

ISUZU

CSR Report 2015

[Digest]

For the future of
mankind and the Earth

ISUZU

Editorial Policy

The Isuzu CSR Report is published to provide an understanding of the "important issues for both our stakeholders and Isuzu," with regards to the CSR activities carried out by the Isuzu Group. This report is for the Digest which edited a full report on Web site again to inform Isuzu activities to stakeholders more clearly.

Scope of Report

Centering on Isuzu Motors Limited, this report describes the activities carried out by Isuzu Group companies in Japan and abroad.

*"Isuzu" in the report means "Isuzu Motors Limited" alone.

Period Covered

This report includes activities carried out between April 1, 2014 and March 31, 2015 in principle. However, significant matters in other periods are partly included in this report.

Issued 2015.9

Isuzu Motors Limited

6-26-1,Minami-oi,Shinagawa-ku, Tokyo, Japan



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Offering “Isuzu unique solutions” to make lasting contributions toward solving social issues.



President and Representative Director
Masanori Katayama

I would like to express our appreciation for your continued support and understanding.

Isuzu's CSR policy is to fulfill our social responsibilities through activities to accomplish our Corporate Vision and contribute to the sustainable development of society along with establishing trust with all our stakeholders. To that end, we believe that it is necessary for each individual employee to understand the Initiative Policy as it relates to CSR, and to be aware of CSR as they act in their various fields of activities.

In the past, Isuzu has worked intensely to establish and strengthen trust with all our stakeholders by fulfilling our social responsibilities and duties as a corporate citizen co-existing in society and in the region.

The Midterm Business Plan (April 2015 through March 2018) introduces the Six Initiatives* in the aim of growing into a corporation that is truly necessary to its customers and has a global presence. One of these is an initiative for building the foundation of the next generation. And we set advancing initiatives toward social issues as one of this initiative.

Isuzu has been taking steady initiatives in our activities until now and continue to take them, but from now on, we hope to

leverage our business and offer "Isuzu unique solutions" to make lasting contributions toward solving social issues, thus expanding our efforts to become a company that gives back value to society.

Further, we plan to take more active initiative in CSR activities in the future, working with our stakeholders to generate new business opportunities in the aim of growing into a company that works for society (that creates social value) by solving social issues through our business activities.

Isuzu hopes to further increase our corporate value through initiative in our CSR activities. We hope that you will continue to support us even more in the future.

*Midterm Business Plan: 6 Initiatives

1. Push for global 3 plus 2 core business organizations.
2. Boost product portfolio and technology.
3. Expand aftersales business in emerging countries while refining business model in advanced nations.
4. Move marketing function closer to markets.
5. Link two operations of engineering, sourcing and manufacturing, and of aftersales.
6. Lay a corporate foundation in support of next generation.

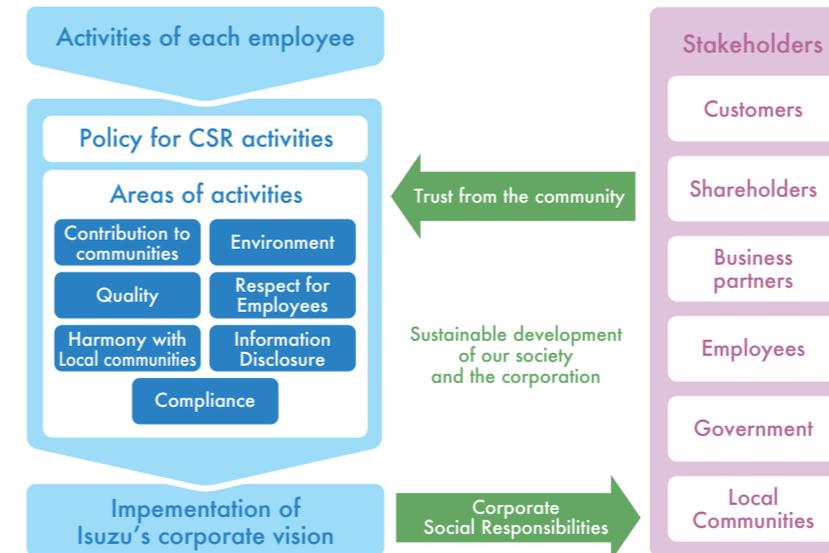
Isuzu's CSR Activities

Through Isuzu's CSR activities, aimed at implementing Isuzu's corporate vision, we contribute to the sustainable development of our society while fulfilling our corporate social responsibilities and winning trust from society.

For sustainable development together with society, we at Isuzu emphasize the importance of fulfilling our social responsibility and achieving our corporate vision while building up trusting relationships with our stakeholders, and we call this "Isuzu's CSR activities".

The activities are intended to realize our corporate vision through the achievements of each Isuzu employee, understanding the "Policies of Isuzu's CSR Activities" and applying them to its business field.

Isuzu leverages its strength in obtaining the trust of society and contributing to sustainable development with society through its CSR activities as well as fulfilling its social responsibility.



Corporate Vision

Isuzu will always mean the best

A leader in transportation, commercial vehicles and diesel engines, supporting our customers and respecting the environment

Corporate Mission

Trust, Action, Excellence

A global team delivering inspired products and services committed to exceeding expectations



Initiatives for Harmony with Local Communities in Indonesia

P.T. Isuzu Astra Motor Indonesia (hereinafter referred to as "IAMI") manufactures and markets Isuzu vehicles in Indonesia. It celebrated its 40th anniversary in October 2014. In addition to its business activities, IAMI, which has been expanding its business for years in Indonesia, finds its reason for the existence in continuous contributions to local communities through its CSR activities in various fields as a member of society.

Fields of IAMI's CSR activities

- *1. Education
- 2. Health
- 3. Environment
- 4. Income Generating

Education

● Scholarships for children of Isuzu drivers (Smart With Isuzu)

In 2012 IAMI began an activity to provide annual scholarships for children with the aim of providing support for children to go to school because despite Indonesia's remarkable progress, the income levels of drivers are still low and many households are struggling financially.

The third presentation ceremony was held in the capital city of Jakarta in 2014, and IAMI sent 100 children one million rupiah each (approx. 10,000 yen).



● "ISUZU Class" established in local vocational training school

In October 2014, IAMI established the ISUZU Class, where trainees can learn about the latest diesel technologies, in a local vocational training school called SMK 2 Klaten. This ISUZU Class was launched to respond to local needs to develop highly skilled automobile mechanics,

● "Isuzu Berbagi Ilmu (Knowledge Sharing)

In "Isuzu Berbagi Ilmu", the employees make visits to schools and give lectures to the children using what they have learned through their various operations.

There are 14 courses, structure of a diesel engine, assembly operation of a truck, health, environment, safety, for example.

So far, the employees have given about 70 lectures in 48 schools.



● Supporting local UNICEF for Indonesian children

IAMI has been providing vehicles and other things to support activities of UNICEF in Indonesia in the fields of health, education, and child welfare since 2002. There are three Isuzu vehicles (Panther, D-max, and mu-X) that are currently playing important roles with UNICEF.



Health

● Cooperating with Indonesian Red Cross's blood drive

IAMI has held a blood drive every three months since 2012 in a bid to support the activities of the Indonesian Red Cross, which aims to establish a blood donation system in the country. This contribution helps solve blood shortages in Indonesia.

● Isuzu's "Health Car" to improve well-being in neighboring communities

Since April 2014, the ELF called "Health Car" has been driving around neighboring villages with a medical team and pharmacists to offer health checkups and medicines at no charge.

200 people benefited from the checkup services in 2014.



ELF "Health Car" with medical team and pharmacists

Environment

● Planting activities in neighboring communities

Since 2010, IAMI has taken part in planting activities jointly with local governments and schools to conserve the surrounding environment.

500 nursery trees were planted in 2014.



Planting together with local schoolchildren and teachers

Income Generating

● Employment support for underprivileged people (engineering electric system training)

The aim of this activity is to support underprivileged people under the engineering training program. It has been offered since 2011 through coordination with the local foundation, Yayasan Multi Techno Prakarsa Insani.

This program gives underprivileged people advantages in finding employment.

Since 2011, the activity has helped 60 trainees become certified, and they are now engaged in electric facility works.

Other Initiatives

- Isuzu Technician School
- Distributing hand-made garbage bins for cleaner communities
- Customer security and transportation security activity after flood damages

[Details, please find on Isuzu web site] <http://www.isuzu.co.jp/company/world/csr/report/pdf/special1.pdf>

Social Contribution Initiatives

Isuzu will proactively conduct social contribution programs as a good corporate citizen.

Support activities for the Great East Japan Earthquake

Continued volunteer activities in the disaster areas (Isuzu Motors Syutoken Co., Ltd.)

After the Great East Japan Earthquake, Isuzu Motors Syutoken (Koto-ward, Tokyo) has been sending a rotating group of four volunteers to various regions of Miyagi Prefecture every week since May 2011. So far, a total of 237 employees have participated over a total of 827 work days (as of March 2015).



Internal events and other support for disaster areas

In the aim of helping restoration in the disaster areas of Tohoku, Isuzu introduced the Otsuchi Sashiko Project* products to distribute as hospitality gifts at internal events.

*Otsuchi Sashiko Project (Management by the non-profit organization Terra Renaissance): The project group uses the Sashiko Stitching traditional in Tohoku area to support women's independence.



At the Isuzu European Service Conference with Sashiko Stitching in hands

"Isuzu Monozukuri Hands-on Workshops" for children in the disaster areas

The "Isuzu Monozukuri* Hands-on Workshops" were held in the disaster areas under the concept of "Gaku, Sou, and Yu (learning, creating, and playing)" to teach the children the fun and significance of "monozukuri".

*Monozukuri: Isuzu craftsmanship.

The workshop concept "Gaku, Sou, and Yu" means "Learning, Creating, and Playing" in transport.

Isuzu employees engaged in manufacturing or development operations prepare this program with the purpose of giving children easily understandable lessons about their "monozukuri" activities as well as the significance of Isuzu's corporate vision of supporting transport.



A casting specialist giving some tips



An employee responds to enthusiastic children

Joint activities with Michinoku Revival Partners

Isuzu joined the Michinoku*1 Revival Partners (hereinafter, "Partners") in March 2014 to carry on continuous relief in the disaster areas.

The Partners are a corporate consortium*2 with multiple corporations from different industries united with the intention of providing support to the disaster areas.

*1 Michinoku: Tohoku area in Japan, an earthquake-devastated district by the Great East Japan Earthquake.

*2 The secretariat for this project is the non-profit organization ETIC.

The DeuSEL® Project toward commercialization of next-generation bio-diesel fuel

Isuzu launched the DeuSEL® Project in jointly with Euglena Co., Ltd. (hereinafter, "Euglena") in June 2014 as an activity to reduce environmental impact and develop new alternative fuels.



DeuSEL® Bus

FY2014 activities and others (Higher recognition for DeuSEL®)

Major exhibition achievement

·Yokohama Car Free Day ·Tokyo Motor Fes. etc.

Major seminar achievements

·Visited a class in Kouzan Junior High School, Okazaki City, Aichi Prefecture

Award History

·EST Transportation Environmental Awards,

Introduction of the TFT program

In April 2014, the TABLE FOR TWO (TFT) program kicked off in the company cafeteria and Isuzu Omori Headquarters with the purpose of making it easier for employees to contribute to society while enjoying healthy food.

The program allows Isuzu employees to donate 10 yen whenever they purchase healthy menu items Isuzu then adds 10 yen to the employee donation, and the total 20 yen is used to supply school meals to children in developing countries.



*Countries supported by the incorporated non-profit organization, TABLE FOR TWO International's TFT program: (1) Uganda, (2) Ethiopia, (3) Kenya, (4) Tanzania, (5) Rwanda, (6) Myanmar, (7) Philippines

Other Initiatives

·Protecting customer vehicles during floods ·Participation in the "Mt. Fuji Forestation Project"
·Eco Cap activity ·Support for treating and preventing the spread of the Ebola Virus

[Details, please find on Isuzu web site] <http://www.isuzu.co.jp/company/world/csr/report/pdf/contribution.pdf>

Educational aid program at training school for auto mechanics (Philippines) [ISUZU HEART & SMILE PROJECT]

Since November 2008, Isuzu has conducted an educational program focused on underprivileged children at a vocational school for auto mechanics under the TESDA* in Tacloban City on the island of Leyte, the Philippines.

*Technical Education and Skills Development Authority

Reopened training school after typhoon Haiyan

The training school was devastated by the typhoon Haiyan, which caused serious damage when it struck the Philippines in November 2013. The school was later reopened in February 2015 through restoration challenges along with local support groups. 67 students returned safely and attended the re-opening ceremony.

Great success of former students

At the 9th Isuzu World Service Skill Competition* (I-1GP) in November 2014, two students who now work at a dealer in the Philippines were qualified at the local preliminary. They won second place in Category B (low EU emission country group).



Former students who entered the I-1 GP



Environmental Initiatives

The entire Isuzu group is taking initiatives to address environmental conservation.

Improvement in fuel efficiency for CO₂ reduction

The latest models of N-series and F-series for the Domestic market have enhanced their respective fuel economies by 10% and 5% at maximum (FY2015 heavy-duty vehicle fuel economy standard in Japan). Improving fuel economy is effective in reducing the CO₂ generated from fuel refining. Isuzu continues to promote activities toward the number one lowest fuel economy.

Item	N-series (equipped with an eco-stop system)	F-series (equipped with an eco-stop system)
CO ₂ reduction (converted value)	△10.8g (Equivalent to amount of CO ₂ absorbed by 14 cedars)	△15.0g (Equivalent to amount of CO ₂ absorbed by 25 cedars)
Heavy-duty vehicle fuel economy standard in Japan	+10%	+5%

Reduction of vehicle interior VOC (Global announcement of VOC measures)

The domestic vehicle interior VOC* reduction activity has expanded to a global scale. In overseas markets, Isuzu offers products that have met the domestic guideline of VOC.

*VOC (Volatile Organic Compounds): Organic compounds that are highly volatile at room temperature/normal pressure such as formaldehyde and toluene. Exposure to high densities of these chemical substances can cause the Sick Building Syndrome.

Isuzu group "Energy-Saving & 3R Award"

Award-winning "Maintenance-free coolant tank" by Isuzu Fujisawa Plant

They have successfully accomplished a maintenance-free coolant tank by improving the method of collecting waste generated while grinding automotive parts, such as by grinding powders or abrasive grains mixed in coolant (cutting fluid). Not only has the tank improved the work efficiency and the grinding quality, but also it made it possible to sort waste that had been treated as industrial wastes, but can now be turned into valuable resources to sell.



Environmental initiatives in logistics

On logistics routes, including transport of parts for vehicle production, the entire Isuzu group undertakes CO₂ reduction by enhancing logistically efficient and fuel-efficient driving during transport.

Load capacity improvement to reduce packaging material amounts (i-Pack co., Ltd)

i-Pack (Fujisawa-city, Kanagawa), which is engaged in the transport of assembly parts destined for overseas plants, reviewed transport packaging formats of KD parts for higher transportation efficiency. This successfully reduced the amounts of packaging materials. Amount reduced(iron):-19.3 tons/year (Converted to CO₂:37.6 CO₂ tons/year



Packaging cabs and axle cases into one case. The cabs and axle cases were previously individually packaged.

Promotion of domestic and overseas fuel-efficient driving seminars

CO₂ is emitted the most during usage of the products in the course of a product life. Thus, Isuzu puts effort into hosting fuel-efficient driving seminars inside and outside Japan where participants learn how to drive in a fuel-efficient manner.

14 countries, 192 sessions, 2,769 participants (FY2014 achievements)

Seminars have been carried out continuously since 1995, and in FY2014 a total of 2,769 participants attended 192 sessions in 14 countries. The fuel efficiency of normal driving is measured and then compared with the fuel efficiency of driving after taking the seminar and the difference (30% improved on average) is appreciable.



Fuel-efficient Driving Seminar (Japan)



Fuel-efficient Driving Seminar (overseas)

Promotion of biodiversity through conservation of the natural environment of communities (WAcom Hokkaido CO., Ltd.)

WAcom Hokkaido owns a wide range of test courses. This vast site is very rich in nature. To continue to protect the natural environment, WAcom Hokkaido conducts natural environment conservation activities with people in neighboring communities.

Activity for preserving the pure water of Mukawa River

To protect the Mukawa River, which boasts some of the clearest water in Hokkaido, WAcom Hokkaido has set up a sand control dam in the balancing reservoir so that they can manage the reservoir water and maintain the quality of the water that ultimately runs into the Mukawa River. Moreover, Water oaks were planted within the site to conserve the rich water sources that can be found in the thick forest. The oaks, which are locally grown in the neighboring communities, are known for effective wellhead protection.



Sand control dam installed in the site

Activity achievement

Japanese cranes in flight are sometimes seen at the site, as are groups of skunk cabbages. Japanese cranes are known as the Hokkaido regional bird and are also a vulnerable species.



Landing Japanese crane



A group of skunk cabbages

Quality Initiatives

Isuzu will provide useful products and services to our customers.

Quality management system (ISO9001, ISO/TS16949 certified)

All Isuzu offices have been certified with ISO9001:2008, an international standard of quality management. Moreover, components to be delivered to GM (General Motors, based in the U.S.) are certified with ISO/TS16949:2009, the standard for the automobile sector. Isuzu has been striving to enhance its operational quality using such measures.



Initiatives for higher service quality

Isuzu provides standardized support both in Japan and overseas so that Isuzu can offer high-quality services.

Service system/Service parts supply system

Isuzu is currently fully committed to the post-delivery customer support services. Our customers always expect high quality. Therefore, Isuzu aim to establish high-quality integrated service systems and service parts supply system for customers in Japan and overseas.

Initiatives for higher operation quality

Isuzu not only makes efforts to improve the quality of its products and services, but also work to raise the awareness and enhance the knowledge of each employee with regards to the quality of their individual operations, as Isuzu believes that will result in providing the quality demanded by customers.

Raising awareness [FY2014 Achievements]

Message/theme of Quality Month	"We will continue to make excellent works for our customers from now and to the future!"
Young engineers assigned to dealer experience	25 engineers
Quality awareness education for Isuzu dealers in Japan	28 sessions

Improving knowledge (Knowledge enhancing program) [FY2014 Achievements]

The Road Transport Vehicle Law/ Recall scheme	Session held. (for the new employees)
Entry-level QC course	129 people enrolled.
Basic problem solving course (QC training I)	105 people enrolled.
Problem solving practice course for quality improvement (QC training II)	53 people enrolled.

Advanced telematics system Mimamori-kun (available in some markets)

As a means to monitor driving status, Isuzu recommends that customers install its unique advanced telematics system known as Mimamori-kun.

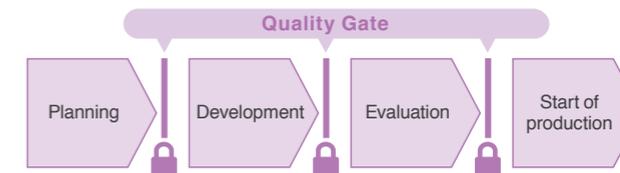


Mimamori-kun

Initiatives for higher product quality

Initiatives at the development stage

Isuzu product development philosophy is to gain the trust of every person. This is supported by the basic concept of "See Technology", where See stands for the three important issues of Safety, Economy, and the Environment. To acquire the high quality to underpin this philosophy, Isuzu sets "quality gates" (milestones) at different stages in product development, where the quality and the maturity of the products are confirmed so that product development can proceed.



Initiatives at the manufacturing stage

Isuzu is reinforcing its human resources and production systems to offer high-level integrated products on a worldwide scale. In particular, Isuzu's manufacturing principle of Quality First, which includes its methodology and production know-how, is systematized into Isuzu Manufacturing Management (IMM). IMM is applied to every Isuzu plant around the world as the manufacturing standard, and that's what makes Isuzu capable of maintaining consistent quality at all plants and at all locations around the globe.



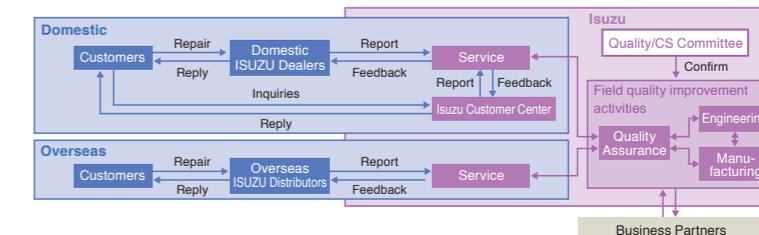
Initiatives for higher field quality

Isuzu constantly strives to make improvements by listening to and analyzing customer opinions, which are feed back into each quality-related process to ensure never-ending improvements in field quality.

Initiatives toward improved field quality

Taking advantage of the FQ management system*, Isuzu collects quality information from markets and then implements cause investigations and responds to issues promptly and accurately.

*FQ (Field Quality) management system: In the aim of improvement, information on quality is collected from markets and shared in the system shown in the chart (right.) Isuzu gathers customer opinions from Isuzu customer center(Japan), warranty repair records, and improvement requests from Isuzu distributors/dealers as field quality information to direct to our quality improvements. Also, the top management and all employees regularly share information about important quality issues and the progress of responses to this field quality information.



[Details, please find on Isuzu web site] <http://www.isuzu.co.jp/company/world/csr/report/pdf/quality.pdf>

Respect for Employees

Isuzu respects the individuality and characters of each Isuzu employees.

Higher employee satisfaction (ES)

Isuzu works intensely to improve employee satisfaction (ES) because Isuzu considers it to be a management challenge in terms of CSR and human resource development.

The ES survey is conducted periodically (every other year) to monitor changes in satisfaction levels of Isuzu employees by analyzing fixed point observations. It has been conducted seven times to date.

These survey results are used as valuable data to help build up company policies.

Our efforts continue to improve ES.

Welfare events

■ The 2014 Isuzu Spo-Rec (Sports and Recreation) in Omori Headquarters

Selected members from each floor of the headquarters building created a heated competition for various games in front of an audience of 450 people from both the headquarters and related companies.



They competed for total punch count. They punched away their daily stress.



Many employees of the headquarters and related companies took part in the event.

■ The 2014 Plant Executive Cup Bowling Competitions in Fujisawa / Tochigi Plant

Isuzu Fujisawa Plant and Tochigi Plant held the 2014 Plant Executive Cup Bowling Competitions respectively. There were preliminary matches prior to the competition, qualifying 1,600 people from Fujisawa Plant and 500 from Tochigi Plant. The qualifying teams attended the final matches in November. Participants in the final matches included teams sent not only from Isuzu internal, but also from related companies and overseas engineer trainees. The excitement of the final matches was fueled by 150 supporters, including families and colleagues.



■ Employee Day event (P.T. Isuzu Astra Motor Indonesia: Indonesia)

On December 6, 2014, P.T. Isuzu Astra Motor Indonesia (here after "IAMI") held an Employee Day event. At IAMI, Family Day and Employee Day are held alternately every other year. This year about 1,100 employees attended. Participants took 24 buses to Bandung, which is about 200 kilometers from Jakarta, to attend & "Trans Studio Bandung," the largest indoor theme park in Asia. Many employees went onstage and danced at the lottery. It was a very fun event.



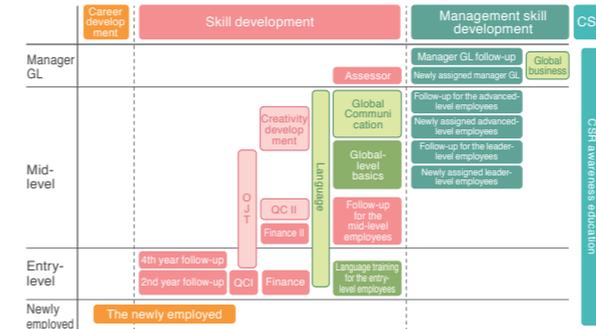
Creating safe and sound workplaces

(unit:employees)

Main Themes	FY2014	Main Themes	FY2014
Specific healthcare Guidance	709	Home health services/ guidances for elderly patients	14
Patients receiving health check-ups	5,574	Seminar participants	46
Mental health counseling users	120	Lifestyle-related disease prevention, promoting gargling/hand washing, walking challenge program, and other health related activities.	1,980
24-hour telephone health counseling users	214	Breast cancer screening	109
Recreation and sport event participants	681		

Personnel development (Training for awareness and knowledge:activities held in Japan)

Business environments are drastically changing these days. Under such conditions, each employee is required to make decisions and take actions. Therefore, Isuzu now carries out detailed research and specifies what skills are needed in each position level for an even more enhanced education system that allows the employees to learn necessary skills at the necessary timing.



Various seminar achievements in Japan

Isuzu offers various training programs so that employees can acquire the necessary knowledge and insight to be able to function and improve their skills.

Moreover, Isuzu motivates each employee to build his/her own careers path and encourages managers to practice management based on the career paths of their members.

(unit:employees)

Training Programs	FY 2011	FY 2012	FY 2013	FY 2014
Position-based training	783	920	915	573*1
Career design	137	151	167	—*1
Business skills	216	226	211	247
Human skills	103	303	313	—*1
Special training*2	639	62	76	156
Language training	153	74	95	530
Total	2,031	1,736	1,777	1,506

*1 In FY2014, our training programs were selected for the target trainees or postponed after the training scheme was reviewed.

*2 Special training: QC training, Creativity development training, Product knowledge improvement training, etc.



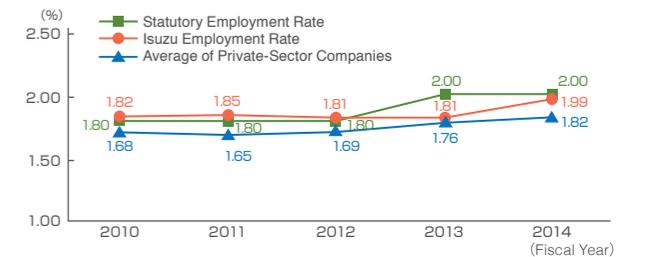
CSR awareness education (Japan) (FY 2014)

Discussions are held in each work site under one theme that is selected from the CSR field. This is aimed to raise awareness of CSR activities for all employees. The education programs are periodically carried out for all Isuzu employees.

The date of the training conducted	Category	Theme
June 2014	Environment	Think of environmental activities to contribute to a sustainable society.
November 2014	Quality	Now and in the future, we will keep doing an excellent job for our customers!
December 2014	Compliance	Report / consultation route
March 2015	Compliance	Tax (stamp fee, etc.)

Promoting employment with the emphasis on diversity

Isuzu is promoting the employment of people with disabilities with a view to achieving a society where people support each other, regardless of whether or not they have disabilities. Isuzu will continuously offer its support to people with disabilities.



[Details, please find on Isuzu web site] <http://www.isuzu.co.jp/company/world/csr/report/pdf/employees.pdf>

Harmony with Local Communities

Isuzu aims to be trusted as a member of local society and contribute to the development of local society.

Cosponsored Kanagawa Phil. Orchestra Factory at neighborhood elementary schools

In February 2015, Isuzu helped to jointly organize the Kanagawa Phil. Orchestra Factory, where children enjoyed live music performances and played musical instruments along with the professional orchestra Kanagawa Philharmonic Orchestra (hereinafter, "Kanagawa Phil."). This took place at Goshomi elementary school and Akibadai elementary school, both of which are located in Fujisawa, Kanagawa Prefecture.



Children can be encouraged to enrich their creativity and sensitivity through artistic experiences

Participation in Shonan Beach Gomizero (Zero Trash) Cleanup Campaign

The Shonan Beach Gomizero (Zero Trash) Cleanup Campaign is hosted by Fujisawa City and the Kanagawa Coastal Environmental Foundation. Isuzu Fujisawa Plant has participated this campaign since 2009. In May 2014, 200 people participated, including employees of Fujisawa Plant and other related companies and their family members. A grand total of 6,300 people participated, and a total of 2.9 tons of trash was removed.

Cooperation in anti-crime activities

Isuzu headquarters participates in the Blue Light Security Patrol to contribute to building a safe neighborhood as a member of the Oi Security Association (Shinagawa Ward, Tokyo). Isuzu has attended the patrol around the headquarters once a month since 2006. The local neighborhood association and member corporations share the tasks of conducting the patrol mainly around parks, schools, and back streets in residential areas, and play a part in reducing crime.



Isuzu Summer Festivals 2014

Both Fujisawa Plant and Tochigi Plant held their summer festivals in August 2014. The festivals were intended to show appreciation to the employees and their family members for their daily efforts as well as to the local community and residents for their cooperation. Fujisawa Plant welcomed 18,000 visitors and Tochigi Plant 5,500. The local residents also enjoyed the festivals.



Employees, their family members, and local residents came to see the festival.

The Electric Bus Development Consortium of Akita received the EST Honorable Mention Award.(Akita Isuzu Motors Limited)

Akita Isuzu Motors (Akita City, Akita), the representative of the Electric Bus Development Consortium of Akita, received the honorable mention award in the 6th EST Transportation Environmental Awards for their environment protection activities. This Consortium of Akita is an association of 12 enterprises in Akita Prefecture. Through coordination between the public and private sectors and related organizations at the national and prefectural level from the development and modification of the EV bus based on the Isuzu ERGA Mio, the association has built a new public transportation system.



In Akita City runs the Elemo-Akita, an original bus based on the Isuzu ERGA Mio.

*This award honors outstanding regional efforts to deal with issues related to transportation and the environment. EST: Environmentally Sustainable Transport

Donation of truck engines to local training schools for auto mechanics (Isuzu East Hokkaido Co., Ltd)

In June 2014, Isuzu East Hokkaido (Obihiro City, Hokkaido) celebrated its 60th anniversary and, as a commemorative project, donated one truck engine and special tools for engine assembly/disassembly works. This donation was made to the Hokkaido Prefectural Technical Training Schools, local vocational schools in Obihiro, Kitami, and Kushiro. These training schools have sent out many mechanics who contribute to the growth of the community. It's expected that students will learn advanced technologies and skills using this.



Donation of rescue vehicles to local state government (India)

In November 2014, Isuzu Motors India Private Limited (hereafter, "IMI") donated five pickup trucks to the local government of the Andhra Pradesh state as rescue vehicles. The Andhra Pradesh state to be used, where IMI is located, is part of the east India region and is frequently hit by cyclones. After the October 2014 cyclone Hudhud, the region was devastated and left with considerable damage. IMI was determined to support local communities by donating powerful D-MAXs.



Bus donation to local social welfare organization (Mexico)

In November 2014, Isuzu Motors Mexico S. de R.L. (hereafter, "IMEX") donated ELF, a lift-equipped welfare bus, to the welfare group Teleton. The bus is used to take children to and from child rehabilitation centers in Teleton. Since the previous year's donation of a lift-equipped bus was highly appreciated, IMEX offered to donate an additional unit to help Teleton.



Other Initiatives

·Plant tours for neighborhood elementary schools and residential association members ·Donation to Tomakomai City in commemoration of the 30th anniversary of the company's foundation(Isuzu Engine Manufacturing Hokkaido Corporation) ·Office greening and cleanup activity in neighborhood streets(Tochigi Isuzu Motors Limited.) ,and others

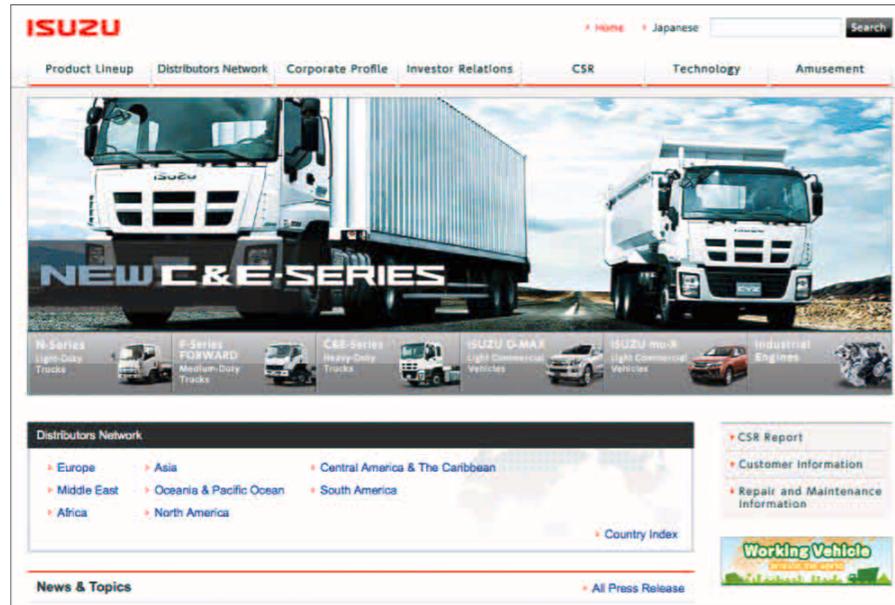
[Details, please find on Isuzu web site] <http://www.isuzu.co.jp/company/world/csr/report/pdf/community.pdf>



Information Disclosure

Isuzu discloses corporate information in a timely and appropriate manner for higher corporate transparency.

■ Isuzu Web Site <http://www.isuzu.co.jp/world>



I.R. Information

<http://www.isuzu.co.jp/world/investor/index.html>

Isuzu discloses Investor Relations information to shareholders and investors on Isuzu Web site.

Annual Report

<http://www.isuzu.co.jp/world/investor/annual/>

Isuzu reports financial condition and other activities on the Annual Report.

CSR Information

<http://www.isuzu.co.jp/world/csr/index.html>

Isuzu informs Isuzu group's CSR initiatives by CSR News(monthly) and CSR Report(annually).

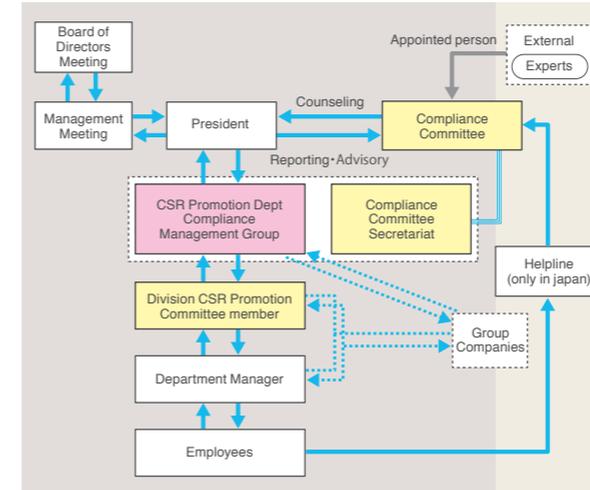
Compliance Initiatives

Isuzu does not leave any questions unanswered and welcomes an open exchange of opinions.

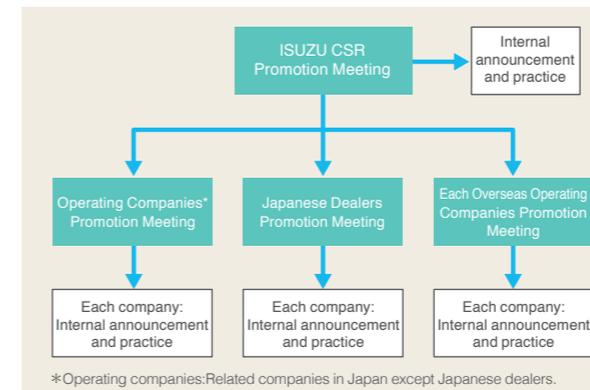
Compliance promotion system

Isuzu fixes the compliance promotion system to practice a concrete action.

Compliance promotion system (Isuzu internal)



Compliance promotion system (Isuzu group)



Activities for the Isuzu group's common issues in Japan

In order to motivate group compliance activities, the group companies are given general issues for the group so that the entire group makes integrated efforts to solve them.

FY2014 General Issues

- Thorough compliance of the Subcontract Act
- Thorough compliance of act on special measures concerning prevention and correction of actions that interfere with shifting of the consumption tax with the aim of ensuring smooth and appropriate passing-on of the consumption tax
- Drink driving eradication campaign

Compliance education in Japan

Isuzu educates its new employees and newly assigned managers about compliance basics and laws and regulations, including the Subcontract Act or the Financial Instruments and Exchange Act (insider trading), etc., in the aim of fostering their awareness of compliance.

Major education programs in FY2014

- Basic compliance education for new employees
- Compliance education for managers
- Education about the Subcontract Act
- Education about the act on special measures concerning prevention and correction of actions that interfere with shifting of the consumption tax
- Education about the authorized exporter declaration procedure
- Education about the Waste Management and Public Cleansing Law
- Education about the Fire Service Act
- Education about the Water Pollution Control Law
- Education about harassment
- Drunk driving eradication campaign DVD screening



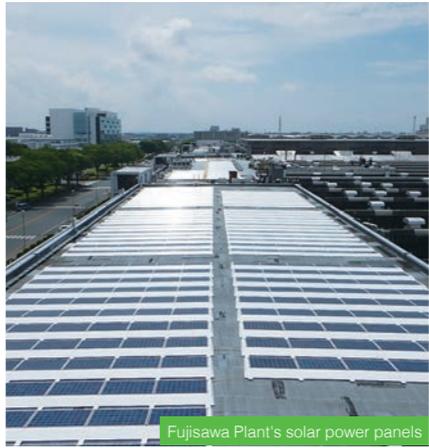
National Service / Parts Skill Competition (Japan)



Plant tour for employee's family members



The 2014 ISUZU Spo-Rec in Omori [Pedometer de Dance]



Fujisawa Plant's solar power panels



The 52nd National Skills Competition



Monozukuri Hands-on Workshops[Design Class]



Monozukuri Hands-on Workshops[Casting Class]



2014 Fujisawa Industry Festa



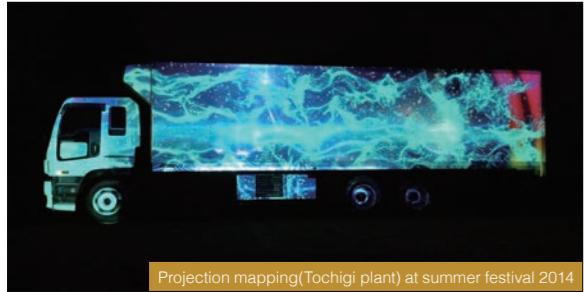
Thank you message of the Christmas cakes donation to institutions for children



Handmade trash box donation (Indonesia)



Bus Donation to Local Social Welfare Organization (Mexico)



Projection mapping(Tochigi plant) at summer festival 2014



Cleanup activities near Isuzu plants



The 19th Fujisawa Environment Fair



Participation in the Mt. Fuji Forestation Project



2nd Prize Winner Isuzu World Service Skill Competition (I-1GP)

Corporate Governance

Basic approach to corporate governance

Isuzu 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, Isuzu endeavors to ensure fairness and transparency in its corporate affairs through the timely and appropriate disclosure of important information. In particular, Isuzu 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.

Corporate governance system

Isuzu 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, Isuzu has created various committees that report to the Management Meeting in order to streamline discussion of issues in various specialized areas. In addition, Isuzu has 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 Oomori headquarters and major worksites, request reports from

subsidiaries as needed, and audit Company operations. Isuzu has also appointed one outside Director of the Board (non-standing) and three Corporate Auditors (of whom one is a standing auditor). There is no interest in Isuzu which should be disclosed in terms of organizational/human relations or transactions with these outside members. While some of the board members own shares of company stock, there is no interest in Isuzu which should be disclosed in terms of capital relations.

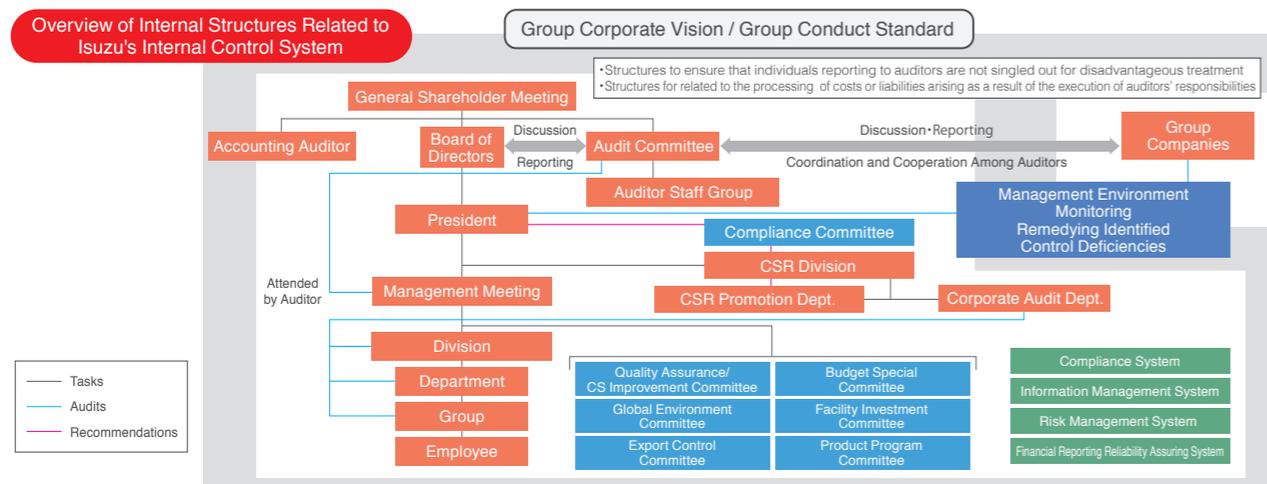
Outside members

Isuzu has also appointed one outside Director of the Board (non-standing) and three outside Corporate Auditors (of whom one is a standing auditor). There is no interest in Isuzu which should be disclosed in terms of organizational/human relations or transactions with these outside members. While some of the board members own shares of company stock, there is no interest in Isuzu which should be disclosed in terms of capital relations.

Remuneration for directors and corporate auditors

The remuneration of Isuzu Directors is determined within the range approved by the shareholders' meeting according to decisions made by Board of Directors Meeting, including remuneration levels of other companies and Isuzu's achievements. The amounts of the remuneration of respective Directors are reflected by the positions and achievements of Isuzu and the individuals. Moreover, the remuneration of the Corporate Auditors is determined within the range approved by the shareholders' meeting according to decisions made by auditors' meetings, including remuneration levels of other companies and Isuzu's achievements.

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



[Details, please find on Isuzu web site] <http://www.isuzu.co.jp/company/world/csr/report/pdf/govanance.pdf>

Supply Chain Management

Purchasing Basic Vision

Isuzu ensures satisfactory quality, delivery and quantity of purchased parts so that smooth production is achieved through our purchasing activity. Isuzu also helps to provide a new technology (through our purchasing activity in the market) to contribute to profitability of Isuzu.

Purchasing Basic Policy

1. With having the "quality" as the first priority, Isuzu seeks to create and offer products that would satisfy our customers.
2. Isuzu aims to procure domestic or overseas parts, under fair competition, if the parts are satisfactory in terms of quality, pricing and delivery.
3. Isuzu enhances corporate competitiveness while developing procurement scheme aiming to form win-win relationships with our business partners.

Purchasing Slogan

OPEN (Optimum Procurement to Embody the Needs). Isuzu aims to meet market needs and establish the optimum procurement route, while promoting reform of procurement.



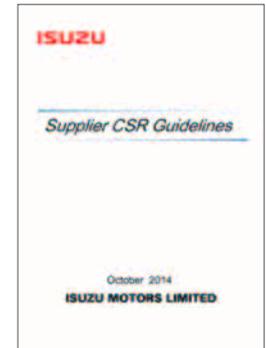
*This is our purchasing slogan aiming to embody the image of reform and disseminate it inside and outside Isuzu. Encourage change in purchasing activity to meet market needs and establish optimum procurement route. Also, "OPEN" includes the meaning of "Openness in Procurement"

[Details, please find on Isuzu web site] <http://www.isuzu.co.jp/company/world/csr/report/pdf/supplychain.pdf>

Isuzu Supplier CSR Guideline

"Isuzu Supplier CSR Guideline" (English), a summary of CSR requests to our business partners as well as Isuzu CSR activities, Corporate Vision, and Purchasing Basic Vision, is now available. (October 2014)

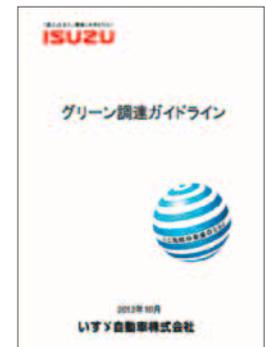
This guideline was developed based on Supplier CSR Guideline issued by the Japan Automobile Manufacturers Association, Inc. and CSR Guidebook by the Japan Auto Parts Industries Association.



Isuzu Green Procurement Guidelines

"Isuzu Green Procurement Guidelines" (Japanese), a summary of environmental requests to our business partners as classified by business activity as well as introduction of the Isuzu Charter on the Global Environment, is now available. (Last revised: October 2012)

Our business partners are expected to lead environmental initiatives along with the Isuzu Green Procurement Guidelines based on an understanding of the purposes.



Environmental Impact Data (Target and Achievement)

Isuzu group companies (10 domestic companies and 13 foreign companies of Isuzu production group)

Reduction of CO₂ emissions

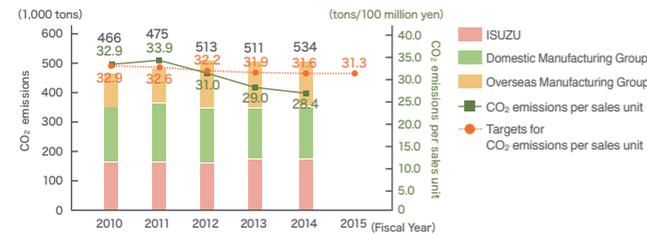
Target

CO₂ emissions per sales unit : Reduction of 5% or more from FY2010 by FY2015

FY 2014 Achievements

CO₂ emissions amount : 534,000 tons
CO₂ emissions per sales unit: 28.4 tons/hundred million yen (14% reduction from FY2010)

Changing CO₂ emissions per sales unit



Isuzu Fujisawa Plant and Tochigi Plant

Reduction of CO₂ emissions

Target

CO₂ emissions per production unit: Reduction of 5% or more from FY2010 by FY2015

FY 2014 Achievements

CO₂ emissions amount : 185,000 tons
CO₂ emissions per production unit: 21.8 tons/hundred million yen (8% reduction from FY2010)

Changing CO₂ emissions per production unit



Reduction of waste

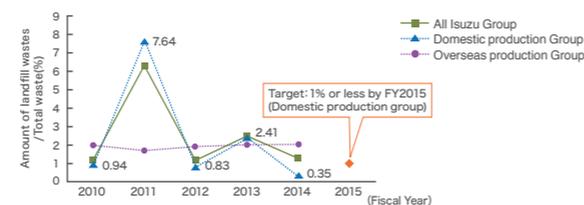
Target

Amount of landfill wastes (tons)/Total waste (tons) = 1% or less by FY2015
(Applied only for Isuzu domestic production group)

FY 2014 Achievements

Amount of landfill wastes (tons)/Total waste (tons) :
1.26% (All Isuzu production group) 0.35% (Isuzu domestic production group)

Changes in amount of final landfill wastes



Reduction of waste

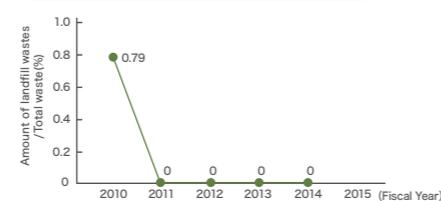
Target

Amount of landfill wastes (tons)/Total waste (tons) = 1.0% or less

FY 2014 Achievements

Amount of landfill wastes (tons)/Total waste (tons) = 0.0 %
*Amount of final landfill wastes:0 tons, Total industrial waste amount:7,710 tons

Changes in amount of final landfill wastes



Third-Party Opinion for Isuzu CSR Report 2015



United Nations Development Programme (UNDP)
Representation Office in Tokyo,
Public Affairs Specialist
Toshiya Nishigori

Isuzu 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." The aim of achieving this vision guides Isuzu in their CSR activities in seven fields. Isuzu has launched CSR activities with focus on compliance, environment and quality that are directly connected to business, but Isuzu has expanded its activities to address social issues through their CSR under the current Mid-Term Business Plan, whose main objective is to build the foundation toward the next generation. This is to respond to global call for corporations to contribute proactively to social development and highly-regarded globally.

In this report, which summarizes Isuzu FY2014 CSR activities, they have already introduced some of new CSR initiatives to address social issues in several fields and I well-recognize their noteworthy results.

One example is activities to promote harmony with local communities. As an automotive manufacturer which relies on a variety of social infrastructures and human capital, it is essential to work toward solving social issues from the perspective of local communities surrounding the business in order to achieve sustainable development. The case of Indonesia brought up in this issue of Focus embodies this point, as a local assembly/sales company that became independent and whose far-reaching CSR activities to meet the local community's needs for education, health, the environment, and income generation have received positive recognition. Activities like these are also taking place domestically in Japan as well as in India and Mexico, and I hope that they will continue to develop as a pillar of Isuzu CSR activities.

It is also important to meet global needs in the field of social contribution by taking initiative toward social issues while utilizing Isuzu business resources. For example, this report has introduced some of their initiatives to combat climate change, such as the next-generation biodiesel fuel actualization project or their efforts to protect vehicles during floods. Further, educational support activities, such as the training schools for auto mechanics that Isuzu is running in the Philippines, also contribute to poverty reduction by creating employment opportunities. I hope that these human resource development initiatives will lead forward momentum to their aim of building a foundation for the next generation.

Harmony with local communities, social contributions, and other such activities contribute not only to the direct beneficiaries but also to business development by creating an environment which supports inseparable businesses of craftsmanship and operational support as well as market proximity, toward which Isuzu is working. By creating opportunities for each individual employee to be active in society through CSR activities, I hope to encourage respect for employees, which is one of the elements of the CSR promotion field, and have a positive influence on Isuzu as a whole. In order to achieve the medium- and long-term merits of such a strategy, it is important that Isuzu continuously develop the CSR activities outlined above so that they take root.

For the future, I am presenting three points in order to make future CSR activities even more effective and meaningful.

The first of these is deepening and expanding partnerships with multi-stakeholders. For effective CSR activities in any countries or fields, the key is to leverage the knowledge and network of a partner who is well-versed in various issues. Isuzu has worked to build trusting relationships with their stakeholders until now, and in the future they plan to develop them even further in the aim of cooperation and coordination to solve social issues. It is also important for Isuzu to engage in activities and build a framework that will allow them to strategically search for new partners. If they are able to make good use of the skills of a wide range of partners, I hope that this will help more people to benefit from the results of their CSR activities.

The second issue is developing their CSR activities in consideration of global development agenda. Year 2015 is very important for international development since the world leaders will adopt the Sustainable Development Goals (SDGs) at the United Nations General Assembly and agree on a new climate change package. With a comprehensive understanding of common global goals and by dynamically performing the activities to achieve them, Isuzu will not only be able to cement international reputation as a responsible corporation, but also promote communication with the UN and other global stakeholders.

The third is promotion of open CSR in practice. From now on, it is important to tackle a wider variety of issues by offering "Isuzu unique solutions" for CSR activities, while broadly sharing the knowledge and lessons they gain therefrom and publicizing them to society. I hope that doing so will strengthen cohesive powder of their stakeholders inside and outside of Isuzu and raise Isuzu's global presence to the next level.

In the future, Isuzu can continue to gain the trust of their stakeholders and uphold and develop their corporate vision, if Isuzu can provide new added values for not only business but also environments surrounding their customers and employees through CSR activities. Sustainable growth of business can be achieved by building a relationship where social prosperity leads to Isuzu's prosperity and Isuzu contributes in turn to the prosperity of society. CSR has a large role to play in this process. I hope Isuzu's CSR activities will be strengthened even further in the future.

*The interview was conducted in Japanese and translated into English by Isuzu.