

MSIL: COS: NSE&BSE: 2021

24th February, 2021

Vice President
National Stock Exchange of India Limited
"Exchange Plaza", Bandra- Kurla Complex
Bandra (E)
Mumbai - 400 051

General Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001

Sub: Announcement

Dear Sir,

Please find enclosed herewith the announcement made by Suzuki Motor Corporation in Japan today.

Kindly take the same on record.

Thanking you,

Yours truly,

For **Maruti Suzuki India Limited**



Sanjeev Grover
Vice President &
Company Secretary

Encl.: As above

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24 February 2021

Suzuki announces Mid-Term Management Plan (April 2021 to March 2026) ~ “Sho-Sho-Kei-Tan-Bi” ~

Suzuki formulated "Mid-Term Management Plan (April 2021 to March 2026) ~ "Sho-Sho-Kei-Tan-Bi" ~ for the 5-year beginning April 2021.

Suzuki celebrated its 100th anniversary in March 2020. Over the past 100 years, we have taken on many challenges, including looms, motorcycles, automobiles, and outboard motors. Suzuki will continue to take on the challenge to realize carbon neutral and in such a course, the philosophy of "Sho-Sho-Kei-Tan-Bi" which represents the basis of Suzuki's manufacturing since its foundation, is truly worthy of this challenge.

Based on the unwavering commitment to "Focusing on the customer" inherited from our founder, and we will make even greater efforts to provide customers with the value of "Sho-Sho-Kei-Tan-Bi".

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

The Mid-Term Management Plan is outlined below.

I. Basic Philosophy

Suzuki's commitments are "Assure people's means of mobility" and "Emerging economies will continue to be a pillar of growth". Suzuki will stay focused upon customer throughout the next 100 years, and with our “Sho-Sho-Kei-Tan-Bi” concept, we strive to create value-packed products and services. We would like to convey our thought together with the slogan of "Small cars for a big future."

II. Review of the previous mid-term management plan

In the previous mid-term management plan, we achieved net sales target in FY2017 and FY2018, operating profit ratio target in FY2016 to FY2018,

ahead of scheduled plan. However, target was not achieved in its final year of FY2020 due to the slowdown of the Indian market, final inspection issue, and the COVID-19 pandemic.

During the previous mid-term management plan period, there were cases of loss of customer trust, including quality problems, frequent recalls, and fraud in fuel efficiency tests and final inspection. Moreover, many issues remain, including delays in responding to CASE.

Once again, we will return to the basics of our mission statement and take on the words of our founder, "If the customer needs something we must do whatever we can to respond. Hard work guarantees success." as our determination for the next 5 years.

III. New Mid-Term Management Plan Initiatives

Amid the global trend toward carbon neutrality, it is necessary to clarify Suzuki's efforts, and to place even greater emphasis on quality as shift to electrification and software development are to take place. Therefore, we will give priority to three issues: CO₂ emissions in use, CO₂ emissions from production, and quality assurance.

With regard to CO₂ emissions in use, we will develop electrification technologies by 2025, fully implement these technologies in products from 2025, and make full-scale quantitative increase from 2030.

We will proactively promote development of various technologies toward carbon neutrality.

In terms of CO₂ emissions from production, we will take on the challenge toward "zero" CO₂ emissions from production in 2050.

In terms of quality, we will work, focused on customer, to create products of high quality, value-packed products at affordable price. In addition, we will strive to prevent the occurrence, early detection, and outflow of quality problems by promptly investigating the causes and taking countermeasures, producing products with reduced variants, and expanded traceability management.

In the automobile business, target for Japan is to maintain 30% or more share in the mini-car market, as well as 50% increase in the compact car sales (vs FY2020). In India, Suzuki will take the initiative in promoting electrification required by society in response to environmental issues in India, and maintain market share of more than 50% in passenger car segment.

As for the alliance with Toyota, we will deepen our alliance by cooperating in electrified vehicles, African market, and supplementing product and components.

In the motorcycle business, we will build an attractive and diverse lineup using common platform to secure sales of 2 million units and an operating margin of 5% or more.

In the marine business, we will strive to achieve the net sales target of ¥100 billion.

In terms of SDGs, we will contribute to solving social issues while generating profits through our business activities.

IV. Management performance targets

As for management performance targets, we expect a recovery from the COVID-19 pandemic and growth in the Indian market, and we aim for a record consolidated net sales of ¥4.8 trillion.

The operating income target is set at 5.5%, below the previous target of 7%, due to aggressive investment in research and development, such as electrification, which amounts to ¥1 trillion over 5 years.

The dividend payout ratio is targeted at 30%.

We will make steady efforts to increase corporate value while balancing investment for growth and strengthening our management base.

		FY2019 Result	FY2020 Forecast	FY2025 Target
Performance	Net Sales	3.4884 trillion yen	3 trillion yen	4.8 trillion yen
	Operating income margin	6.2%	5.3%	5.5%
Shareholder return	ROE	9.3%	-	8%
	Payout ratio	29.7%	TBD	30%
Investment	R&D	148.1 billion yen	150.0 billion yen	1.0 trillion yen/5 years (200.0 billion/year)
	Capital Investment	236.4 billion yen	220.0 billion yen	1.2 trillion yen/5 years (240.0 billion/year)
Global sales	Automobiles	2.85 million units	2.38 million units	3.7 million units
	Motorcycles	1.71 million units	1.48 million units	2.0 million units

Note. Exchange rate assumptions ... US \$1 = 104 yen, 1 Euro = 124 yen, 1 INR = 1.42 yen

*Forecasts for the consolidated operating results are based on currently available information and assumptions, contain risks and uncertainty and do not constitute guarantees of future achievement. Please note that the actual results may greatly vary by the changes of various factors. Those factors, which may influence the future results, include economic conditions and the trend of demand in major markets and the fluctuations of foreign exchange rates (mainly U.S. dollar/Yen rate, Euro/Yen rate, Indian Rupee/Yen rate).



Suzuki Mid-Term Management Plan (April 2021 to March 2026)

~ “Sho-Sho-Kei-Tan-Bi” ~

SUZUKI MOTOR CORPORATION

24 February 2021

- 1. Introduction**
- 2. Basic philosophy**
- 3. Review of previous mid-term management plan**
- 4. New mid-term management plan initiatives**
- 5. Management performance targets**



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Suzuki celebrated its 100th anniversary in March 2020. Over the past 100 years, we have taken on many challenges, including looms, motorcycles, automobiles, and outboard motors. Suzuki will continue to take on the challenge to realize carbon neutral and in such a course, the philosophy of "Sho-Sho-Kei-Tan-Bi" which represents the basis of Suzuki's manufacturing since its foundation, is truly worthy of this challenge.

We reaffirm the unwavering commitment to "Focusing on the customer" inherited from our founder, and we will make even greater efforts to provide customers with the value of "Sho-Sho-Kei-Tan-Bi".

Toshihiro Suzuki, President and Representative Director

Note: "Sho-Sho-Kei-Tan-Bi" is an abbreviation for Japanese meaning "smaller" "fewer" "lighter" "shorter" and "neater". Over the years, it has become an accepted expression of Suzuki's mind and culture.



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Assure people's "means of mobility"

- Mini-cars in Japan function as local transportation and is an indispensable means of living.
- As a mobility company, Suzuki contributes to the environment providing small products worldwide.



Emerging economies continue to be a pillar of growth

- Providing economical and quality products and services to customers in emerging countries
- Emerging economies as a pillar of Suzuki's future growth, anticipating the medium-and long-term development



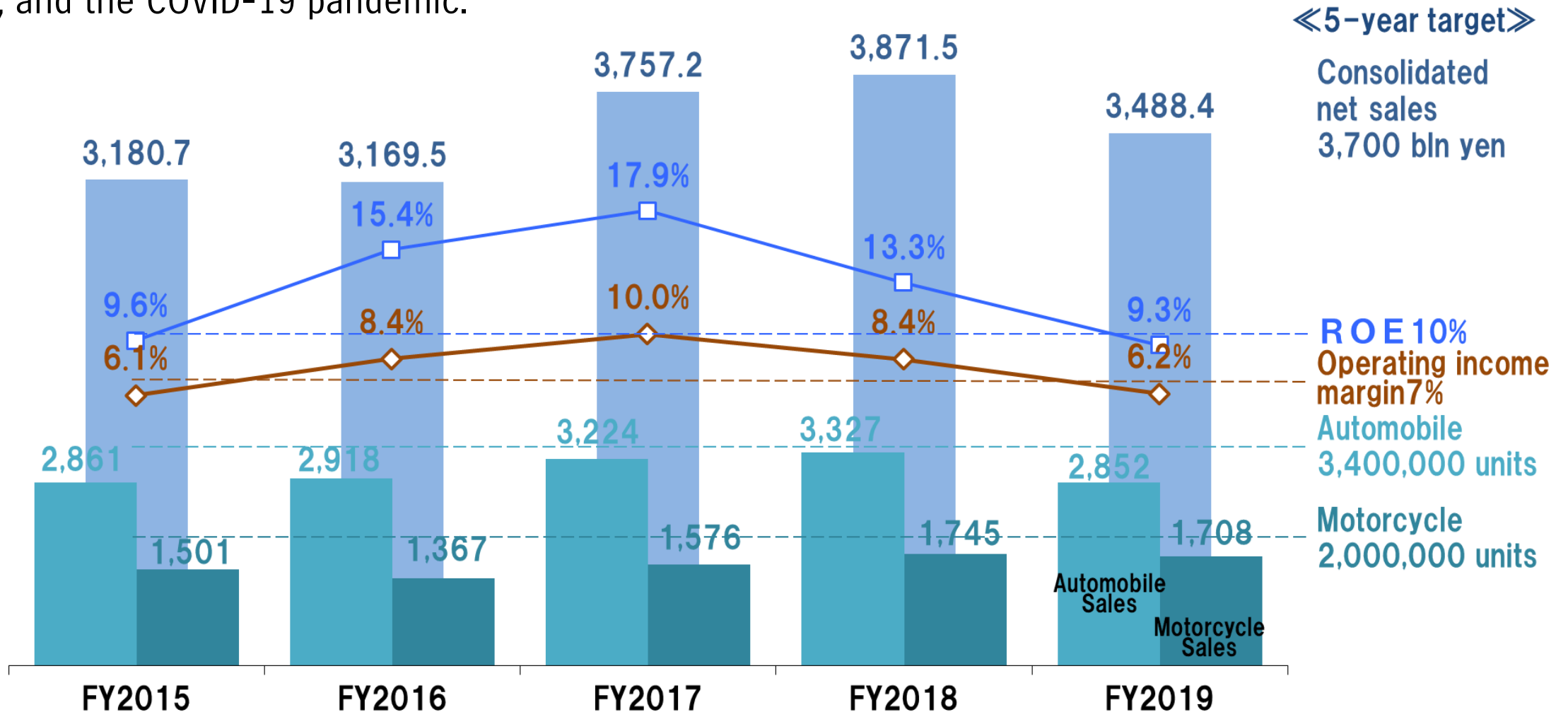
- Suzuki will stay focused upon customer throughout the next 100 years, and with our “Sho-Sho-Kei-Tan-Bi” concept, we strive to provide value-packed products and services
- We would like to convey our thought together with the slogan of "Small cars for a big future."





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- Net sales target achieved in FY2017 and FY2018, operating profit ratio target achieved in FY2016 to FY2018
- Target not achieved in its final year of FY2020 due to the slowdown of the Indian market, final inspection issue, and the COVID-19 pandemic.



Review of previous mid-term management plan

- Loss of customer trust
 - Frequent quality problems and recalls
 - Fraud in fuel efficiency tests and final inspection
- Delay in CASE development



Determination **Return to basics in the Mission Statement**

*If the customer needs something
we must do whatever we can to respond.
Hard work guarantees success.*

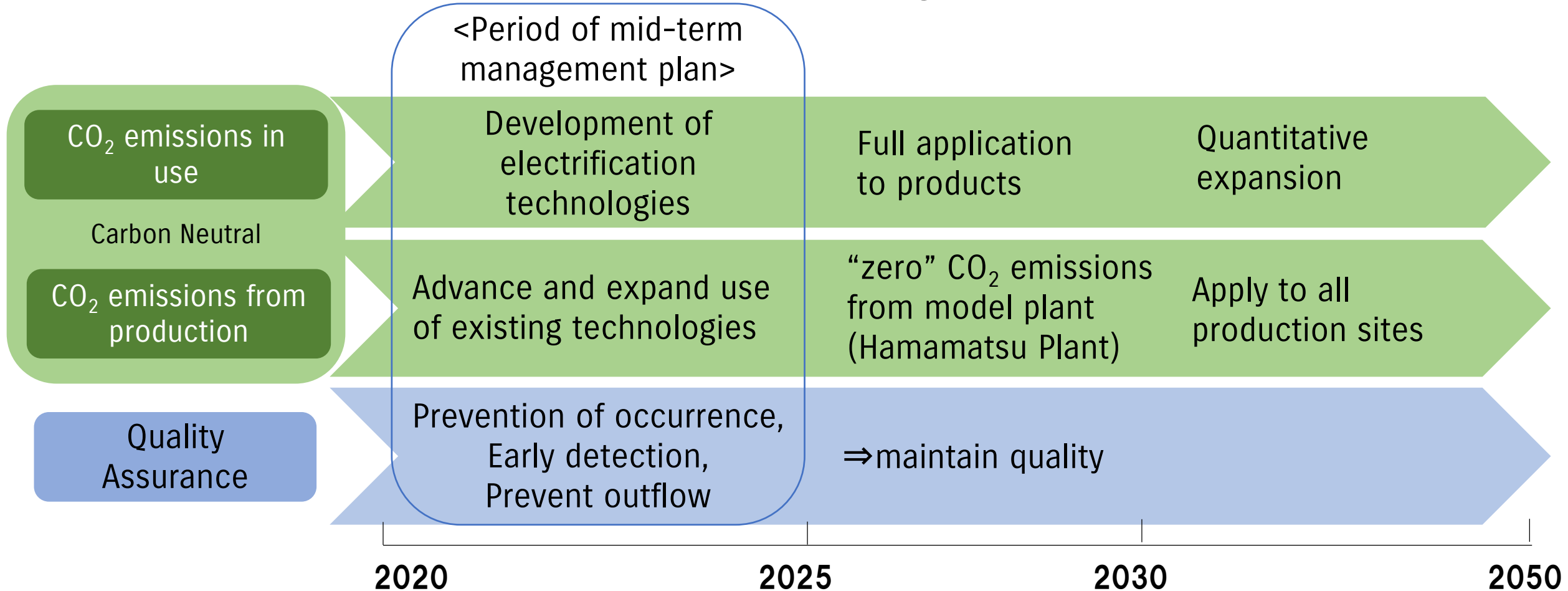
– Founder Michio SUZUKI





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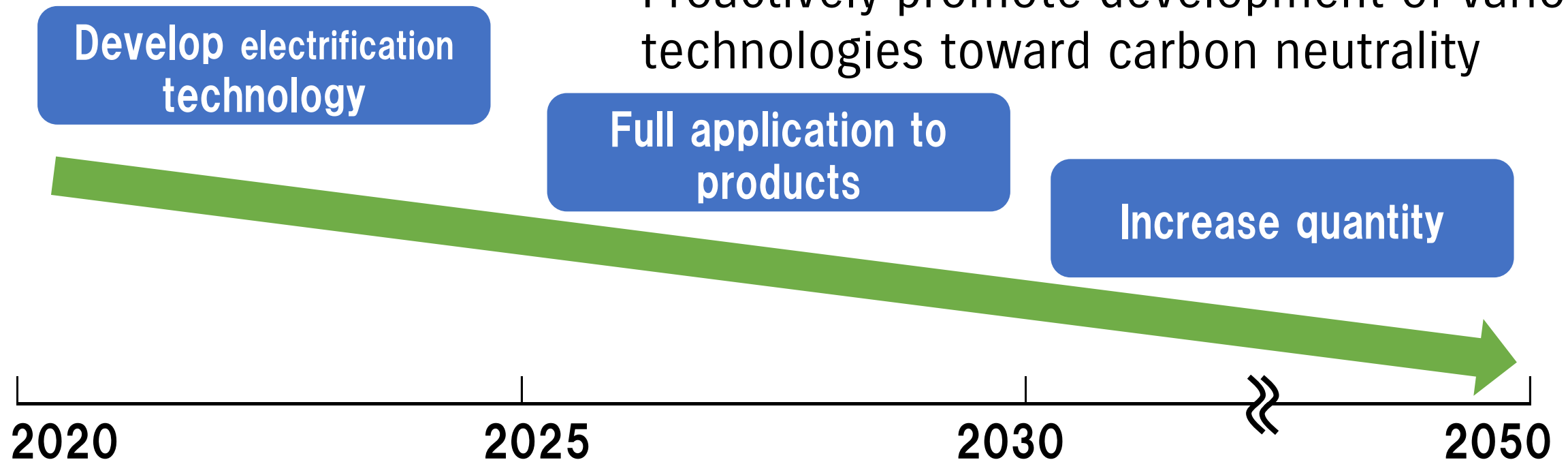
- In the global trend toward carbon neutrality, we clarified our initiatives.
- Shift to electrification and software development requires greater emphasis on quality.
- Therefore, Suzuki puts top priority on the following three issues.



- By 2025 : Develop electrification technology
- By 2030 : Full application of electrification technology developed during the mid-term management plan period
- 2030 onward : Increase the quantity of electric-powered products

Visual image toward “zero” CO₂ emissions

Proactively promote development of various technologies toward carbon neutrality



The next 5 years will be the period of concentrated development in order for Suzuki to survive beyond 2025

Development and commercialization of Suzuki hybrid system

- Development of hybrid system for mini, compact and commercial vehicles
- Development of plug-in hybrids
- Expand the range of vehicles equipped

Development and commercialization of EVs

- Development of mini EV and compact EV
- Utilize joint development with Toyota

Challenge toward “zero” CO₂ emissions from production in 2050

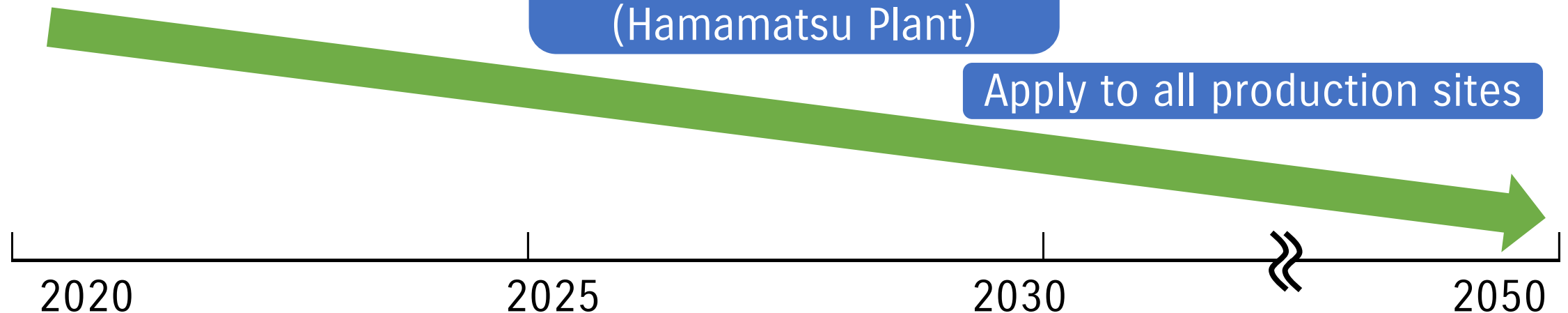
Visual image toward “zero” CO₂ emissions

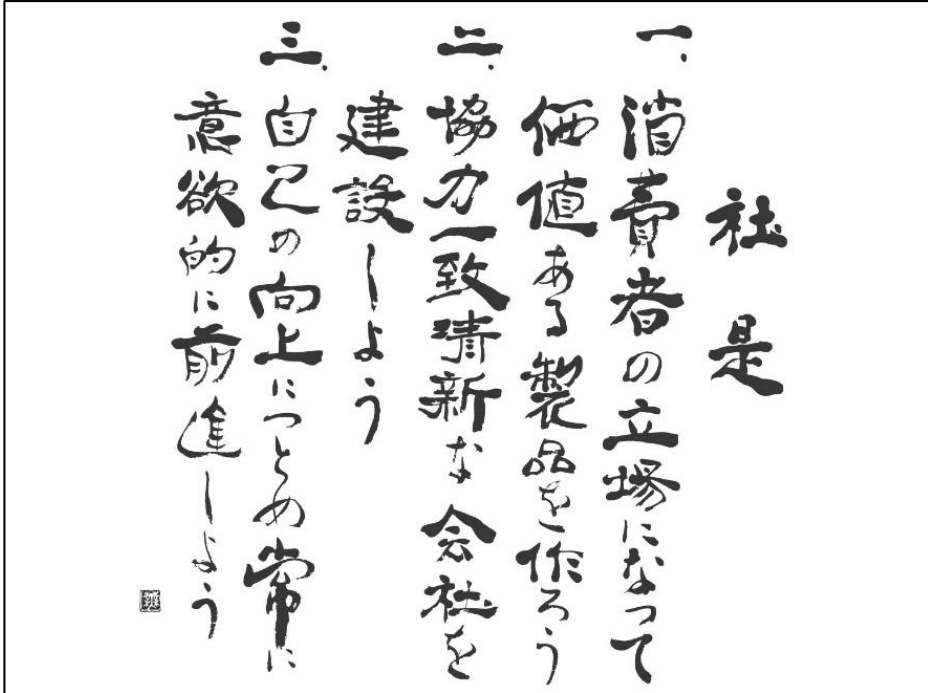
Proactively promote development of various technologies toward carbon neutrality

Advance and expand use of existing technologies

“Zero” CO₂ emissions from model plant (Hamamatsu Plant)

Apply to all production sites





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

Mission Statement

- Established in 1962
- Suzuki upholds a slogan “Value-packed Products”, and all employees are striving every day to be value creators

- Suzuki, as a manufacturing company tackles to develop new technologies.
- However, no product will be accepted unless the technology is; high quality, and affordable.
- Only when customers choose Suzuki products, Suzuki’s business makes sense.
- *“Develop products of superior value by focusing on the customer”*

Drawings	Production	Inspection	Market
<p>Prompt investigation of causes and countermeasures (Early detection and countermeasures)</p> <ul style="list-style-type: none">• Not to miss a single defect• AI management of market quality information• Automatic acquisition of vehicle data			
Production with less variants (Prevention of occurrence)		Expand traceability management (Prevention of outflow)	
Human resources development			

Maintain market share of 30%+ in mini segment, and increase compact car sales by 50% (vs FY2020)

Electrification

- Expand sales of models equipped with Suzuki Hybrid System
- Expand charging infrastructure to cope with future EV sales

Strengthen sales capability

- Strengthen distributor function
- Update direct sales outlet, increase sales and service personnel
- Digitization for effective sales

Enhance product lineup

- Enhance lineup of compact cars
- Strengthen preventive safety technology
- Continuous introduction of new models

Production

- Flexible production operations to meet the changes in demand
- BCP administration of supply chain

- Taking the initiative in promoting electrification required by society in response to environmental issues in India
- Maintain market share of more than 50% in passenger car segment

Electrification

- Promote penetration of hybrids
- Introduce EV

Sales

- Increase number of rural small outlets, allocate circuit service car
- Develop demand in rural areas
- Increase sales efficiency through digitization

Product line up

- Strengthen SUV segment
- Promote CNG cars

Production

- Strengthen production capacity in line with the growth of the Indian market

Deepening of alliances

Cooperation in electrification

- Expand mutual supply of hybrid vehicles
- Promote use of batteries for hybrid vehicles produced in India
- Development of small EV platform

Collaboration in Africa

- Market development
- Introduction of products from India and establishment of logistics and service systems

Complementing products and components

- Enlarge mutual supply of vehicles and powertrain

Motorcycles

2 million sales units, Secure operating profit of 5% or more

Commonization

- Commonization of platform
- Attractive and diverse lineup

Electrification

- Introduction of EV scooters

Marine

Net sales target ¥100 billion

Earnings increase

- Increase sales of large 4-stroke models (leisure use)
- 2 stroke models → 4 stroke (business use)

Comprehensive brand recognition

- Promote Clean Ocean Project with customer participation

New technologies

- New technologies including electrification
- Integrated vessel controls



Contribute to solve social issues while earning profits from business activities

- Suzuki contributed to creating jobs in emerging countries, through development and penetration of environmentally friendly compact cars
- Through business activities that take advantage of Suzuki's strengths, Suzuki will contribute to solve social issues while increasing profits.
- Balancing contribution to a sustainable society and business growth

Environment

- Efforts to develop environmental technologies
- Challenge toward carbon neutral
- Disclosures in line with TCFD

Social

- Reducing the number of traffic fatalities and injuries (Safety technology initiatives)
- Resolving regional and elderly mobility issues (next-generation mobility and services)
- Recruitment and development of human resources with expertise that will lead the next generation
- Development of an environment and personnel system that enables diverse human resources to work
- Diversification of work styles and promotion of health management
- Preventing occupational accidents and promoting a safe and secure working environment

Governance

- Continuation of measures to prevent recurrence of inappropriate incidents
- Risk management for environmental and social issues related to business activities
- Strengthening information security



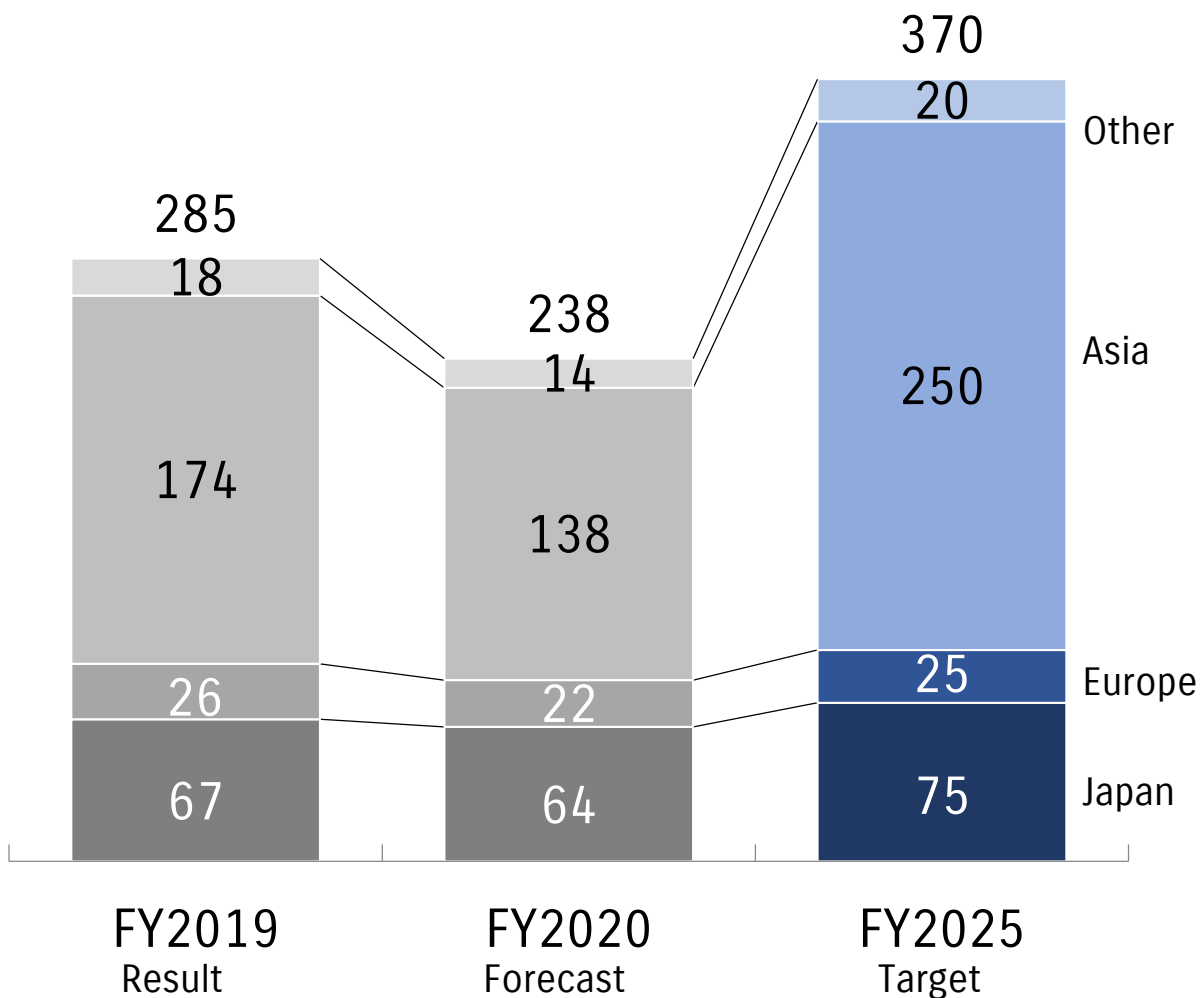


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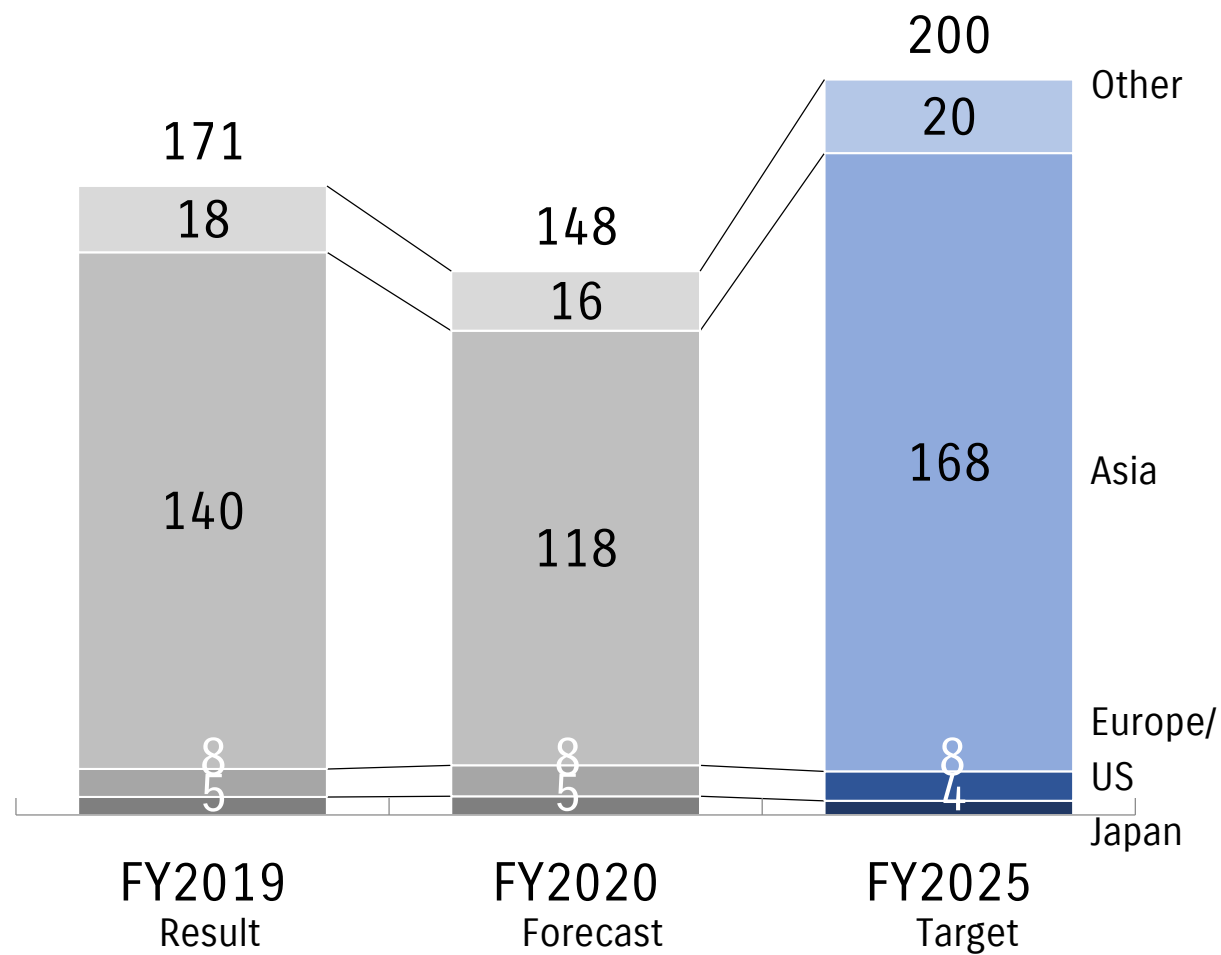
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<Automobiles> (10,000 units)



<Motorcycles> (10,000 units)



SUZUKI MOTOR CORPORATION



Sagara Plant and
Sagara Proving Grounds
(testing and development of automobiles)

Makinohara Photovoltaic Power Plant

.....**Caution with respect to Forward-Looking Statements**.....

- The forward-looking statements mentioned in this presentation are based on currently available information and assumptions, contain risks and uncertainty and do not constitute guarantees of future achievement.
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