

(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.)

Last Update: 21 December 2021

SUZUKI MOTOR CORPORATION

Toshihiro Suzuki

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Securities Code Number: 7269

<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 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 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

The following description is based on the Corporate Governance Code revised in June 2021 (including the content for the Prime Market).

【Supplementary Principle 2.4.1 Ensuring Diversity in Appointment of Core Human Resources, Etc.】

At the Company, female, elderly, foreign national and other various human resources are actively working in various departments. As for female employees, we have set a target to triple the number of females employees with job titles in 2025, compared to FY2015, before the Act on the Promotion of

Female Participation and Career Advancement in the Workplace was enforced. Likewise, we have positively promoted human resources development and appointment of foreign nationals and mid-career hires. In addition, the Company will improve our disclosure on ensuring diversity in appointment of core human resources, etc.

For our initiatives related to human resources, please see “With Our Employees” in the “Sustainability Report.”

https://www.globalsuzuki.com/corporate/environmental/report/pdf/2021_enve_all.pdf

【Supplementary Principle 3.1.3 Efforts for Sustainability, Etc. 】

For disclosure of our efforts for sustainability and “Influence of Climate Change Risks and Income Opportunities on Company’s Business Activities and Income, Etc.” under the framework of TCFD, please see the “Integrated Report” and the “Sustainability Report.”

Integrated Report

<https://www.globalsuzuki.com/ir/library/annualreport/pdf/2021/2021.pdf>

Sustainability Report

https://www.globalsuzuki.com/corporate/environmental/report/pdf/2021_enve_all.pdf

We will make efforts for investment in human capital and intellectual properties by making both goods and things, with primary importance placed on "Sho-Sho-Kei-Tan-Bi" which represent the base of our corporate thought and culture. Further, we will establish rights on, or utilize as know-how, intellectual properties generated through such efforts. We will make information disclosure based on such efforts.

"Sho-Sho-Kei-Tan-Bi" is an abbreviation for Japanese meaning “smaller” “fewer” “lighter” “shorter” and “neater“.

【Supplementary Principle 4.11.1 Attitude toward Balance, Diversity and Scale of Board of Directors】

The Board of Directors will be maintained in an appropriate scale for reasonable and expeditious decision-making through adequate discussion and be constituted in consideration of the overall balance in terms of knowledge, experience, ability, performance, diversity, etc., based on our business strategies and issues we face, including ESG.

As for a skill matrix of directors, we will make efforts to make it a tool to be utilized for upskilling of current directors, planning of successor development and planning of leader development. We plan to disclose such skill matrix starting from the notice of convocation of the shareholders’ meeting in June 2022.

Procedures for election of directors are stated in “Establishment of Optional Committee(s), Composition, and Attributes of Chairperson” of “1. Organizational Structure and Operation, etc.” of “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.

【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" (Sho-Sho-Kei-Tan-Bi) 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 (April 2021 to March 2026) ~ "Sho-Sho-Kei-Tan-Bi" ~ announced on 24 February 2021 is available at our homepage.

<https://www.globalsuzuki.com/ir/library/financialpresentation/pdf/2020/plan.pdf>

"Sho-Sho-Kei-Tan-Bi" is an abbreviation for Japanese meaning "smaller" "fewer" "lighter" "shorter" and "neater".

(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】 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, law, 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 Committee on Personnel and Remuneration, etc., where Outside Directors 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 senior Managing Officers, the Committee on Personnel and Remuneration, etc. deliberates suitability 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).

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

Please refer to the "Notice of Convocation of the 155th Ordinary General Meeting of Shareholders held on 25 June 2021 (Agenda Item 2 and 3)", which is available at our homepage.

<https://www.globalsuzuki.com/ir/stock/toShareholders/pdf/2021/convocation155.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 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】" 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 4.10.1 Attitude toward Independence of Committees, Etc.】

This information is stated in "Establishment of Optional Committee(s), Composition, and Attributes of Chairperson" of "1. Organizational Structure and Operation, etc." of "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 155th Ordinary General Meeting of Shareholders held on 25 June 2021 (Matters relating to Directors/Company Auditors and Agenda Item 2 and 3)” which is available at our homepage.

<https://www.globalsuzuki.com/ir/stock/toShareholders/pdf/2021/convocation155.pdf>

【Supplementary Principle 4.11.3 Board evaluation】

The Company carried out analysis and evaluation in order to further improve the effectiveness of the Board of Directors. The outline is as follows.

(1) Method

The Company carried out a survey on how the Board of Directors should be in terms of information materials for meetings, time spent for deliberations, proceedings, decision-making, oversight, etc. by sending questionnaires to Directors and Company Auditors and reported the results to the Board of Directors.

(2) Outline of Results

While there was an opinion that constructive discussions had been done with Directors and Company Auditors actively making statements at meetings of the Board of Directors, there were suggestions on oversight over the progress of a mid-term management plan, discussions on sustainability/ESG issues, explanation to Outside Directors and Outside Company Auditors, allocation of time for deliberations, improvement of information materials, etc.

The Company will further improve the effectiveness of the Board of Directors by making efforts for improvement in those aspects and continuously carrying out evaluation.

【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)	74,967,500	15.43
Custody Bank of Japan, Ltd. (Trust Account)	26,926,000	5.54
Toyota Motor Corporation	24,000,000	4.94
Tokio Marine & Nichido Fire Insurance Co., Ltd.	17,961,766	3.70
MUFG Bank, Ltd.	16,000,858	3.29
Resona Bank, Ltd.	13,000,000	2.68
The Shizuoka Bank, Ltd.	11,600,723	2.39
Sompo Japan Insurance Inc.	7,761,500	1.60
Nippon Steel Corporation	7,759,531	1.60
State Street Bank and Trust Company 505001	7,331,900	1.51

Controlling Shareholder (excluding parent company)	—
Parent Company	None

Supplementary Explanation Revised

- (1) Principal shareholders listed above are as of 30 September 2021.
- (2) In addition to the above, the Company owns 5,418,204 shares as treasury stock.
- (3) According to the Change Report Pertaining to Report of Possession of Large Volume dated 20 July 2020, Nomura Asset Management Co., Ltd. and its joint holders held 28,177,674 shares as of 15 July 2020. However, the Company has not been able to confirm the practical number of shares held by them as of 30 September 2021, and therefore they are not included in principal shareholders listed above.

Nomura Asset Management Co., Ltd. 27,196,200 shares

NOMURA INTERNATIONAL PLC 981,474 shares

- (4) According to the Change Report Pertaining to Report of Possession of Large Volume dated 21 December 2020, Sumitomo Mitsui Trust Bank, Limited and its joint holders held 32,222,340 shares as of 15 December 2020. However, the Company has not been able to confirm the practical number of shares held by them as of 30 September 2021, and therefore they are not included in principal shareholders listed above.

Sumitomo Mitsui Trust Bank, Limited 5,500,000 shares

Sumitomo Mitsui Trust Asset Management Co., Ltd. 14,433,094 shares

Nikko Asset Management Co., Ltd. 12,289,246 shares

- (5) According to the Change Report Pertaining to Report of Possession of Large Volume dated 8 January 2021, MUFG Bank, Ltd. and its joint holders held 35,430,562 shares as of 28 December 2020. However, the Company has not been able to confirm the practical number of shares held by joint holders as of 30 September 2021, and therefore they are not included in principal shareholders listed above.

MUFG Bank, Ltd. 16,000,858 shares

Mitsubishi UFJ Trust and Banking Corporation 9,776,100 shares

Mitsubishi UFJ Kokusai Asset Management Co., Ltd. 5,529,100 shares

MUFG Securities EMEA plc

2,900,000 shares

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

1,224,504 shares

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	President
Number of Directors	9 persons
Appointment of Outside Directors	Yes
Number of Outside Directors	3 persons
Number of Independent Directors and Outside Directors	3 persons

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Osamu Kawamura	From another company								○			
Hideaki Domichi	From another company								△			
Yuriko Kato	From another company								○			

* 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
Osamu Kawamura	○	Mr. Osamu Kawamura is Representative Director of CHANSON COSMETICS Inc. and its group companies. The Group has transactions with said group including the purchase of management devices and renting a part of the roof of the building owned by said company, but the annual payment from the Group in the latest business year was less than 0.1% of the annual net sales of said group or the consolidated net sales of the Group, and therefore the Company has judged that this presents no issues to his independence.	<p><Reasons for Selecting as Outside Director> Having engaged in corporate management in cosmetic business and other businesses, Mr. Osamu Kawamura has ample experience and knowledge as a specialist in business management. In addition, through business activities, he is proactively working on supporting women's advancement in society, environmentally friendly manufacturing that emphasizes quality, and the SDGs. The Company has judged that Mr. Osamu Kawamura is able to perform the duties as Outside Director properly based on his experience and knowledge.</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</p>

			Exchange, Inc., and the Company believes that Mr. Osamu Kawamura meets the Standard and has no risk of having conflicts of interest with ordinary shareholders.
Hideaki Domichi	○	Mr. Hideaki Domichi served as Senior Managing Officer of Hotel Management International Co., Ltd. from October 2016 to January 2019 after working for the Ministry of Foreign Affairs and Japan International Cooperation Agency. The Group has transactions with Grand Hotel Hamamatsu, an affiliate of said company, regarding facility usage, etc., but these transactions have been ongoing since before February 2014 (before Mr. Hideaki Domichi assumed the office of Senior Managing Officer of said company), when Hotel Management International Co., Ltd. took over the business operations of Grand Hotel Hamamatsu. Additionally, the annual payment from the Group in the latest business year was less than 0.3% of the annual net sales of said group and less than 0.1% of the consolidated net sales of the Group, and therefore the Company has judged that this presents no issues to his independence.	<p><Reasons for Selecting as Outside Director> Mr. Hideaki Domichi has held important positions such as the Ambassador of Japan to India, which is a focus market for the Group, and has a wealth of international experience as a diplomat and deep insight into world affairs. In addition, he has been engaged in various issues such as the environment and society on a global scale. The Company has judged that Mr. Hideaki Domichi is able to perform the duties as Outside Director properly based on his experience and knowledge.</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 Mr. Hideaki Domichi meets the Standard and has no risk of having conflicts of interest with ordinary shareholders.</p>
Yuriko Kato	○	Ms. Yuriko Kato is Representative Director of M2Labo. Inc. and its group company, VegiBus Inc. Said group buys machinery and vegetables from a consolidated subsidiary of the Company, but the annual payment to the consolidated subsidiary of the Company in the latest fiscal year was around 14 million yen. In addition, the Company and M2Labo. Inc. jointly develop an electric transportation vehicle for agriculture, but pay their own expenses themselves, with no sales or payments. Therefore, the Company has judged that this presents no issues to her independence.	<p><Reasons for Selecting as Outside Director> Ms. Yuriko Kato founded her own company with the aim of contributing to the achievement of a sustainable society after having engaged in research and development of industrial machinery and robots in a private company and as a sole proprietor, and she is proactively working on the development of agricultural machinery and robots, the efficient distribution of agricultural products, and human resource development through agriculture in order to solve social issues such as a decrease in the number of agricultural workers and the aging of society. The Company has judged that Ms. Yuriko Kato is able to perform the duties as</p>

	(A consolidated subsidiary of the Company has invested 5 million yen in M2Labo. Inc., the investment relationship was dissolved in December 2020.)	Outside Director properly based on her experience and knowledge. <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 Ms. Yuriko Kato 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	Committee on Personnel and Remuneration, etc.	Committee on Personnel and Remuneration, etc.
Total Number of Members	5	5
Full-time Members	-	-
Internal Directors	2	2
Outside Directors	3	3
Outside Experts	-	-
Other	-	-
Chairperson	Internal Director	Internal Director

Supplementary Explanation

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

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. Further, the committee is delegated the decisions on certain matters.

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

Members of the Committee are Representative Director and President Toshihiro Suzuki, Representative Director and Senior Technical Executive Osamu Honda, Outside Directors Osamu Kawamura, Hideaki Domichi and Yuriko Kato. In addition, Outside Company Auditors Norio Tanaka, Nobuyuki Araki and Norihisa Nagano attend the committee meetings as an observer.

The Committee meetings are held as needed and the frequency of meetings varies from year to year.

The Committee has the functions of both the Nominating Committee and the Remuneration Committee.

[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

Please refer to “2. Matters Related to Business Execution, Audit and Supervision, Nominations and Decisions on Remuneration (Overview of Current Corporate Governance System)” below in this report.

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														○
Nobuyuki Araki	Academic														○
Norihisa Nagano	Lawyer														○

* 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. Non-executive director or accounting advisor of the Company or its subsidiaries
- c. A person executing business or non-executive director of a parent company of the Company
- d. A company auditor of a parent company of the Company
- e. A person executing business of a fellow subsidiary of the Company
- f. 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
- g. A person who is a major business partner of the Company or a person executing business of a major business partner of the Company
- h. A consultant, accounting expert or legal expert who receives a large amount of remuneration from the Company other than remuneration for company auditor
- i. Major shareholder of the Company (or a person executing business of such shareholder if the shareholder is a legal entity)
- j. 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)
- k. A person executing business, between which and the Company outside directors/outside company auditor are mutually appointed (the outside company auditor himself/herself only)
- l. A person executing business of an entity which receives a donation from the Company (the outside company auditor himself/herself only)
- m. 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 > Since his appointment as Outside Company Auditor of the Company, Mr. Norio Tanaka has been performing his duties as Outside Company Auditor properly, including expressing beneficial opinions at the meetings of the Board of Directors, etc. based on his ample experience and expertise as a Certified Public Accountant and a Certified Tax Accountant. The Company expects him to continue to oversee and supervise the management of the Company from an objective and neutral position.</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 Mr. Norio Tanaka 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 of the Company, Mr. Nobuyuki Araki has been performing his duties as Outside Company Auditor properly, including expressing beneficial opinions at the meetings of the Board of Directors, etc. based on his ample experience and expertise as doctor of engineering and other important offices such as in the field of academy/environment. The Company expects him to continue to oversee and supervise the management of the Company from an objective and neutral position.</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 Mr. Nobuyuki Araki meets the Standard and has no risk of having conflicts of interest with ordinary shareholders.</p>
Norihsa Nagano	○	—	<p><Reasons for Selecting as Outside Company Auditor > Since his appointment as Outside Company Auditor of the Company, Mr. Norihisa Nagano has been performing his duties as Outside Company Auditor properly, including expressing beneficial opinions at the meetings of the Board of Directors, etc. based on based on his ample experience and expertise as an</p>

			<p>attorney at law. The Company expects him to continue to oversee and supervise the management of the Company from an objective and neutral position.</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 Mr. Norihisa Nagano meets the Standard and has no risk of having conflicts of interest with ordinary shareholders.</p>
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[Independent Directors/ Company Auditors]

Number of Independent Directors/Company Auditor	6 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

[Bonus (Performance-linked Remuneration)]

It is paid to Directors (excluding Outside Directors) in order to raise awareness of improvement of each fiscal year's performance and to function as an incentive for continuous improvement of the corporate value. The specific amount of remuneration for each individual is calculated by multiplying the performance indicators predetermined by the Board of Directors by a stipulated percentage and the multiplication rate by position predetermined by the Board of Directors. The performance indicator is consolidated operating profit from the perspective of company profitability.

(Supplement)

Bonus for Directors (excluding Outside Directors) for FY2021 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

President	Multiplying Factor	1.00 (1 person)
Senior Technical Executive	Multiplying Factor	0.60 (1 person)
Director	Multiplying Factor	0.30 (4 persons)

Note: Above number of persons are based on the number of Directors eligible for the bonus as of 25 June 2021

[Restricted stock remuneration]

It is paid to Directors (excluding Outside Directors) in order to function as an incentive for continuous improvement of the corporate value and to further promote shared value with shareholders. Directors (excluding Outside Directors) receive ordinary shares of the Company by paying all remuneration paid based on the resolution of the Board of Directors (monetary remuneration rights) as contribution in kind. The transfer restriction period is until the date of retirement from the position of Director. If a Director falls under certain grounds, such as the Director retires for any reason other than that deemed as reasonable by the Board of Directors, the Company shall acquire the shares allotted for no fee

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 remuneration of 100 million yen or more.

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

During FY2020, the total amount of remuneration that the Company paid to six Directors (excluding Outside Directors) was 457 million yen (basic remuneration of 219 million yen, performance-linked bonus of 129 million yen and restricted stock remuneration of 108 million yen). Performance-linked bonus and restricted stock remuneration are amounts reported as expenses for FY2020.

The total amount of remuneration paid to five Outside Directors was 34 million yen (basic remuneration) which includes remuneration for two Outside Directors who retired as of the conclusion of the 154th Ordinary General Meeting of Shareholders held on 26 June 2020.

The total amount of remuneration paid to Representative Director Osamu Suzuki was 149 million yen (basic remuneration of 67 million yen, performance-linked bonus of 38 million yen and restricted stock remuneration of 43 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>

Regarding the decision-making policy for individual remuneration of Directors (hereinafter referred to as the "Decision-making Policy"), a report on the validity of the proposed Decision-making Policy is received from the Committee on Personnel and Remuneration, etc., with a majority of the members as Outside Directors. The Board of Directors deliberates and makes a resolution based on the report. The outline of the Decision-making Policy as of the filing of this report is as follows.

Remuneration of Directors (excluding Outside Directors) consists of basic remuneration, bonuses linked to the Company's performance of each fiscal year, and restricted stock remuneration linked to the medium- to long-term stock price to function as an incentive for continuous improvement of the Company's corporate value. The ratio is roughly 40% basic remuneration, 30% bonuses, and 30% restricted stock remuneration. Outside Directors' remuneration shall be solely basic remuneration, given their duties. Basic remuneration for Directors is fixed monthly remuneration, which is determined and paid in consideration of duties and responsibilities, remuneration levels at other companies, and employee salary levels. Bonuses are calculated based on a formula for each position linked to consolidated operating profit and are paid at a certain period each year. In addition, the content of restricted stock remuneration is determined based on the criteria for each position and is delivered at a certain period every year.

<Matters concerning resolutions at the General Meetings of Shareholders related to remuneration for Directors>

The annual amount of basic remuneration for Directors and bonuses for Directors excluding Outside Directors were resolved to be within 750 million yen (including an annual amount of 36 million yen for Outside Directors) at the 151st Ordinary General Meeting of Shareholders held on 29 June 2017. The number of Directors after the conclusion of such General Meeting of Shareholders was eight including two Outside Directors. Separate from this framework of remuneration, it was resolved at the 154th Ordinary General Meeting of Shareholders held on 26 June 2020 that the total amount of remuneration to be paid to Directors excluding Outside Directors for the purpose of granting of restricted stock (monetary remuneration right) shall be within the annual amount of 300 million yen, the total annual limit of the ordinary shares to be granted shall be within 100,000 shares, and the transfer restriction period shall be from the date of allotment until the date of retirement from the position of Director. The number of Directors excluding Outside Directors after the conclusion of such General Meeting of Shareholders was six.

<Remuneration of Company Auditor>

The remuneration of Company Auditors shall be basic remuneration only. With the resolution of the 151st Ordinary General Meeting of Shareholders held on 29 June 2017 that the annual amount should not exceed 120 million yen, the payment within the limit shall be determined by consultation among Company Auditors. The number of Company Auditors after the conclusion of such General Meeting of Shareholders was five including three Outside Company Auditors. During FY2020, the total amount of remuneration that the Company paid to two Company Auditors (excluding Outside Company Auditors)

was 56 million yen. The total amount of remuneration paid to three Outside Company Auditors was 33 million yen.

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

[Outside Directors]

The Company has assigned a liaison to each Outside Director to assist in their duties. Through liaison, Outside Directors have been provided information by receiving agenda for Board of Directors meetings in advance as well as having access to documents at their request and others.

[Outside Company Auditors]

The Company has established the Company Auditors Secretariat. Please refer to “2. Matters Related to Business Execution, Audit and Supervision, Nominations and Decisions on Remuneration (Overview of Current Corporate Governance System)”.

[Retired presidents/CEOs holding advisory positions, etc.]

Information on retired presidents/CEOs holding advisory positions

Name	Job title/ position	Responsibilities	Conditions (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
Osamu Suzuki	Senior Advisor	Telling young directors and officers of his own experiences by providing consultation.	Full time, with compensation	2021/6/25	One year (Renewable)

Number of retired presidents/CEOs holding advisory positions	1 person
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Others

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

[Board of Directors]

In June 2006, the Company reduced the number of Directors from 29 to 14 persons in connection with the introduction of Managing Officers System aiming at agile execution of operations and clarification of a responsibility framework and, after that, has continued to further streamline the structure of the Board of Directors in order to speed up decision-making processes thereat. Further, the Company has appointed two Outside Directors since June 2012 and has appointed three Outside Directors since June 2020, in order to strengthen the management oversight function and receive useful advice, suggestions, etc. on the Company’s business management based on their respective extensive experience and expertise and various perspectives.

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.

Members of the Board of Directors are Toshihiro Suzuki (Board Chair), Osamu Honda, Masahiko Nagao, Toshiaki Suzuki, Kinji Saito, Yukihiro Yamashita, and Outside Directors Osamu Kawamura, Hideaki Domichi and Yuriko Kato.

[Company Auditor's Audit]

a. Company Auditors' audit organization, staffing and procedures

Members of Audit & Supervisory Board are Full-time Company Auditors Taisuke Toyoda and Masato Kasai, and Outside Company Auditors Norio Tanaka, Nobuyuki Araki and Norihisa Nagano.

Full-time Company Auditor Taisuke Toyoda has many years of operational experience in the financial and audit divisions. Outside Company Auditor Norio Tanaka has extensive experience as a certified public accountant. Both have considerable knowledge of finance and accounting. Outside Company Auditor Norihisa Nagano has extensive knowledge in law as a solicitor, Full-time Company Auditor Masato Kasai and Outside Company Auditor Nobuyuki Araki have considerable knowledge in the fields of technology, environment, etc.

In addition, to assist the Company Auditors in their duties, we have established the Company Auditors Secretariat as a full-time staff division independent of the chain of command of the directors and others. There are three staff members with expertise and experience in accounting and finance, auditing, overseas assignment, technology divisions, etc.

Company Auditors' audit procedures conform to the auditing standards of the Audit & Supervisory Board, and according to the auditing policy and division of duties, which are formulated after the General Meeting of Shareholders, Company Auditors audit the proper execution of corporate management and communicate their opinions by attending meetings of the Board of Directors, Executive Committee and other important meetings, inspecting ringi (request for approval) documents and minutes of meetings, and receiving reports and interviews from directors and employees on the status of operations. In addition, Company Auditors review and discuss the audit plan and topics formulated by Audit HQ, which is an internal audit division, and the results of operational audits conducted by Audit HQ.

b. Activities of Company Auditors and Board of Company Auditors

The Company holds a meeting of the Audit & Supervisory Board once a month in principle, and such meeting takes a little over three hours each time on average. The meetings of Audit & Supervisory Board were held in total of 13 times in FY2020, and the attendance of individual company auditors is as follows.

Full-time Company Auditor	Toyokazu Sugimoto	13 times/13 times
Full-time Company Auditor	Masato Kasai	13 times/13 times
Outside Company Auditor	Norio Tanaka	13 times/13 times
Outside Company Auditor	Nobuyuki Araki	13 times/13 times
Outside Company Auditor	Norihisa Nagano	13 times/13 times

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. (former name), 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 inspected the status of operations and properties at the Head Office and major places of business by carrying out the inspection of important decision documents, etc. and the audit, etc. on the performance of duties by the senior management. With respect to subsidiaries, Company Auditors inspected the status of operations and properties, etc. by receiving business reports and collecting management data, etc. and made proposals for improvement in business management through discussions with executives of subsidiaries by means of video conference, etc. Further, Company Auditors received reports of audits conducted over the Head Office, major places of business and subsidiaries from Audit HQ, which is an internal audit division, conveyed their opinions, and confirmed the status of activities under the internal control reporting system for financial reporting.

Outside Company Auditors attend meetings of the Board of Directors, the Audit & Supervisory Board as well as various meetings related to business management and execution of operations as appropriate and express their opinions as needed, and exchange opinions with the Representative Director. All of them were members of the Advisory Committee on Personnel and Remuneration, etc., which is an advisory committee for the Board of Directors in FY2020 and are observers of the Committee on Personnel and Remuneration, etc. as of the date of filing of this report.

Based on the above structure, the Audit & Supervisory Board received reports on the status and results of audits from respective Company Auditors, had discussions and made efforts to share information. Further, the Audit & Supervisory Board regularly receives reports from accounting auditors on the audit plan, the results of quarterly review and the status of annual audits, etc., witnesses accounting audits to recognize the status of the audits and made efforts to strengthen collaboration through necessary exchange of opinions and information sharing, for example, by receiving reports on approaches made as an auditing firm for quality control of audits. Regarding "Key Audit Matters (KAM)," the Audit & Supervisory Board had discussions several times, received reports on the status of audits on such matters and sought explanation as needed.

[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 divisional responsible persons (Managing Officers and divisional general managers, etc.) as well as the Company Auditors as an observer, and other various meetings attended by Directors, Company Auditors, Managing Officers and divisional general managers 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.

[Committee on Personnel and Remuneration, etc.]

Please refer to “Establishment of Optional Committee(s)” in “1.Organizational Structure and Operation, etc.”.

[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 the Company Group's sustainable growth and the medium- to long-term enhancement of corporate value. The Committee also verifies the results of effectiveness evaluation of internal controls over financial reporting in accordance with Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act.

The committee is composed by divisional general managers. Further, Full-time Company Auditor attends as an observer.

[Internal Auditing]

a. Organization and staffing of Internal Audit

As an organization under the direct control of President, fifty four staff members (as of March 31, 2021) 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.

b. Internal audit procedures and relationship with Internal Control Division

Operational audits include on-site audit, remote audit 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 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 internal audit division, Internal Audit checks their activities, receives reports on their audit plans and results, and provides advice and guidance as necessary.

c. Mutual cooperation with the Accounting Audit

Audit results are shared with the accounting auditor as needed, and regular meetings are held to

share information, enhance communication, and maintain close cooperation.

[Independent Auditor]

Three certified public accountants who engaged in the audit for FY2020 are Messrs. Satoru Imamura, Koji Nishikawa and Takashi Imamura, who belong to Seimei Audit Corporation (the Company contracted initially with its predecessor in 1967). The numbers of other assistant members for audit are eight certified public accountants, six CPA examination passer and six others.

[Contracts for Limitation of Liability]

The Company concludes with each of Outside Directors and Outside Auditors a contract for limitation of liability which specifies the liability under Paragraph 1, Article 423 of the Companies Act as the minimum amount of the limit for liability provided by Paragraph 1, Article 425 of the Act, according to Paragraph 1, Article 427 of the Act.

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

The Company has adopted the current system with the thought of statutory company auditor system being the foundation and establishment of optional committee on Personnel and Remuneration, etc. and appointment of highly independent Outside Directors enables improvement 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	Every year, the Company sends Notice of Convocation of Ordinary General Meeting of Shareholders at the end of May. Notice of Convocation of the 155 th Ordinary General Meeting of Shareholders held on 25 June 2021 was sent on 31 May 2021.
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. However, the Company cancelled the shuttle bus services and the tour in the "Suzuki Plaza Museum" this year due to the spread of the

	new coronavirus infection. The General Meeting of Shareholders was live-streamed on the Internet this year.
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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> https://www.suzuki.co.jp/ir/home/pdf/disclosurepolicy.pdf <English> https://www.globalsuzuki.com/ir/home/pdf/disclosurePolicy.pdf	
Holding periodic Private investors Briefing	Jointly with securities company, the Company holds briefings by Directors or 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 held a financial result briefing that is presented by the Representative Director or the officer in charge every quarter and held a mid-term management plan briefing in February 2021. In addition, the Company invited analysts to new car presentations when the need arises.	Yes
Holding Regular Investor Briefings for Foreign Investors	The Company has Directors or Officers in charge attend IR Conferences for foreign investors.	NO
Disclosure of IR Materials on the Company's Website	On the Company's website available are materials including financial statements, reference to financial statements, materials of financial result briefings for investors, securities reports, annual reports, business result reports, CSR & Environmental Report, and various IR reports such as IR news, IR calendar, and information of shares and ratings. Meeting materials for institutional investors are made available to the public on the IR website from the viewpoint of fair disclosure. IR pages for overseas investors contain the similar information in English. <Japanese> http://www.suzuki.co.jp/ir/index.html <English> http://www.globalsuzuki.com/ir/index.html	
Establishment of IR Department	The Corporate Planning Office of the Company has in place the Corporate Management/IR/Cost Management 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 HQ.	
Others	The Company is ready to be interviewed by a number of securities analysts, institutional investors, laboratories and public offices. From the viewpoint of preventing spread of the new coronavirus infection,	

	<p>the Company also accepts interviews through telephone and web conference.</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>	
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3. Measures Concerning Respect of the Positions of Stakeholders **Revised**

	Supplementary Explanations
Stipulation of Internal Regulations concerning the Respect of Positions of Stakeholders	<p>The Company’s effort toward each stakeholder is described in the “Sustainability Report.” It is available on the websites of the Company. https://www.globalsuzuki.com/corporate/environmental/report/pdf/2021_enve_all.pdf</p>
Implementation of Environmental Conservation Activities, CSR Activities, etc.	<p>The Company issues the “Integrated Report” and the “Sustainability Report,” which outlines our environmental efforts, philosophy of CSR and activities. It is available on the website of the Company.</p> <p>< Integrated Report > https://www.globalsuzuki.com/ir/library/annualreport/pdf/2021/2021.pdf</p> <p>< Sustainability Report > https://www.globalsuzuki.com/corporate/environmental/report/pdf/2021_enve_all.pdf</p>
Establishment of Policies on Providing Information to Stakeholders	<p>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.</p>

IV. Matters Related to the Internal Control System

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

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, the ringi (request for approval) system 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 Operation of the Systems for Ensuring Appropriate Execution of Duties]

The following is an overview of operation of the basic policies related to the systems for ensuring appropriate execution of duties in FY2020:

[Measures relating to compliance]

- The Board of Directors confirms the implementation status of measures to prevent recurrence of the improper sampling inspection of fuel consumption and exhaust gas in 2016 and the improper conducts regarding final vehicle inspection in 2018. In addition, the Inspection Reform Committee deliberates on each of these efforts and, if necessary, conducts on-site inspections to confirm their validity.
- Education, training, and urging posters at all worksites are some methods being used continuously 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 by distributing the “Compliance Handbook” and promoting its utilization, 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 Executive Committee or the Corporate Governance Committee, depending on their urgency and severity. The Company checks concerns of the impact and measures from each headquarters every week at the Executive Committee in order to quickly grasp the impact of issues related to product quality, certifications, final vehicle inspections, etc., COVID-19, and issues of shortages of parts or raw materials on the business and make necessary management decisions.
- Centered around the “COVID-19 Response Headquarters” established in March 2020, the Company is thoroughly implementing infection prevention measures for Suzuki Group employees by frequently exchanging updated information with all domestic and overseas bases while promoting remote work, staggering office hours, ensuring social distancing in workplaces and cafeterias, and establishing and spreading awareness for standards of conduct. In addition, the Company is working to reduce the risk of infection for its customers by adopting customer service and sales methods in which representatives do not directly interact with customers in on-site sales.
- The Company is working to strengthen its system for prompt investigation of causes and swift implementation of countermeasures to avoid situations where the prolonged response to quality issues causes major inconvenience to customers and an increase in the cost of countermeasures, and the Company constantly keeps track of the latest status of quality issues at weekly and monthly meetings such as the Executive Committee. Market actions such as recalls are decided after deliberation by the Quality Assurance Committee, which is composed of related officers, Executive General Managers, General Managers, etc.
- To properly manage personal and confidential information, based on the “Suzuki Basic Policy for Information Security”, an information security officers' committee was established under the Corporate Governance Committee to deal with information security in general including product security, and the Company is promoting the Suzuki Group's information security measures.
- 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. We all have provided chances for ourselves to check each work procedure and make the necessary improvements regularly every year.
- 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 has formulated the Business Continuity Plan (BCP) assuming the occurrence of the Nankai Trough Earthquake, and based on this, the Company has secured the necessary cash on hand and lines of credit. In addition, while the impact of the spread of COVID-19 is uncertain in the current fiscal year, the Company considered the risk of group business financing, and procured additional funds through bank loans.

[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 clearly assigns a person responsible for execution to new management issues as they arise, and gives instructions as necessary.
- 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.
- The Company has established a whistleblowing system in the Group and strives to identify compliance issues at subsidiaries.
- In accordance with the audit plan, through on-site and remote 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. The results of these audits are reported to the President and other concerned Directors each time an audit is conducted, and once every half period to the Board of Directors, and the internal audit department provides advice and guidance to the audited departments and audited subsidiaries based on audit results until the applicable improvements have been completed. 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 whom the Audit & Supervisory Board appoints 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, the Inspection Reform Committee, 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.
- In the whistleblowing system of the Suzuki Group, a contact point with Audit & Supervisory Board Members for whistleblowing is established. 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.

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

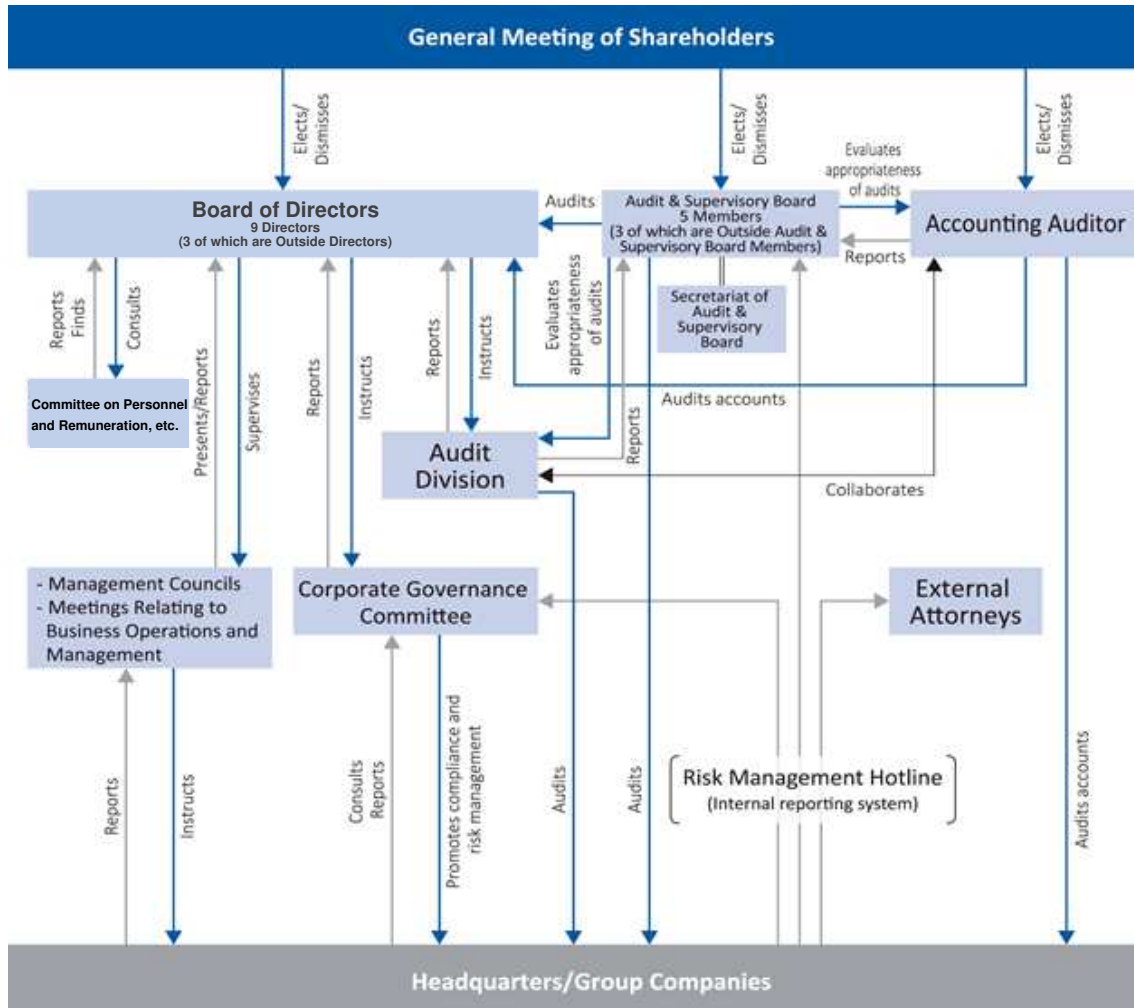
The Company discloses information in an accurate, fair and swift manner in accordance with the securities listing regulations of the Tokyo Stock Exchange, etc. Further, the Company strives to proactively disclose information that is instrumental in understanding of the Group.

In addition, the Company has established the “Insider Trading Management Regulations” in order to develop an internal system for timely disclosure of material facts and has made efforts to ensure the confidentiality of timely disclosure information and prevent insider trading.

2. Internal System for Timely Disclosure

- Information of respective sections in the Suzuki Group that may be subject to the duty of timely disclosure is collected and centrally controlled by the Company’s officer in charge of internal information control.
- Judgment on whether timely disclosure should be done or not is made mainly by the Company’s officer in charge of internal information control in accordance with the securities listing regulations, etc.
- The Company’s officer in charge of internal information control makes a report to the Representative Director without delay. The section in charge of information disclosure promptly makes timely disclosure after resolution/approval at a meeting of the Board of Directors or of the Executive Committee, etc. with respect to decided facts and financial results or after reporting to the Executive Committee, etc. with respect to occurred facts.

Corporate Governance System



System for Timely Disclosure

