

# Corporate Governance

Isuzu makes much of corporate governance and improves its structure to ensure soundness, compliance and transparency of management.

## Basic Concept

In order for Isuzu to continuously make profits from its corporate activities and to enhance its corporate values, it is essential to complete the corporate governance structure that disciplines its activities. Furthermore, the principal aim of our corporate governance is to respect the viewpoints of all stakeholders and construct a good relationship with them—for example, to protect their rights and interests and to secure equality among them. For that purpose, we are striving to improve our corporate governance structure with a view to realizing optimum and prompt business determination, as well as effective management and re-enforced supervision of business operations. At the same time, we are working on timely and appropriate disclosure of critical information, including the release of financial information on our website, so as to ensure fairness and transparency.

## Our Corporate Governance Structure

In order to speed up managerial decision-making and business operations, Isuzu has set up a Management Committee that examines and decides on critical matters for corporate management, based on resolutions of the Board of Directors. In addition, we have introduced an executive officer system for properly supporting our directors' business operations. Additionally, the VLE (Vehicle Line Executive/ Powertrain Executive) system has

been introduced for ensuring inter-departmental activities maximize profits in each product line.

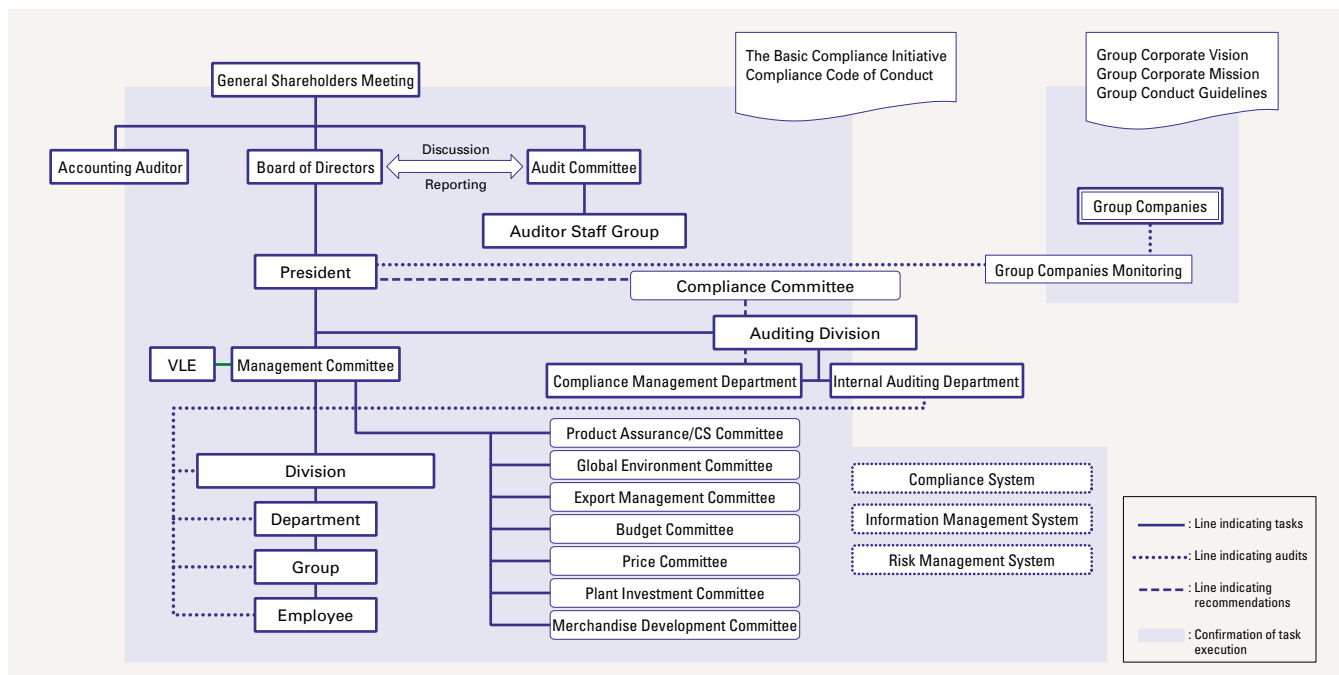
As a function of monitoring our management, we have an auditing system (five auditors, of which three are external). Besides attending the board of directors meetings and other important meetings, the auditors consider business reports from directors, review important decision documents, investigate the business and assets status of head office and other key business sites, request business reports from affiliate companies when necessary and conduct auditing activities.

In addition, as an internal auditing function, an Internal Audit Department has been created so that regulatory compliance, reliability of financial reports and effectiveness/efficiency of work can be improved through the promotion and support of internal audits.

## Risk Management

Smooth corporate management as well as integrity and stability are strived for, based on Risk Management Rules that stipulate assurance of the general management system to identify the factors inhibiting the performance of corporate tasks and the danger of losses related to corporate tasks as risks, to understand precisely the status of the risks, and to implement any necessary actions against risks.

Chart of Corporate Governance Structure



# Efforts toward Compliance

Isuzu regards compliance as of crucial importance in order to raise corporate values, based on our corporate vision. We have thus developed and have been implementing our Basic Compliance Initiative.

## The Basic Compliance Initiative

Our corporate vision is: *Isuzu will always mean the best: A leader in transportation, commercial vehicles and diesel engines, supporting our customers and respecting the environment.*

In order to maintain high corporate values and fulfill this vision, it is absolutely crucial to maintain a high work ethic, not only to ensure compliance, but also for all of our executives and employees to conduct themselves in accordance with the highest values, so that we engender trust from society.

With absolute compliance as our highest management priority, we have created Basic Compliance Initiative for both internal and external purpose. Our management assumes responsibility for leadership of this initiative. Should any violations occur, management is committed to resolving these issues and investigating their causes, in order to ensure that they do not recur. Management is also responsible for providing prompt and appropriate public disclosure and accountability.

### 1. Gaining Customers' Trust

We will gain our customers' trust by providing socially valuable products and services that enrich their lives.

### 2. Fair and Sound Activities

We will conduct business in the spirit of free and fair competition. Further, as private citizens committed to a healthy and fair relationship with host governments, we resolve to avoid contact with any anti-social groups or organizations.

### 3. Disclosure of Corporate Information

We will disclose corporate information to both shareholders and the public in a timely, appropriate and fair manner.

### 4. Respecting Employees

We will provide a safe, comfortable working environment, with respect for employees' individuality, so that they can make the most of their abilities.

### 5. Protecting the Environment

As global citizens, we will work to protect the environment through our business activities, while also actively promoting community and regional environmental protection.

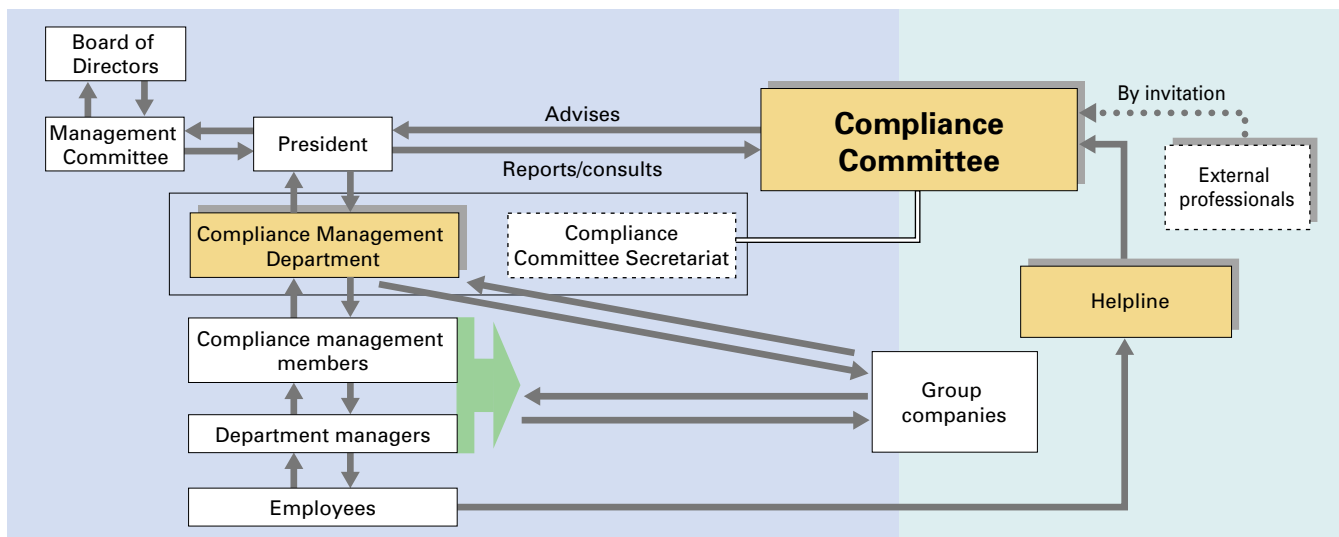
### 6. Contributing to Society

As good corporate citizens, we will make a positive contribution to society.

### 7. Living in Harmony with the Global and Local Communities

We will respect the culture and customs of different countries and regions and work to contribute to the development of these areas through our business activities.

## Isuzu's Compliance Structure



## Activities

Isuzu Motors Limited promotes compliance activities with other group companies to enhance the corporate value of the group as a whole. Procedures for new automobile registration and periodical automobile inspection were unified across all domestic dealers and

these procedures were implemented as from November 2006. Through these activities, thorough compliance in conducting the said tasks as well as deployment of compliance activities have been ensured on a nation-wide basis, across all domestic dealers.