

Corporate Governance

Striving to ensure integrity, compliance and transparency in management

Isuzu is striving to strengthen corporate governance structures to ensure its ability to earn the trust of all stakeholders.

Basic approach to corporate governance

The Company believes that the establishment of corporate governance structures that provide a framework for discipline is indispensable to its ability to generate consistent profits and enhance corporate value through its business activities.

Recognizing that the primary purpose of corporate governance is to respect the positions of stakeholders and build smooth relationships, the Company endeavors to ensure fairness and transparency in its corporate affairs through the timely and appropriate disclosure of important information. In particular, the Company understands that implementing internal controls and maintaining an environment that protects the rights and interests of shareholders, while assuring equality among them, is an important element of corporate governance.

Furthermore, to this end the Company considers it essential that the Board of Directors and Audit Committee, which are tasked with supervision of the Company's management, function adequately and fulfill their duty of accountability toward shareholders.

Overview of Isuzu's corporate governance structures

The Company has established a Board of Directors and an Audit Committee as internal bodies to oversee and audit important management decisions.

To speed up managerial decision-making and business operations, Isuzu has set up a Management Meeting that meets every other week as a rule to examine and make decisions on critical management concerns, in accordance with resolutions of the Board of Directors.

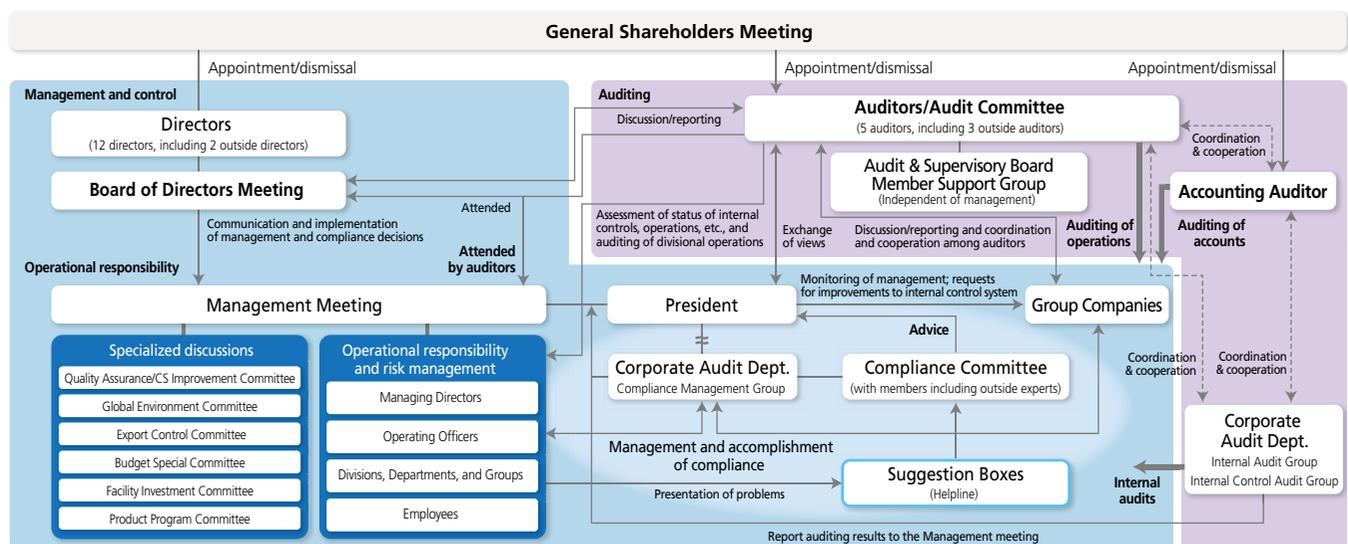
Furthermore, the Company has created various committees that report to the Management Meeting in order to streamline discussion of issues in various specialized areas.

In addition, we have introduced an executive officer system for properly supporting our directors' business operations.

In addition to attending Board of Directors meetings and other important meetings, auditors solicit reports from directors and other leaders concerning the execution of their responsibilities, review important decision-making documents and other materials, investigate operational and financial conditions at the head office and major worksites, request reports from subsidiaries as needed, and audit Company operations.

We have appointed two outside directors (part-time) and three outside auditors (of whom one is full-time). There is nothing noteworthy to report with regard to the personal relationships of these outside officers and the company, associated transactions, or other interests. With regard to capital relationships, some officers own Company shares, but nothing of noteworthy importance was found.

Overview of Internal Structures Related to Isuzu's Internal Control System



Executive Compensation

The Company's directors receive compensation packages that have been finalized by the Board of Directors within the range of figures approved by the General Shareholders Meeting while taking into account factors such as levels of compensation at other companies and the Company's business performance. The amount of compensation received by each director reflects his or her position, as well as the performance of the Company and the individual in question.

The Company's auditors receive compensation packages that have been finalized by mutual consultations among auditors within the range of figures approved by the General Shareholders Meeting, while taking into account factors such as levels of compensation at other companies and the Company's business performance.