

CORPORATE GOVERNANCE

At Isuzu, we recognize the importance of a system of corporate governance that strengthens oversight while also optimizing and accelerating the decision-making process and ensuring effective implementation of management strategies.

Over the past year, we have taken the following steps to enhance our corporate governance:

- To strengthen the local management structures for our North American and ASEAN operations, in June 2003 we unified the oversight of each of these regions.
- In December 2003, our president and representative director certified that the contents of the first half earnings report submitted to Japanese regulatory authorities were accurate.
- To strengthen the local management structures for our Chinese operations, in April 2004 we established unified oversight for China.
- With the aim of strengthening internal controls and ensuring independence, also in April 2004 we transformed the Audit Group of the General Affairs and HR Department into the independent Business Audit Group, and we began conducting our internal audits under this new structure.

Because we are also committed to information disclosure that ensures adherence to fair business practices and corporate transparency, we are proud to distribute information through a variety of conduits, including our website. We are pleased to provide English-language information for our shareholders and other stakeholders around the globe.

Isuzu's Audit Committee has four members, including two outside auditors. We have established a Management Committee that is empowered to deliberate and make decisions on critical business matters. We have also introduced an executive officer system, which transfers the authority for executing business strategies to the operating level. In addition, we have implemented a Vehicle Line Executive (VLE) scheme. The Vehicle Line Executives, who are responsible for each of our product areas—commercial vehicles, light commercial vehicles and powertrains—report directly to the Management Committee.

The board of directors and the audit committee each meet at least once per month, and the Management Committee convenes weekly.