

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

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**SUZUKI MOTOR CORPORATION**

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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**

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

Compact cars including minivehicles, in which the Company excels, have supported people in the countryside in moving around for everyday life and work. Further, through the production and dissemination of automobiles, the Company has been able to remain useful to emerging countries such as Pakistan, India, and Hungary, in which the Company is widely embraced.

In order to create, develop and deliver these products around the world, it is essential to have employees with diverse backgrounds and perspectives, regardless of gender, age, nationality, disability, gender identity or sexual orientation.

To stay as a corporation that contributes to society, is needed by society and keeps growing, the Company will make continued efforts to ensure diversity in its human resources.

(1) Actions to promote participation by women

With the aim of becoming a corporation in which women find it easier to demonstrate their abilities and play active roles than before, the Company set “Increase the number of female employees with job titles\*” as an issue in FY2020. To this end, the Company has worked toward the target “Triple the number of female employees with job titles for 2025 from that in years prior to the enactment of the Act on the Promotion of Female Participation and Career Advancement in the Workplace (FY2015)”.

The number of female employees with job titles increased from 53 people in 2015 to 136 in 2021 (2.6 times). Toward reaching the target, the Company is engaged in human resources development and appointment.

\* Staff with job titles: Manager, assistant manager, supervisor, and foreman

(2) Foreign nationals

Employees come to contact with various cultural backgrounds and can be inspired by each other, which presents a great advantage to the Company when operating in Asia and on a global basis. The Company sets no quota for “Foreign nationals” and recruits, develops and appoints employees regardless of nationality.

Going forward, the Company will establish a working environment globally that enables diverse human resources to play active roles, and recruit and develop more foreign nationals than before.

(3) Mid-career employees

With technologies such as EVs and autonomous driving advancing, the Company needs people with knowledge from outside.

The Company sets no quota for “Mid-career employment” and hires, develops and appoints employees regardless of new grads or mid-career employment.

The Company will continue to recruit and develop “battle-ready” people with prior work experience and appoint them to important positions based on fair judgment of their skills and achievements. Doing this will help the Company reform its corporate culture and fill its operational needs.

(4) Peoples with disabilities

As of the end of March 2022, the number of employees with disabilities was 334 people (up 24 from the previous year), and the employment rate was 2.35% (including special subsidiary company). The Company’s ratio exceeds the statutory employment rate of 2.3%.

The Company strives to create a working environment where people with disabilities can work for long time at ease. We allocate the dedicated person in charge of employing people with disabilities, as well as psychiatric social worker in the Human Resources Department to provide

individual consultations periodically and assign a vocational life consultant for persons with disabilities also to each workplace for caring for their problems.

Lastly, since the Company finds its consideration of diversity in human resources insufficient, the Company continues deepening the discussion at present, too. Based on discussion results, the Company will clarify concrete action details and plans down the road.

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

[https://www.globalsuzuki.com/corporate/environmental/report/pdf/2021\\_enve\\_all.pdf](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 “the impact of climate change-related risks and earning opportunities on Company’s business activities and profits, etc.” under the framework of TCFD, please refer to 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](https://www.globalsuzuki.com/corporate/environmental/report/pdf/2021_enve_all.pdf)

**<Investments in human capital and intellectual properties>**

The Company places importance in investment in intellectual properties as a source of corporate value. As an instance, the Company plans an R&D budget of one trillion yen over the coming five years (200 billion yen a year). The Company will create, accumulate and utilize intellectual properties that maintain and boost its strengths as a result of this R&D. Toward the realization, the Company has set up the Intellectual Property Promotion Committee, attended by Directors, and Managing Officers and General Managers of the departments of design and development, product planning, corporate planning, intellectual property and the like, which has had a series of company-wide discussions on the intellectual property strategy. The Company will continue this activity in the future. As a result of the discussions so far, the Company has placed "Sho-Sho-Kei-Tan-Bi" which is the essence of our philosophy and culture and also contributes to carbon neutrality, at the center of the intellectual property strategy. Based on that, the Company will pursue the policy of building a network of patents in its focal technologies and managing them as know-how by nurturing a culture and making a mechanism in which its employees can work energetically to create intellectual property from both sides of manufacturing and realization of consumers' desires.

The Company plans to disclose concrete activities separately in an Integrated Report.

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

#### <Investments in human capital>

With regard to investment in human capital, the Company places the core of the investment in "Sho-Sho-Kei-Tan-Bi" which represents the essence of its philosophy and culture, and is working on both sides of manufacturing and realization of consumers' desires.

In particular, amid the business structure rapidly changing, it is more necessary than ever for each employee to improve their ability. The Company conducts an education course for all employees that helps them acquire the ability to solve problems. All employees are scheduled to complete the course within the next two years.

In the future, the Company will also push forward with overseas expansion so that the way of thinking and taking action for problem solving will become a common language on a global basis. Knowing that its consideration of investment in human capital is not sufficient yet, the Company is still having the discussion now. Based on discussion results, the Company will clarify concrete action details and plans down the road.

For our initiatives related to investments in human capital, etc., please refer to the "Integrated Report" and the "Sustainability Report."

#### **【Principle 4.8 Effective Use of Independent Outside Directors】 【Supplementary Principle 4.10.1 Attitude toward Independence of Committees, Etc.】 【Principle 4.11 Preconditions for Board and Audit & Supervisory Board Effectiveness】**

With the resignation of one outside director (female), the Company does not currently meet the requirements of these principles. Considering the ratio of independent outside directors, the independence of the composition of committees on the nomination and remuneration of directors, etc., and the diversity of the Board of Directors, the Company will proceed with the selection of candidates for outside directors in preparation for the Annual General Meetings of Shareholders to be held in June 2023.

#### **【Disclosure based on principles of Corporate Governance Code】 Revised**

##### **【Principle 1.4 Cross-Shareholdings】**

The Company holds 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 would 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, and other factors of holdings taking into consideration nature, scale, and other factors of transactions and setting qualitative criterion including aspect of enhancement of corporate value as well as quantitative criterion including comparison with capital costs. Once a stock is decided to be sold, then the company shall advance reduction.

The Company exercises 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 Audit & Supervisory Board Members of the Company assume the post of officers in other companies concurrently, 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 Officers or Executive 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.

The Fund avoids conflicts of interests between the fund beneficiaries and the Company by entrusting the management of its pension fund to trust banks and life assurance companies.

#### **【Principle 3.1 Enhancement of Information Disclosure】**

##### **(1) Company objectives, business strategies and business plans**

The Company group has been placing the motto “Develop products of superior value by focusing on the customer” as the first paragraph of the mission statement. We will continuously strive for making truly valuable products that satisfy our customers.

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

##### **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".

(2) Basic policy and guidelines on corporate governance

Please refer to "1. Basic Policy" above.

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

This information is stated in "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." "Remuneration of Directors Remuneration of Directors" below in this report.

(4) Basic policies and procedures in the nomination/dismissal of the senior management and the nomination of the candidates for Directors and Audit & Supervisory Board Members

The standard for electing Directors includes that they must have a great deal of experience and knowledge in their respective fields, that they must be capable and qualified managers, and that they must have a wide-ranging view of global business management.

For candidate of Outside Directors, the Company looks for people who have a broad range of knowledge, experience and sufficient achievements in their field of origin, and who satisfy the Company's "Standard for Independence of Outside Directors and Audit & Supervisory Board Members" in order to strengthen their ability to supervise management.

For candidate of Audit & Supervisory Board Members, the election 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 of Outside Audit & Supervisory Board Members, the Company looks for people who have a high level of specialist knowledge and a great deal of experience in finance, accounting, technology, legal affairs, etc., and who satisfy the Company's "Standard for Independence of Outside Directors and Outside Audit & Supervisory Board Members" in order to strengthen the neutrality of the auditing system.

For both candidate of Directors and candidate of Audit & Supervisory Board Members, the Company does not consider whether within or without company, gender or nationality.

The suitability of candidate of Directors and candidate of Audit & Supervisory Board Members is deliberated by the "Committee on Personnel and Remuneration, etc.," of which Outside Directors make up half or more of the membership, and based on the result of this deliberation, and with the assent of the Audit & Supervisory Board in the case of candidate of Audit & Supervisory Board Members, the Board of Directors then decides on the candidates to propose for election as an agenda item for the General Meeting of Shareholders.

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

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).

(5) Explanations with respect to the individual appointments and nominations of Directors and Audit & Supervisory Board Members

Please refer to the "Notice of Convocation of the 156th Ordinary General Meeting of Shareholders held on 29 June 2022 (Agenda Item 3 and 4)", which is available at our homepage.

<https://www.globalsuzuki.com/ir/stock/toShareholders/pdf/2022/convocation156.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】**

This information is stated in "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." "Independent Directors/Audit & Supervisory Board Members" below in this report.

**【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.

For a skills matrix of directors, etc., please refer to the "Notice of Convocation of the 156<sup>th</sup> Ordinary General Meeting of Shareholders held on 29 June 2022.

<https://www.globalsuzuki.com/ir/stock/toShareholders/pdf/2022/convocation156.pdf>

**【Supplementary Principle 4.11.2 Current positions of Directors and Audit & Supervisory Board Members held at other listed companies】**

Please refer to the "Notice of Convocation of the 156<sup>th</sup> Ordinary General Meeting of Shareholders held on 29 June 2022 (Matters relating to Directors/ Audit & Supervisory Board Members)" which is available at our homepage.

**【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 of Evaluation**

- In this evaluation, the Company was focused on agenda-setting for Board of Directors meetings and issues with operating the meetings in order to further enhance the Company's competitiveness.
- From March to May 2022, exchanges of opinions and interviews were held on a group or individual basis with officers in order of Audit & Supervisory Board Member, Full-time Audit & Supervisory Board Member, Outside Director, Representative Director and Executive Director. Through this process, the Company confirmed future initiatives at Board of Directors meetings in line with discussions at the Executive Committee that took place after the interviews.

**(2) Outline of Results**

The following opinions and suggestions were made concerning agenda-setting for Board of Directors meetings and their operation.

- 1) Agenda setting should be further strengthened to discuss the direction that the Company should take.
- 2) Explanatory materials should be more clear about key points for decision-making.
- 3) More reporting on progress in business execution should be made.
- 4) Explanations of materials should be shorter and done more efficiently to allocate more time to deliberation.
- 5) Members attending Board of Directors meetings should have separate meetings to discuss and exchange opinions without formality.

**(3) Future Initiatives**

- In the course of this evaluation, the Company identified agenda items related to 1) at (2) above. They will be discussed one by one at Board of Directors meetings in the future.
- The Company will steadily improve matters referred to by opinions and suggestions mentioned at 2) to 5) in (2) above, and will further enhance the effectiveness of the Board of Directors by conducting evaluations on a continuous basis.

**【Supplementary Principle 4.14.2 Training policy for Directors and Audit & Supervisory Board Members】**

The Company implements trainings that allow Directors and Audit & Supervisory Board Members to deepen their understanding of their respective roles, responsibilities, etc. We intend to make the training an opportunity in which Directors and Audit & Supervisory Board Members 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 Audit & Supervisory Board Member assumes post in the Company, the Company will explain to the person the corporate philosophy, 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 relating to business operation and management, 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 the Company's sustainable growth and the mid- and long-term enhancement of corporate value, the Company is striving to promote dialogue with the shareholders. The followings are the policies for advancing constructive dialogues with the shareholders.

##### (1) IR organization

- The director in charge of IR is stationed in Tokyo, and a group in charge is set up as a contact point for IR coverage. In order to support IR activities in Tokyo, a group has been appointed in the head office to prepare disclosure materials such as financial results and IR materials.
- Dialogues with the Company's 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 proper explanations.

##### (2) Interdivisional cooperation

- The IR contact group in Tokyo and the IR support group in the head office will cooperate with related departments. The two departments will discuss and share the views in advance based on the theme of dialogue with shareholders, etc. Depending on the theme, related departments also attend meetings.

##### (3) Measure of dialogue

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

##### (4) Feedback

- Opinions, interests, concerns and others, obtained from meetings with the Company's shareholders, etc. will be reported to the top management appropriately, and will be utilized for a sustainable growth and the mid-and long-term enhancement of the corporate value.

##### (5) Measures to control insider information

- The Company ensures thorough control of insider information in order to prevent leakage of information.

- The Company will arrange a month or so length silent period prior to the announcement of financial results in order to limit dialogues with the Company's shareholders, etc. regarding information on financial results.
- Multiple staffers will be involved when dialoguing with the Company's shareholders, etc. in principle from the viewpoint of mutual monitoring.

(6) Fair Disclosure of information

- The company, upon disclosure of information to the relevant parties such as investors and securities companies' analysts, will comply with "Fair Disclosure Rules" in the Financial Instruments and Exchange Act.

## 2. Capital Structure

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

Name	Number of Shares Held	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	89,635,300	18.46
Custody Bank of Japan, Ltd. (Trust Account)	28,733,700	5.92
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	7,546,531	1.55
SSBTC CLIENT OMNIBUS ACCOUNT	7,459,547	1.54

Controlling Shareholder (excluding parent company)	—
Parent Company	None

### Supplementary Explanation

- (1) Principal shareholders listed above are as of 31 March 2022.
- (2) In addition to the above, the Company owns 5,418,634 shares as treasury stock.
- (3) 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 31 March 2022, 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

- (4) According to the Change Report Pertaining to Report of Possession of Large Volume dated 22 October 2021, Nomura Securities Co.,Ltd. and its joint holders held 33,249,402 shares as of 15 October 2021. However, the Company has not been able to confirm the practical number of shares held by them as of 31 March 2022, and therefore they are not included in principal shareholders listed above.

Nomura Securities Co.,Ltd.	262,472 shares
Nomura Asset Management Co., Ltd.	31,196,500 shares
NOMURA INTERNATIONAL PLC	1,790,430 shares

- (5) According to the Change Report Pertaining to Report of Possession of Large Volume dated 1 November 2021, MUFG Bank, Ltd. and its joint holders held 31,804,555 shares as of 25 October 2021. However, the Company has not been able to confirm the practical number of shares held by joint holders as of 31 March 2022, and therefore they are not included in principal shareholders listed above.

MUFG Bank, Ltd.	16,000,858 shares
Mitsubishi UFJ Trust and Banking Corporation	8,864,300 shares
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	6,290,400 shares
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	648,997 shares

### 3. Corporate Attributes

Stock Exchange Listings and Market Section	The Prime Market, 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 retains necessary cooperation with subsidiary companies from the view point of sustainable growth and enhancing corporate value in the Company group, but at the same time holds 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 <span style="border: 1px solid black; padding: 0 2px;">Revised</span>	8 persons

Appointment of Outside Directors	Yes
Number of Outside Directors <b>Revised</b>	2 persons
Number of Independent Directors and Outside Directors <b>Revised</b>	2 persons

### Relationship with the Company (1) **Revised**

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Hideaki Domichi	From another company								△			
Shun Egusa	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 person executing business of the Company or its subsidiaries
- A person executing business or non-executive director of a parent company of the Company
- A person executing business of a fellow subsidiary of the Company
- A person whose major business partner is the Company or a person executing business of a company of which major business partner is the Company
- A person who is a major business partner of the Company or a person executing business of a major business partner of the Company
- A consultant, accounting expert or legal expert who receives a large amount of remuneration from the Company other than remuneration for director
- Major shareholder of the Company (or a person executing business of such shareholder if the shareholder is a legal entity)
- A person executing business of a business partner of the Company (which does not correspond to any of d, e, or f) (the outside director himself/herself only)
- A person executing business, between which and the Company outside directors/outside Audit & Supervisory Board Members are mutually appointed (the outside director himself/herself only)
- A person executing business of an entity which receives a donation from the Company (the outside director himself/herself only)
- Others

### Relationship with the Company (2) **Revised**

Name	Independent Director	Supplementary Information of the Relationship	Reasons for Selecting as Outside Director and Reason for Designation as an Independent Director
Hideaki Domichi	○	Mr. Hideaki Domichi served as Senior Managing Officer of Hotel Management International Co., Ltd. (HMI Hotel Group) from October 2016 to January 2019 after working for the Ministry of Foreign Affairs and Japan International Cooperation Agency. The Company group has transactions with Grand Hotel Hamamatsu, an affiliate of HMI Hotel Group, regarding facility usage, etc., but these transactions have been ongoing since before February 2014, when Grand Hotel Hamamatsu became an affiliate of HMI Hotel Group. Note that the annual payment from the	<Reasons for Selecting as Outside Director> Having a wealth of international experience as a diplomat and deep insight into world affairs, Mr. Hideaki Domichi has been engaged in various issues such as the environment and society on a global scale. Based on this experience and knowledge, as an Outside Director, he provides the Company useful suggestions, advice and supervision on our management. He also actively makes comments as a member of the Committee on Personnel and Remuneration, etc. Based on the matters mentioned above,, the

		<p>Company group to HMI Hotel Group is less than 1% of the annual net sales of HMI Hotel Group and the consolidated net sales of the Company group.</p>	<p>Company has concluded that he will appropriately fulfill his duties as an Outside Director.</p> <p>&lt;Reason for Designation as an Independent Director&gt;  The company has established its “Standard for Independence of Outside Directors and Outside Audit &amp; Supervisory Board Members 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>
<p>Shun Egusa</p>	<p>○</p>	<p>The Company group has transactions including purchases of batteries for automobiles with Toshiba Corporation and its group companies where Mr. Shun Egusa worked, but the annual payment from the Company group to the Toshiba group is less than 1% of the consolidated net sales of the Company group and the Toshiba group.</p>	<p>&lt;Reasons for Selecting as Outside Director&gt;  Having been involved for many years with the creation of new lithium-ion battery business and its expansion, Mr. Shun Egusa has high-level expertise on battery technology. He also had experience of serving as the director and corporate officer of a company. The Company has concluded that he will provide useful suggestions, advice, and supervision of the Company’s management based on his experience and knowledge mentioned above when the Company responds to carbon neutrality and various technological innovations including electrification.</p> <p>&lt;Reason for Designation as an Independent Director&gt;  The company has established its “Standard for Independence of Outside Directors and Outside Audit &amp; Supervisory Board Members of the Company”, taking into consideration the independence criteria set by Tokyo Stock Exchange, Inc., and the Company believes that Mr. Shun Egusa meets the Standard and has no risk of having conflicts of interest with ordinary shareholders.</p>

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

Revised

	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	4	4
Full-time Members	-	-
Internal Directors	2	2
Outside Directors	2	2
Outside Experts	-	-
Other	-	-
Chairperson	Internal Director	Internal Director

### Supplementary Explanation Revised

Aimed to enhance clarity and objectivity upon electing candidates for Directors and Audit & Supervisory Board Members, as well as deciding remuneration of Directors, as an optional committee the Company establishes the "Committee on Personnel and Remuneration, etc.". The Company makes it a rule that the majority of the committee's members are outside directors. However, with the resignation of one outside director, there is now an equal number of inside and outside directors.

The Committee discusses issues such as election standards and adequacy of candidates for Directors and Audit & Supervisory Board Members, as well as adequacy of system and level of Director's remuneration. The Board of Directors decides based on their results. Also, some matters are delegated to the committee.

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

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.

The makeup of the Committee as of the submission date of this report are as follows:

Members:

Representative Director and President Toshihiro Suzuki, Representative Director and Senior Technical Executive Osamu Honda, Outside Directors Hideaki Domichi and Shun Egusa.

Observers:

Outside Audit & Supervisory Board Members Norio Tanaka, Norihisa Nagano and Mitsuhiro Fukuta

### [Audit & Supervisory Board Members]

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

## Cooperation among Audit & Supervisory Board Members, Accounting Auditor and Audit Department

This information is stated in “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 Audit & Supervisory Board Members	Yes
Number of Outside Audit & Supervisory Board Members	3 persons
Number of Independent Audit & Supervisory Board Members	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														
Norihisa Nagano	Lawyer														
Mitsuhiro Fukuta	Academic										○				

\* Relationship with the Company

\* “○” when the person presently falls or has recently fallen under the category;

“△” when the person fell under the category in the past

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

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

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

### Relationship with the Company (2)

Name	Independent Audit & Supervisory Board Member	Supplementary Information of the Relationship	Reasons for Selecting as Audit & Supervisory Board Member and Reason for Appointing as Independent Audit & Supervisory Board Member
Norio Tanaka	○	—	<Reasons for Selecting as Outside Audit & Supervisory Board Member > Since his appointment as Outside Audit & Supervisory Board Member of the Company, Mr. Norio Tanaka has been performing his duties as

			<p>Outside Audit &amp; Supervisory Board Member 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. Therefore, the Company has concluded that he will continue to monitor and supervise the Company's management from a neutral and objective standpoint.</p> <p>&lt;Reason for Designation as an Independent Audit &amp; Supervisory Board Member&gt;  The Company has established its "Standard for Independence of Outside Directors and Outside Audit &amp; Supervisory Board Members 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>
Norihisa Nagano	○	—	<p>&lt;Reasons for Selecting as Outside Audit &amp; Supervisory Board Member &gt;  Since his appointment as Outside Audit &amp; Supervisory Board Member of the Company, Mr. Norihisa Nagano has been performing his duties as Outside Audit &amp; Supervisory Board Member properly, including expressing beneficial opinions at the meetings of the Board of Directors, etc. based on his ample experience and expertise as an attorney at law. Therefore, the Company has concluded that he will continue to monitor and supervise the Company's management from a neutral and objective standpoint.</p> <p>&lt;Reason for Designation as an Independent Audit &amp; Supervisory Board Member&gt;  The Company has established its "Standard for Independence of Outside Directors and Outside Audit &amp; Supervisory Board Members 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>
Mitsuhiro Fukuta	○	The Company has transactions including joint research and development with the National University Corporation Shizuoka University where Dr.	<p>&lt;Reasons for Selecting as Outside Audit &amp; Supervisory Board Member &gt;  The Company has concluded that that Dr. Mitsuhiro Fukuta will properly perform his duties as Outside Audit &amp;</p>



		Mitsuhiro Fukuta serves as Professor, but the annual payment from the Company to the university is less than 1% of the annual gross income of the university and the consolidated net sales of the Company group.	Supervisory Board Member of the Company, a manufacturing company, based on his expertise as Doctor of Engineering. We also expect that he will provide us useful opinions on human resources development as an observer of the Committee on Personnel and Remuneration, etc.  <Reason for Designation as an Independent Audit & Supervisory Board Member> The Company has established its “Standard for Independence of Outside Directors and Outside Audit & Supervisory Board Members of the Company”, taking into consideration the independence criteria set by Tokyo Stock Exchange, Inc., and the Company believes that Dr. Mitsuhiro Fukuta meets the Standard and has no risk of having conflicts of interest with ordinary shareholders.
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**[Independent Directors/ Audit & Supervisory Board Members] Revised**

Number of Independent Directors/ Audit & Supervisory Board Members	5 persons
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**Other Matters relating to Independent Directors/ Audit & Supervisory Board Members**

All of Outside Directors and Outside Audit & Supervisory Board Members of the Company that qualify as an Independent Director/ Audit & Supervisory Board Member are designated as Independent Directors/ Audit & Supervisory Board Members.

As to independence from the Company with regard to the election of Outside Director/ Audit & Supervisory Board Member, the Company judges their independence under the below “Standard for Independence of Outside Directors and Outside Audit & Supervisory Board Members of the Company” based on “independence criteria” set by Tokyo Stock Exchange, Inc.

<The Standard for Independence of Outside Directors and Outside Audit & Supervisory Board Members>

The Company never elect any person who falls under any of the followings as a candidate of Outside Director or a candidate of Outside Audit & Supervisory Board Member in order to ensure the independence:

1. Persons concerned with the Company and its subsidiaries (“the Company group”)
  - (1) With regard to Outside Directors, any person who is or was a person executing business (Note 1) of the Company group at present or in the past,
  - (2) With regard to Outside Audit & Supervisory Board Members, any person who is or was a Director, Managing Officer or employee of the Company 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 Company 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 Company group (Note 2)

- 2) A major business partner of the Company group (Note 3)
- 3) A major shareholder having 10% or more of total voting rights of the Company
- 4) A company for which the Company group has 10% or more of total voting rights
- (2) A person who is or was a representative partner or a partner of the Company group's Accounting Auditor at present or in the past five years
- (3) A person who receives a large amount of remuneration from the Company group other than remuneration for Director/ Audit & Supervisory Board Member (Note 4)
- (4) A person who receives a large amount of donation from the Company 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 Company 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 Company group in any of the business year in past three years

(Note 3) A major business partner of the Company group:

A company which belongs to the group of the business partner who makes payment 2% or more of the Company group's consolidated net sales or provides the Company group with 2% or more of loans of its consolidated total assets in the latest business year ended of the Company 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 FY2022 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

Director and President	Multiplying Factor	1.00 (1 person)
Director and 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 29 June 2022

[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**

During FY2021, the total amount of remuneration that the Company paid to eight Directors (excluding Outside Directors) was 434 million yen (basic remuneration of 214 million yen, performance-linked bonus of 106 million yen and restricted stock remuneration of 113 million yen) which includes remuneration for two Directors who retired during FY2021. Performance-linked bonus and restricted stock remuneration are amounts reported as expenses for FY2021.

The total amount of remuneration paid to three Outside Directors was 36 million yen (basic remuneration).

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

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

The total amount of remuneration paid to Representative Director Osamu Suzuki was 1,172 million yen (basic remuneration of 22 million yen, restricted stock remuneration of 13 million yen and retirement benefit of 1,136 million yen). The period covered by the retirement benefit was 42 years and 8 months from the time he became Director in November 1963 to the abolishment of the retirement benefit system for Directors in June 2006.

The total amount of remuneration paid to Representative Director Toshihiro Suzuki was 131 million yen (basic remuneration of 49 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 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. The specific details of the basic compensation for each Director are delegated to the Committee on Personnel and Remuneration, etc., based on a resolution of the Board of Directors. The specific details of bonuses and restricted stock compensation for each Director are determined by resolution of the Board of Directors based on the Decision-making Policy.

##### <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 (including an annual amount of ¥36 million 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, 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 Audit & Supervisory Board Members>

The remuneration of Audit & Supervisory Board Members shall be basic remuneration only. The annual amount of remuneration for Audit & Supervisory Board Members was resolved to be within ¥120 million at the 151st Ordinary General Meeting of Shareholders held on 29 June 2017. The payment within the limit shall be determined by consultation among Audit & Supervisory Board Members. The number of Audit & Supervisory Board Members after the conclusion of such General Meeting of Shareholders was five. During FY2021, the total amount of remuneration that the Company paid to three Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) was 59 million yen which includes remuneration for one Audit & Supervisory Board Member who retired during FY2021. The total amount of remuneration paid to three Outside Audit & Supervisory Board Members was 36 million yen.

#### [Support System for Outside Directors and Outside Audit & Supervisory Board Members]

##### [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 Audit & Supervisory Board Members]

The Company has established the Secretariat of Audit & Supervisory Board. Details are stated in “2. Matters Related to Business Execution, Audit and Supervision, Nominations and Decisions on Remuneration (Overview of Current Corporate Governance System)” below in this report.

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

[Board of Directors]

The Company adopted a managing officer system in 2006 with the aim of speeding up decision-making at the Board of Directors, executing business flexibly and clarifying who is accountable, and has made progress in slimming the composition of the Board of Directors. Currently, there are eight Directors, and out of them, two Outside Directors are elected so that the Company can step up the Board's function to supervise business management and have Outside Directors offer useful advice, suggestions, etc. on the Company's business management, based on their respective experience and knowledge and from their diverse 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.

In order to clarify managerial accountability for individual Directors and flexibly respond to the changing business environment, the term of each Director is set to one year.

[Audit & Supervisory Board Members' Audit]

The Audit & Supervisory Board is comprised of two Full-time Audit & Supervisory Board Members and three Outside Audit & Supervisory Board Members. Mr. Taisuke Toyoda, Full-time Audit & Supervisory Board Member, has operational experience in the financial and audit divisions, and Mr. Norio Tanaka, Outside Audit & Supervisory Board Member, has ample experience as Certified Public Accountant. They have sufficient knowledge and experience in relation to finance and accounting. Mr. Masato Kasai, Full-time Audit & Supervisory Board Member, has considerable knowledge in the fields of technology, environment, etc., Norihisa Nagano, Outside Audit & Supervisory Board Member, has extensive knowledge in law as a solicitor, and Mr. Mitsuhiro Fukuta, Outside Audit & Supervisory Board Member, has considerable knowledge in the fields of technology, human resources development, etc.

In addition, to assist the Audit & Supervisory Board Members in their duties, we have established the Secretariat of Audit & Supervisory Board 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.

Audit & Supervisory Board Members' 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, Audit & Supervisory Board Members 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 important decision documents, etc., and receiving reports and interviews from directors and employees on the status of

operations. In addition, Audit & Supervisory Board Members review and discuss the audit plan and topics formulated by Audit Division, which is an internal audit division, and the results of operational audits conducted by Audit Division.

The following are main matters to consider, resolve and report at the Audit & Supervisory Board.

<Main matters to consider>

- Audit policy and audit plan
- Items to be submitted to Board of Directors meetings
- Status of development and operation of an internal controls system
- Appropriateness, etc. of audit methods and results of Accounting Auditor

<Main matters to resolve>

- Audit policy, audit plan and division of duties
- Consent to proposals for election of Audit & Supervisory Board Members
- Evaluation, election and dismissal of Accounting Auditor
- Consent to auditing fees for Accounting Auditor
- Preparation of audit reports

<Main matters to report>

- Audit status and findings from each Audit & Supervisory Board Member
- Status of accounting audit of quarterly financial results, etc., and audits on business report and financial statements, etc.
- Audit plans from Accounting Auditor, report on results of quarterly review, status of implementation of annual audit, and initiatives for quality control of audit
- Discussions with Accounting Auditor on “Key audit matters (KAM)”
- Status of audits conducted by the Audit Division, which is an internal auditing organization, about the head office, major business sites, and subsidiaries
- Status of fiscal closing from the Finance Division

Audit & Supervisory Board Members strive to share information based on the audit policy, audit plan and division of duties resolved at Audit & Supervisory Board meetings. In addition to the activities at Audit & Supervisory Board meetings, Audit & Supervisory Board Members are mainly engaged in the following activities.

- Communication with Directors, internal audit organizations, other employees, etc.
- Attendance at Board of Directors meetings and other important meetings
- Inspection of important approval documents, etc.
- Attendance at the meetings of the Committee on Personnel and Remuneration, etc., the Inspection Reform Committee, the Corporate Governance Committee, the Quality Assurance Committee, the Environment Committee, etc.
- Investigation of the status of operations and assets at the head office and major business sites
- Communication and exchange of information with directors, audit & supervisory board members and others of subsidiaries, etc., and verification of business reports from subsidiaries as

necessary

- Attendance at accounting audits conducted by Accounting Auditor
- Exchange of opinions with Representative Directors and Outside Directors

After the end of the fiscal year, Audit & Supervisory Board Members evaluate the effectiveness of the Audit & Supervisory Board and detects issues therein to improve the effectiveness of the Audit & Supervisory Board for the following fiscal year.

[Executive Committee and other various meetings relating to business operation and management]

In order to speedily deliberate and decide on important management issues and measures, the Company holds the Executive Committee, attended by Executive Directors, Managing Officers, Executive General Managers, and Audit & Supervisory Board Members as well as meetings to report and share information on management and business execution on a regular and as-needed basis.

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.]

This information is stated in “1. Organizational Structure and Operation, etc.” “Establishment of Optional Committee(s), Composition, and Attributes of Chairperson” above in this report.

[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 chaired by the Officer in charge of Corporate Planning and consists of Executive General Managers who serve as members. Further, one Full-time Audit & Supervisory Board Member attends as an observer.

[Internal Auditing]

As an organization under the direct control of President, fifty six staff members (as of March 31, 2022) with expertise in various areas of the Company's operations regularly audit the Company's divisions and domestic and overseas affiliates in accordance with the audit plan.

Operational audits include on-site/online and paper audits to confirm the appropriateness and efficiency of overall operations, compliance with law and internal rules, and the development and operation of internal controls, such as the management and maintenance of assets. The operational audit results are reported to the President, the head for relevant divisions and Full-time Audit & Supervisory Board Members each time an audit is conducted, along with proposals for improvement



of matters pointed out. The results of audits are also reported to the Audit & Supervisory Board on a regular basis and opinions are exchanged there as well as to the Board of Directors once every six months. 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 Audit & Supervisory Board.

For subsidiaries with an internal audit division, Internal Audit checks their activities, receives reports on their audit plans and results, and provides advice and guidance as necessary.

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

[Accounting Audit]

Three certified public accountants who engaged in the audit for FY2021 are Messrs. Satoru Imamura, Koji Nishikawa and Ryuichi Kitakura, who belong to Seimei Audit Corporation (the Company contracted initially with its predecessor in 1967). The numbers of other assistant members for audit are ten certified public accountants, four 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 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 156th Ordinary General Meeting of Shareholders held on 29 June 2022 was sent on 31 May 2022.
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 142nd 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 142nd 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 142nd 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.

## 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> <a href="https://www.suzuki.co.jp/ir/home/pdf/disclosurepolicy.pdf">https://www.suzuki.co.jp/ir/home/pdf/disclosurepolicy.pdf</a> <English> <a href="https://www.globalsuzuki.com/ir/home/pdf/disclosurePolicy.pdf">https://www.globalsuzuki.com/ir/home/pdf/disclosurePolicy.pdf</a>	
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, integrated reports, sustainability reports, business result reports, 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	

	<p>information in English. &lt;Japanese&gt; <a href="http://www.suzuki.co.jp/ir/index.html">http://www.suzuki.co.jp/ir/index.html</a> &lt;English&gt; <a href="http://www.globalsuzuki.com/ir/index.html">http://www.globalsuzuki.com/ir/index.html</a></p>	
Establishment of IR Department	The director in charge of IR is stationed in Tokyo, and a group in charge is set up as a contact point for IR coverage. In order to support IR activities in Tokyo, a group has been appointed in the head office to prepare disclosure materials such as financial results and IR materials.	
Others	<p>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, 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>	

### 3. Measures Concerning Respect of the Positions of Stakeholders

	Supplementary Explanations
Stipulation of Internal Regulations concerning the Respect of Positions of Stakeholders	The Company’s effort toward each stakeholder is described in the “Sustainability Report.” It is available on the websites of the Company. <a href="https://www.globalsuzuki.com/corporate/environmental/report/pdf/2021_enve_all.pdf">https://www.globalsuzuki.com/corporate/environmental/report/pdf/2021_enve_all.pdf</a>
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>&lt; Integrated Report &gt; <a href="https://www.globalsuzuki.com/ir/library/annualreport/pdf/2021/2021.pdf">https://www.globalsuzuki.com/ir/library/annualreport/pdf/2021/2021.pdf</a></p> <p>&lt; Sustainability Report &gt; <a href="https://www.globalsuzuki.com/corporate/environmental/report/pdf/2021_enve_all.pdf">https://www.globalsuzuki.com/corporate/environmental/report/pdf/2021_enve_all.pdf</a></p>
Establishment of Policies on Providing Information to Stakeholders	In order to be trusted further by society and stakeholders, the Company discloses information quickly in fair and accurate manner prescribed in laws and regulations and aggressively discloses information that the Company concluded is beneficial to understand the Company. The Company will further enhance the transparency of the Company.

## 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 its consolidated subsidiaries (the “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 Suzuki Group.
  - (2) A Corporate Governance Committee, chaired by the Director and Managing Officer in charge of corporate planning, shall be established under the Board of Directors. The Corporate Governance Committee shall deploy measures for advancing thorough compliance and promote efforts to address cross-sectional challenges in coordination with the relevant sections.

- (3) Executive General Managers shall clearly define the division of work among their responsible sections and establish work regulations and manuals that include compliance with laws and regulations related to their responsible duties, approval and decision procedures, and rules for the confirmation process by other sections. Executive General Managers shall ensure that the people concerned are fully aware of said regulations, manuals, rules, etc.
- (4) The Human Resources Department shall hold seminars about compliance and individual laws/regulations for executives and employees in a continuous manner in cooperation with the Corporate Planning Office, Legal Department, Engineering Department and other related departments.
- (5) To prevent violations of laws and regulation and take corrective measures at an early stage, a whistleblowing system (Suzuki Group Risk Management Hotline) that has both internal and external contact points, shall be established to allow executives and employees of the Suzuki Group to report on breach of laws and regulations or their possibility without any disadvantageous treatment to the whistleblower.

The Corporate Planning Office shall strive to make the whistleblowing system fully known and to promote its use.

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

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

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

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

4. Systems to ensure efficient execution of duties by Directors

- (1) Important matters regarding corporate management shall be deliberated at the Executive Committee and other meetings prior to decision-making.
- (2) The Board of Directors shall clarify responsibilities regarding the execution of Managing Officers' and Executive General Managers' duties, and shall supervise their execution.
- (3) The Board of Directors shall receive reporting from the person responsible for the execution of the duties, as necessary, on how the matters, which were decided at meetings of the Board of Directors, the Executive Committee and other meetings, are executed. In response to reports, the

Board of Directors shall give necessary instructions.

- (4) The Board of Directors shall formulate mid-term management plans that include consolidated subsidiaries and regularly verify the progress of business plans for fiscal years as made by Executive General Managers in order to achieve the mid-term plan.
- (5) The Audit Department, which directly reports to President, shall audit the state of establishment and operation of internal controls, which are based on the basic policies, on a regular basis and shall report on the outcome to the Board of Directors.

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

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

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

The Audit Department, directly reporting to President, shall regularly audit the state of dissemination of the S“uzuki 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 FY2021:

1. Measures relating to ensuring that Directors' and employees' execution of their duties complies with laws and regulations and the Articles of Incorporation (compliance)

- 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.
- “Remember 5.18” activities are held annually participated by President, Managing Officers, and all employees to recall the improper sampling inspection of fuel consumption and exhaust gas in 2016 and the improper conducts regarding final vehicle inspection in 2018. Concurrently, we are also focusing on improving compliance awareness and communications and striving to prevent inappropriate conducts from occurring again.
- Trainings on compliance for the management level including Managing Officers by outside instructors and compliance trainings for employees by job-level have been conducted mainly in an on-line format amidst the COVID-19 pandemic.
- Education, training, and awareness-raising 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.

2. Measures relating to storage and management of information regarding execution of duties by Directors

- According to laws and regulations and internal rules, minutes of meetings of the Board of Directors as well as other documents and information regarding execution of duties by Directors are stored and managed appropriately. Information security system is established to manage security of information and the system is reviewed regularly.

3. Measures relating to regulations, etc. on management of the risk of loss

- 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 semiconductors and other parts or raw materials on the business and make necessary management decisions.
- Centred 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. 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 cyber 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 fulfil our corporate responsibilities together, including respect for human rights and environmental preservation, 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.

#### 4. 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 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 and progress of business plans of each department including consolidated subsidiaries, 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 Board of Directors receives regular updates from the persons responsible for each business segment including consolidated subsidiaries on the Mid-term Management Plan to examine the progress of the plan and provide appropriate instructions.
- The Company clarifies who is responsible for executing new management issues as they arise, gives instructions as necessary and receives reports on the status of execution.
- 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.



5. Measures to ensure appropriateness of duties of the Corporate Group consisting of the Company and subsidiaries
  - 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 Company 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.
  
6. Measures related to audits by Audit & Supervisory Board Members (Measures for the systems 1 – 5 to ensure appropriate of duties)
  - 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 at Corporate Planning Office as well as at external contact points 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

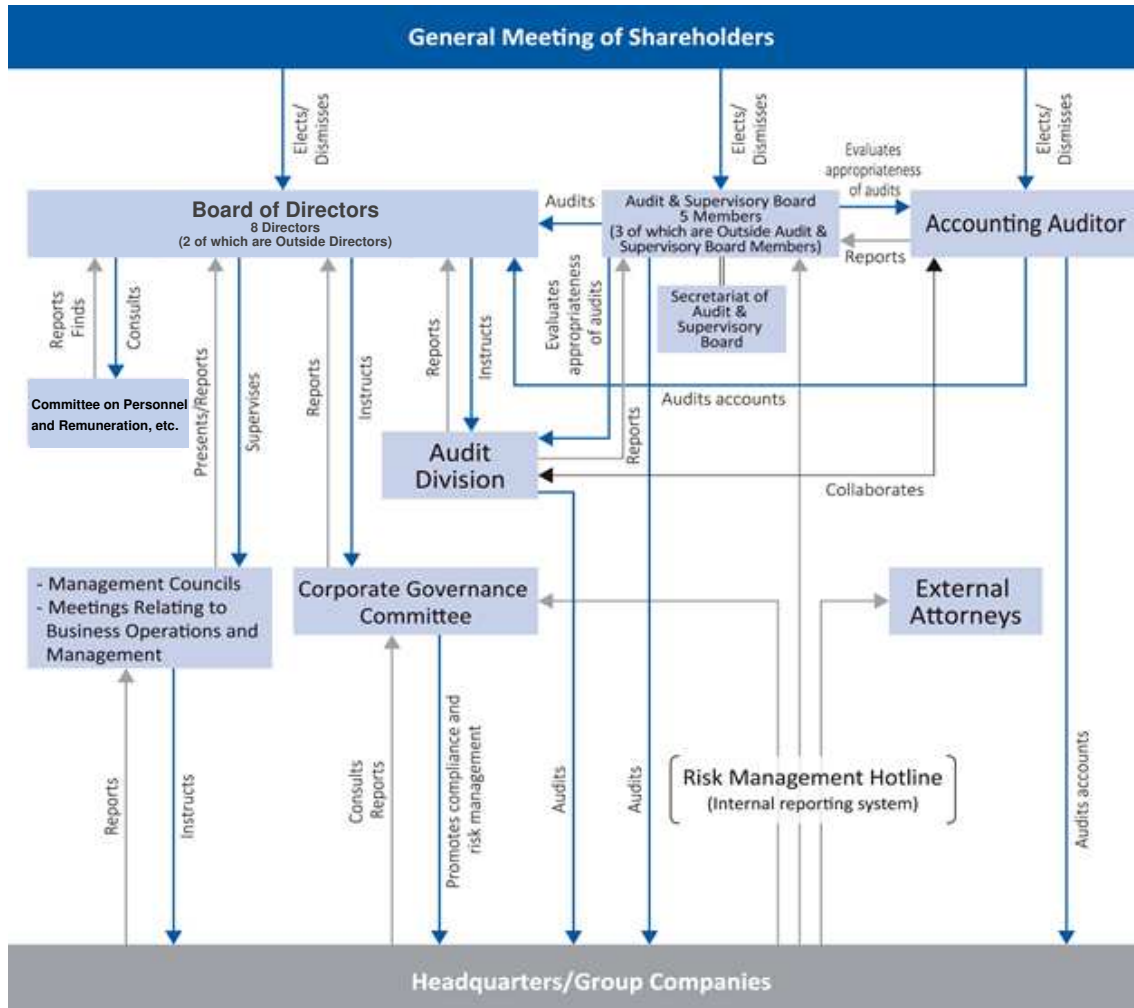
#### 1. Basic Policy for Timely Disclosure

- 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 Company 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

