment/</p> <p><English> http://www.globalsuzuki.com/corporate/environmental/index.html</p>
Establishment of Policies on Providing Information to Stakeholders	In order to be trusted further by society and stakeholders, the Company discloses information quickly in fair and accurate manner prescribed in laws and regulations and aggressively discloses information that the Company concluded is beneficial to understand the Company. The Company will further enhance the transparency of the Company.
Other	<p>"Efforts for Promotion of Women's Active Participation"</p> <p>The Company continuously takes action to improve the employees' working environment. .</p> <p>The Company will further promote the establishment of an environment that leads to creating a women-friendly workplace as well as increase number of female recruits in an effort to support female workers' active participation.</p> <p>[The Company's Target]</p> <p>The company will raise female graduates to a minimum of 25% as a percentage of the total of new graduates whom we will employ in April</p>

	<p>in FY 2020.</p> <p>[Support system to balance childcare and work]</p> <ul style="list-style-type: none"> • Legal Short time working for childcare period is up to 3 years old, but the Company allows up to 3rd Grade of primary school. • The company provides designated parking space for those employees who are on Short time working for childcare period so that they can reduce working hours. • Nursing leave can be taken on an hourly basis. • Childcare leave gathering has been held periodically for smooth return to the workplace. <p>[Enhancing HR development on Female employees]</p> <ul style="list-style-type: none"> • Seminars for employees grouped by the year that they joined the Company and seminars for each job title, where individual job counselling will be held to discuss their career paths. • Seminars for giving female assistant managers knowledge and skills necessary for becoming next-generation leaders.
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IV. Matters Related to the Internal Control System

1. Basic Policy on Internal Control System and Status of System Development Revised

The Board of Directors resolved the following basic policies regarding the systems to ensure the appropriateness of execution of duties (internal control systems).

1. Systems to ensure that Directors' and employees' execution of their duties complies with laws and regulations and the Articles of Incorporation
- (1) The Board of Directors shall formulate the "Suzuki Group Code of Conduct" to ensure Directors and Managing Officers and employees in the Company and the Group (Suzuki Group) execute their duties in a healthy manner as well as shall oversee the state in which the Code is fully disseminated throughout the Group.
- (2) A Corporate Governance Committee, chaired by the Director and Managing Officer in charge of corporate planning, shall be established under the Board of Directors. The Corporate Governance Committee shall deploy measures for advancing thorough compliance and promote efforts to address cross-sectional challenges in coordination with the relevant sections.
- (3) 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.
- (4) 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.
- (5) 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.

2. Systems relating to the storage and administration of the information in relation 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 counter-measures 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 Managers' 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 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 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 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.

Overview of significant actions based on the above Basic Policy in FY2017 is as follows.

[Measures relating to compliance]

- The Company is integrating lessons on compliance without fail in training for all levels such as for managerial position and the annual training for employees after joining the Company. Training on laws, regulations, etc. concerning safety and environment is provided for engineers to sufficiently understand laws, regulations, etc. with which they are required to comply in carrying out their work. Further, E-learning and other formats are being used to raise awareness toward compliance related to business activities.
- 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.
- 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 Board of Directors and the Audit & Supervisory Board Member as appropriate.

[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.

- Further, since smooth communication of information within the Group is effective for early discovery of problems, the top level of management is directly supervising the thorough application of these basic rules of information communication by all Directors, officers and employees: “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.”
- In regard to risks of legal violations, the Company is continuously identifying laws and regulations related to operations of the Company, domestic subsidiaries, and overseas subsidiaries. In addition to confirming the status of compliance, the Company is constructing corrective measures as necessary.
- 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. In particular, the appropriateness of each operation is reviewed twice a year as an opportunity to apply necessary improvements.
- In accordance with the Company’s “CSR Guidelines for Suppliers”, we are working with suppliers to fulfil our corporate responsibilities together, including safety and quality, human rights and labor, environment, and compliance with laws, regulations, etc.
- 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.

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

- In order to allow sufficient time 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 meeting are distributed in advance. Further, to allow Directors to efficiently oversee the progress in operations, efforts are made 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.

[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.

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

- 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.
- To enable receipt of information by Audit & Supervisory Board Members, Audit & Supervisory Board Members are allowed to view documents related to decisions, etc. pertaining to the business operations of the Company and its subsidiaries. Additionally, circumstances are explained as necessary.
- 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.
- 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 Company has established the Secretariat of the Audit & Supervisory Board as a full-time staff department independent from the chain of command of Directors, etc., thus strengthening the systems that 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 whom the Audit & Supervisory Board appoints shall be obtained in advance of personnel transfers, etc.

In addition, the progress of the preventative measures on the inappropriate issue related to exhaust emission and fuel consumption tests, which have been reported to the Ministry of Land, Infrastructure, Transport and Tourism on 8 June 2016 is available on the Company's website (<http://www.suzuki.co.jp/corporate/mlitreport/>).

Also, as described in a report on re-examination concerning exhaust emission and fuel consumption sample tests released on September 26, 2018 (<http://www.suzuki.co.jp/release/d/2018/0926/>), the Company is advancing all-out investigations and examinations on the completion inspection operations as a whole after securing objectivity and neutrality using outside experts.

2. Basic Policy on Eliminating Antisocial Forces

The "Suzuki Group Code of Conduct" requires the Suzuki Group completely shut any relationships with anti-social forces and associations that threaten the order and safety of citizens and society, and if employees receive unreasonable demand from anti-society forces or associations, employees shall

make it thoroughly certain to make a report to or seek consultation from their superiors or the relevant section in the Company instead of making an opportunistic judgment to handle the case.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	None
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Supplementary Explanation

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2. Other Matters relating to Corporate Governance System

Overview of System for Timely Disclosure

1. Basic Policy for Timely Disclosure

The Company has disclosed information in an accurate, fair and swift manner following the securities listing regulations of the Tokyo Stock Exchange, etc. Furthermore, the Company strives to proactively disclose the information that is instrumental in deepening the understanding of the Group.

In addition, the Group has set forth the “Suzuki Group Insider Trading Regulations” in order to establish an internal system related to timely disclosure of material facts as well as completely control information that is subject to timely disclosure and prevent insider transactions.

2. Internal System for Timely Disclosure

- Information on the Company and subsidiaries that may be subject to obligation for timely disclosure shall be collected and centrally controlled by the Information Management section of the Company.
- If a material fact occurs in any section in the Company and any of its responsible subsidiaries, an immediate report shall be made to the Information Management section of the Company.
- A judgment on whether timely disclose should be effected or not shall be made mainly by the Information Management section in the Company pursuant to the securities listing regulations, etc.
- The Information Management section in the Company shall make a report to Representative Director without delay. The Information Management section shall make timely disclosure about facts whose disclosure was decided by the Company and financial results after obtaining approval from the Board of Directors as well as disclose facts that occurred independently of the Company’s decision immediately after they occurred.

Corporate Governance System

