

ISUZU

ISUZU MOTORS LIMITED
Integrated Report

2022



As a leading commercial mobility company that underpins social infrastructure, the Isuzu Group strives to create the logistics of the future while endeavoring to realize a sustainable, safe, and convenient society through its passion, commitment, and technological innovation.

Since its founding in 1916, the Isuzu Group has taken pride in being a manufacturer essential to society and has continued to play an integral role in people's day-to-day lives while responding to the fundamental social need to *transport goods and people*.

We consider it our duty to ensure the constant provision of the logistics and other vital utilities that support people's daily lives, not only in ordinary circumstances but also in times of disaster and emergency. With this duty in mind, Isuzu has helped sustain the safety and security of people's livelihoods by providing commuter vehicles, work vehicles, and stable, reliable power sources.

Meanwhile, there are still regions throughout the world where goods are not being delivered in a quick and timely manner and in which the social infrastructure for ensuring safe and convenient lifestyles is still in its infancy. Furthermore, the negative impacts of vehicles on the environment and society, such as global warming, air pollution, and noise pollution, have all become social issues.

Therefore, as a leading commercial mobility company that underpins social infrastructure, the Isuzu Group strives to create the logistics of the future while endeavoring to realize a sustainable, safe, and convenient society through its passion, commitment, and technological innovation.





Isuzu's Corporate Vision

Isuzu will always mean the best: a leader in transportation, commercial vehicles, and diesel engines, while supporting its customers and respecting the environment

Isuzu's Corporate Mission

Trust, Action, and Excellence.

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

Products	Explore genuine needs and create products and services with strong appeal
Conduct	Be responsible, dedicated, and agile
Organization	Achieve goals through global teamwork

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Editorial Policy

Isuzu Integrated Report 2022 aims to describe to stakeholders the Isuzu Group's medium- to long-term business strategies, the business foundations that support them, and its business activities for solving social issues.

We hope that this report enables all readers to develop a deeper understanding of the Company's management objectives and that it functions as a tool facilitating two-way communication.

Scope of Report

This report covers financial and non-financial information regarding Isuzu Motors Limited, on a non-consolidated basis, and regarding its Group companies in Japan and overseas.

Period Covered

Generally, this report covers the Company's business activities in fiscal 2022, the year ended March 31, 2022. However, information pertaining to Company activities before and after the reporting period is also featured.

Time of Publication

Published in September 2022 (the next report is slated for issuance in September 2023.)

Referenced Guidelines

- The International Integrated Reporting Framework and the Sustainability Accounting Standards Board (SASB) Standards advocated by the IFRS Foundation
- Guidance for Collaborative Value Creation, published by the Ministry of Economy, Trade and Industry
- The GRI Standards of the Global Reporting Initiative



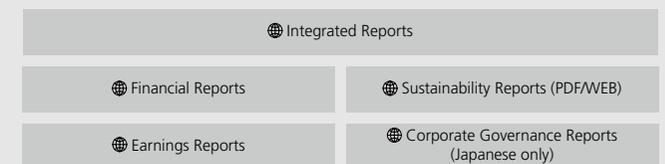
Forward-Looking Statements

Forward-looking statements, performance forecasts, and the Company's plans contained in this report are based on the latest available information at the time of publication and represent management's best judgments. Please note that actual results may differ materially from the abovementioned statements, forecasts, and plans due to various factors, including but not limited to changes in economic conditions and product demand in major markets, fluctuations in exchange rates, changes in Japanese and international regulatory standards, and revisions to accounting standards and practices.

Inquiries about the Report

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Positioning of Published Documents



Financial Information

Non-Financial Information



Masanori Katayama
President and Representative Director

Message from the President

Striving to realize a prosperous society by evolving logistics through the manufacture and operational support of trucks, an essential part of social infrastructure, while also promoting management from an ESG perspective as part of the Isuzu Group's efforts to become a true global leader

Today, we are facing dramatic changes in not only the automotive industry but also the economic and social environment, where we are confronted with the impacts of the COVID-19 pandemic and serious global geopolitical risks. Under these circumstances, the Isuzu Group is pursuing its carbon-neutral strategy and working to contribute to the evolution of logistics as a commercial vehicle manufacturer, which are issues that must be addressed over the medium to long term for the Group to achieve sustainable growth.

Furthermore, in our aim to become a true global leader, we will strive to promote management from an environmental, social, and governance (ESG) perspective while dedicating our utmost efforts to contributing to the creation of a prosperous and sustainable society through the manufacture and operational support of trucks—an essential part of social infrastructure.

Message from the President

Responding to the needs of the times and contributing to the creation of a prosperous society

Fulfilling our responsibility to create a prosperous and sustainable society through the manufacture and operational support of trucks

The business environment in which the Isuzu Group operates is experiencing significant changes, making it extremely difficult to predict the future in the short term. I believe that it is precisely because we are in such difficult times that we need to once again reconsider our value to society.

I often use the analogy of the North Star when discussing the direction the Isuzu Group should take for achieving its future aims. Before the compass was invented, the North Star was used as a guidepost for navigation at sea. By using the North Star as a navigation tool, sailors were able to determine which direction they should take on their voyage. The same is true for the Group in the current times. For me, the precise clarification of our future goals, as a corporate group, will serve as our "North Star," or guidepost, that will determine the direction we should take going forward.

Manufacturing trucks and supporting their operation are business activities of great value to society. Logistics is an important social foundation that is essential for people around the world to live safe, secure, and convenient lives. It is for this very reason that Isuzu, which has underpinned transportation for over 100 years since its founding, is an integral part of society. However, in a business environment that is changing dramatically, we do not intend to become complacent by simply making the same products we did 100 years ago.

Diesel engines are indeed one of the Isuzu Group's strengths. However, when our strengths do not cater to the needs of the times, we must not be bound by them—we must instead transform ourselves.

In light of this, we are reminded that our role as a truck manufacturer and operator is to create a prosperous and sustainable society while maintaining a focus on the future. To fulfill this responsibility, I strongly believe that the Company must be able to respond quickly to change.

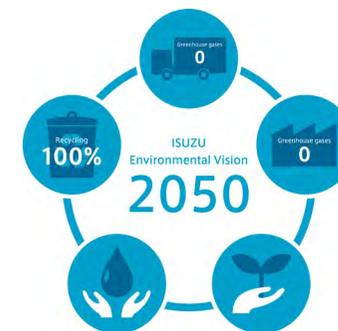
Understanding the Isuzu Group's corporate responsibilities to be fulfilled in the medium to long term: pursuing its carbon-neutral strategy and contributing to the evolution of logistics for achieving medium- to long-term growth

Achieving Carbon Neutrality

In order for the Isuzu Group to achieve medium- to long-term growth, I feel it is extremely important to simultaneously create economic value and social value together with society. To this end, we have set two objectives: develop next-generation products, including those that facilitate carbon neutrality, and create new products that respond to the evolution of logistics. Our customers and society at large have high expectations for solutions to these issues. Accordingly, the Group is working to spur innovations in these two areas in line with Medium-Term Business Plan 2024, which commenced in fiscal 2022, the year ended March 31, 2022. Of course, as these issues cannot be resolved in the three years of the current plan, we must address them from a long-term perspective, looking ahead to 2030 and 2050.

Moreover, in order to realize sustainable growth and fulfill its corporate responsibility, the Isuzu Group established Isuzu Long-Term Environmental Vision 2050 in 2020, setting a target of realizing zero greenhouse gas (GHG) emissions throughout the life cycles of its products by 2050. To accomplish this target, we must not only achieve zero GHG emissions during the life cycles of our products but also in the entire value chain of the Isuzu Group.

In our aim to steadily achieve this target, we announced the 2030 Environmental Roadmap in June 2022. Accordingly, we will take on the challenge of halving GHG emissions from our business activities by 2030 compared with 2013 levels.



Isuzu Long-Term Environmental Vision 2050 was announced in March 2020, and the 2030 Environmental Roadmap was announced in June 2022. For more details, please refer to our website (<https://www.isuzu.co.jp/world/company/sustainability/vision.html>)

Achieving carbon neutrality involves taking into account a complex interplay of factors including technological issues, energy policies, social issues such as infrastructure, and national and regional characteristics. The Isuzu Group will strive to address these issues through its products and steadily promote the practical application thereof in society while expanding its

Message from the President

lineup of mass-produced models of carbon-neutral vehicles by 2030. Currently, we are planning to start the mass production of lightweight battery-electric vehicles by the end of fiscal 2023. Furthermore, we are seeking to introduce by 2030 trucks and buses equipped with new powertrains, such as battery-electric vehicles, and fuel-cell vehicles, leveraging the results of our collaborations with Cummins Inc., the Volvo Group, and Commercial Japan Partnership Technologies.



Left: Mass production of light-duty electric vehicles (EVs) to begin by the end of fiscal 2023 (Photo: EV monitoring truck)
Right: Medium-duty battery-electric truck monitoring trials to begin in North America in September 2022
(□ See "Isuzu's Lineup of Carbon-Neutral Vehicles That Meet Diverse Needs" on page 26 for further details.)

On the other hand, some multi-purpose commercial vehicles cannot be made 100% electric in certain of their applications due to issues related to cruising range and battery weight limitations, as well as to operating and recharging times. The Company also believes that internal combustion engines still have a role to play from the perspective of life cycle assessment. Based on this awareness, we will promote the development of internal combustion vehicles with higher performance and lower environmental impact and also take steps to utilize carbon-neutral fuels.

In addition, by leveraging its strengths, one of which being customer contact points, the Isuzu Group will promote carbon neutrality in all of its business operations and develop solutions

that have low environmental impact, such as promoting recycling-oriented businesses that utilize rebuilt products.

Remaining a Company That Supports the Evolution of Logistics

Isuzu's corporate vision, "Isuzu will always mean the best: a leader in transportation, commercial vehicles, and diesel engines, supporting its customers and respecting the environment," encapsulates the Company's material issues and highlights the extremely important role that it plays as an entity underpinning the evolution of logistics. Of key importance to us is achieving safety and security, which we recognize is our responsibility and mission as a commercial vehicle manufacturer. As trucks—which are an essential part of social infrastructure—carry heavy cargo, the impact may be greater than that of a passenger vehicle when an accident occurs. The Isuzu Group therefore puts a strong emphasis on accident prevention. In addition to improving advanced driver-assistance systems, the four aforementioned Japanese truck companies, including Isuzu, are now collaborating to analyze the causes of accidents and use the results to help truck owners and maintenance businesses with maintenance and routine inspections as a measure to prevent tire loss.

In terms of the development of new products for the evolution of logistics, the Company has long been monitoring vehicle conditions and supporting logistical evolution through services such as MIMAMORI, a fleet management service, and PREISM, an advanced genuine maintenance service. We will continue to upgrade these services, both in terms of efficiency of customer fleet management and operational support, and further evolve them into services that enable the maximization of vehicle operation times. In fiscal 2023, Isuzu Motors plans to

offer a platform for connecting commercial vehicle data that will lead to the provision of more convenient services through the participation of equipment manufacturers and linkage with third-party applications and systems. In this way, we will not only contribute to the optimization of logistics but also to the reduction of CO₂ emissions.

In addition, if the ongoing propagation of 5G leads to technological advances in the telecommunications field that dramatically increase telecommunications speeds and capacities, it will enable the Company to offer a wider variety of services. For example, we believe that optimizing the transportation routes of and operational plans for trucks based on the type and volume of their cargo will lead to a reduction in CO₂ emissions.

Furthermore, the Company plans to develop automated driving technology and provide related services and is already promoting demonstration tests of Level 4* automated driving technology in a limited scope.

* On a scale in which Level 0 represents no automation and Level 5 represents full automation

Drawing on the Isuzu Group's competitiveness to continue providing new value to global customers by leveraging its unique strengths and bolstering alliances

Leveraging the Isuzu Group's Competitive Edge in the Global Commercial Vehicle Market

Isuzu's business model is characterized by the consistent provision of products tailored to customers' usage preferences. On the technological side, we have developed powertrain and vehicle manufacturing technologies that enable efficient high-mix, small-lot assembly.



Message from the President

In terms of product provision, the Isuzu Group has a significant advantage over its competitors thanks to a sales network that extends to over 150 countries. With regard to after-sales services, data obtained via the Group's remote monitoring system for vehicles, which was the first such system introduced in the commercial vehicle industry, is widely used as part of the MIMAMORI and PREISM services with a view to achieving the continuous operation of customers' vehicles. The Isuzu Group's operational support and lease businesses that utilize this data have been widely acclaimed by customers. Furthermore, we reflect the information obtained through our customer contact points in manufacturing operations, enabling us to develop products that resolve issues together with customers. In other words, we carry out co-creation activities while supporting the development of more convenient products. The acquisition of UD Trucks Corporation by the Isuzu Group has helped it increase collaboration with the company in areas such as parts procurement, logistics operations, the development of heavy-duty trucks, and mutual utilization of a combined network of over 400 domestic service bases.

The Isuzu Group is the world's leading manufacturer of light-duty trucks. One of the Group's strengths is its close relationships with logistics companies, which are undergoing dramatic changes due to the development of e-commerce and other factors.

Furthermore, the Company has a strong competitive advantage in the Asian market, where growth is expected in the future, and will continue to maintain its position as one of the leaders in the global commercial vehicle market.

Bolstering Alliances and Promoting Open Innovation

Meanwhile, I am of the opinion that the previously mentioned carbon-neutral strategy and contributing to the evolution of logistics are pursuits that cannot be achieved by Isuzu alone. We will therefore emphasize open innovation and strive to strengthen collaboration with like-minded alliance partners that share the Company's direction and ambition. Moving forward, I am confident that Isuzu will be able to further leverage the co-creation activities and alliances it is currently pursuing as one of its major strengths.

We have already formed alliances with Cummins, the Volvo Group, Hino Motors, Ltd., and Toyota Motor Corporation, and we will strive to generate solid synergies through these alliances under Medium-Term Business Plan 2024. Specifically, as a collaborative project with the Volvo Group, new tractor heads will be introduced to the market through both Isuzu's and UD Trucks' supply channels. UD Trucks, which has strong supply channels for large vehicles, plans to expand its sales of medium-sized vehicles. In the medium to long term, the Isuzu Group plans to collaborate with the Volvo Group in advanced fields and fully remodel its vehicles utilizing the large platform that it jointly operates with UD Trucks. Furthermore, in the field

of connected services, Isuzu has joined forces with Fujitsu Limited to create an information-sharing platform, while also planning to begin trials of the MIMAMORI fleet management service in the operations of UD Trucks from 2023.

Further strengthening the Company's management foundation to become a true global leader that can realize innovation by leveraging Isuzu's uniqueness and diversity

Crucial to our goal of becoming a true global leader are reforming our various systems and enhancing our corporate functions. In particular, while the Company's stakeholders increasingly expect us to disclose non-financial information, formulate and implement strategies based on a long-term perspective and with consideration paid to social issues, and expand our external information disclosure, we are not always fully able to meet these expectations. For this reason, we announced in Medium-Term Business Plan 2024 that we will promote management from an ESG perspective.

Regarding corporate governance—one of the key themes of ESG-oriented management—Isuzu has adopted the Company with Audit and Supervisory Committee organizational system to further promote the separation of business execution and supervision, thereby strengthening the supervisory function of the Board of Directors. From fiscal 2023, the new position of Group chief coordination officer was established for the purpose of enhancing information disclosure and communication at every level of management, as well as for strengthening in-house collaborations. By promoting management strategies in cooperation with the Group chief financial



Message from the President

officer, Group chief risk management officer, and Group chief information & security officer, we will further strengthen our corporate strategy functions.

At the same time, I have a sense of urgency regarding the issue of human resources. In modern society, which is changing day by day, we must be able to constantly perform hypothesis testing—a statistical procedure whereby the plausibility of a hypothesis is assessed using sample data—on the information we receive, in order to formulate our own scenarios and ideas based on selected data and ascertain how certain aspects of said data interrelate. The Isuzu Group requires human resources who are able to make meaningful use of the data they receive, rather than just accumulating it as raw data.

It is for this reason that I decided to spearhead significant human resource reforms. What the Company needs now is not simply to shift to a job-based personnel system or to maintain a membership-based personnel system but rather to transition to a framework under which human resources rich in individuality can fully demonstrate their abilities as professionals. Until now, we have valued uniformity and equality among our human resources. However, we now need to become a corporate group that possesses diverse human resources who can drive innovation. To this end, the Company will begin appointing the right personnel for the right positions. I believe that it is necessary to create an environment in which our human resources can generate diverse ideas and take steps to give shape to them. We also need to define positions in such a way that allows us to identify and appoint personnel appropriately and produce results by leveraging the individuality of each employee, rather than appointing personnel based on experience and seniority.

In addition, the Isuzu Group will actively incorporate the knowledge of Western companies that are one step ahead of the Group in terms of human resource systems and diversity and inclusion (D&I), thereby encouraging its employees to change their mindsets. As an example, in cooperation with the Volvo Group, we launched a project called “VOIS”—the first two letters of which are taken from “Volvo” and the latter two from “Isuzu”—to promote D&I between the two companies. The Group also plans to reference the human resource system of UD Trucks and incorporate the positive aspects thereof into its own.

Lastly, a Message to Our Stakeholders

Taking pride in being an organization that is committed to achieving results as we aim to be a true global leader

Lastly, I would like to express my personal thoughts. Isuzu is an organization committed to achieving results. This conviction is precisely why I sometimes feel frustrated that there are accomplishments we have yet to achieve. We want to be a company where all employees engage in tasks with enthusiasm, actively participate in discussions, and give rise to innovations. Accordingly, the Company is seeking to provide a workplace environment that appeals to people from overseas and makes them want to work at Isuzu.

One of Isuzu's strengths, in addition to its technological capabilities, is its close relationships with customers. We believe that the trust we have earned over the past 100 years from our customers is a source of strength, and we have created value together with customers by listening to their opinions and



reflecting them in our products. These relationships are not only highly valued by our customers and society but also what underpin my belief that Isuzu is an organization committed to achieving results.

In addition, over the past few years the Company's performance has improved, and the financial results it has achieved have instilled confidence. We are also proud of our ability to firmly expand our business operations worldwide as a Japanese commercial vehicle manufacturer. I myself have a renewed determination to make Isuzu a true global leader, and I am convinced that we have the strength to achieve this goal. I ask for the continued understanding and support of all of our stakeholders and that they look forward in anticipation to the future of Isuzu.

September 2022

President and Representative Director

At a Glance

Areas of Operation

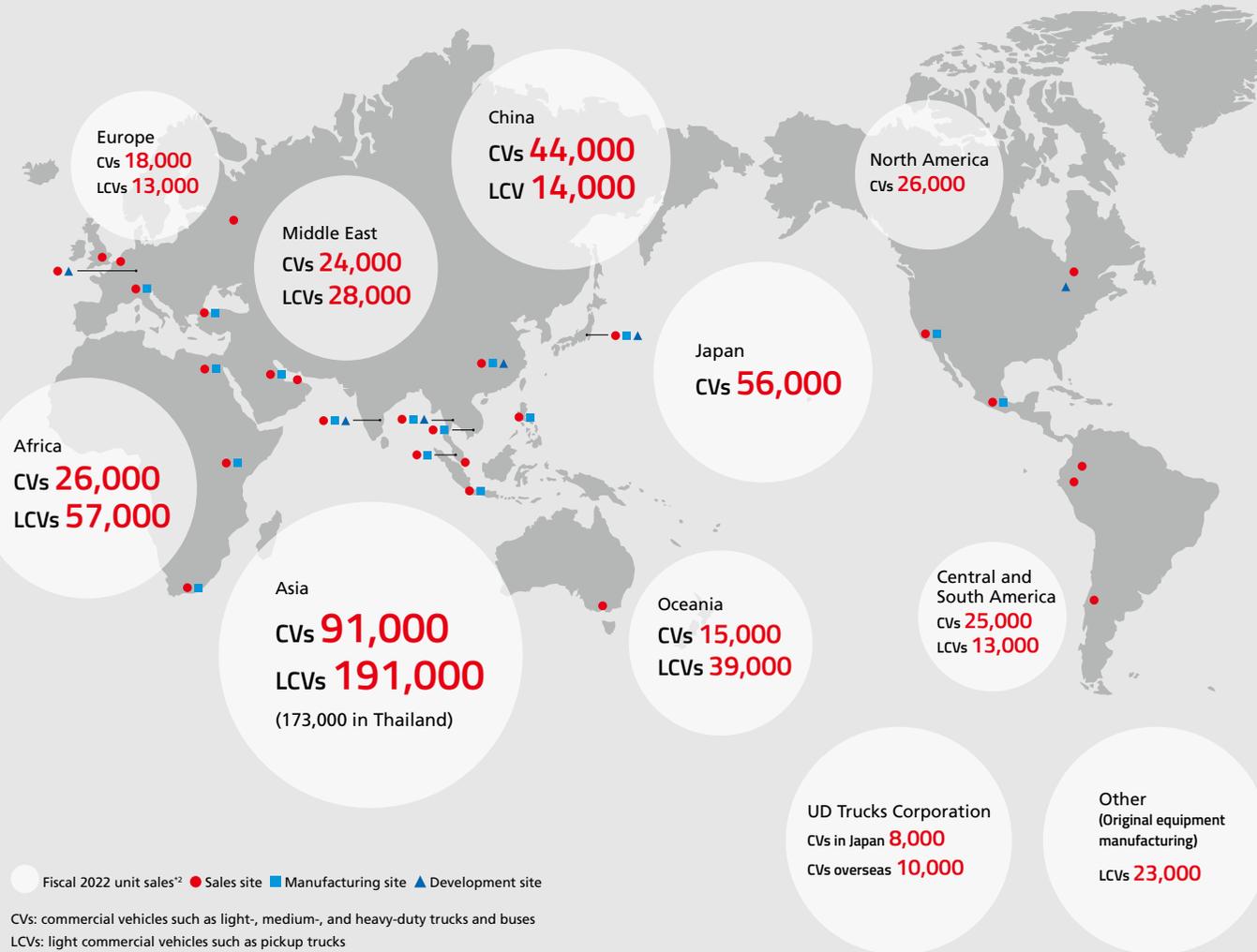
Over **150** countries

Countries in Which Isuzu Holds No.1 Market Shares*1

37

Annual Unit Sales

Over **570,000***2



*1 CY2021 results (January 2021 - December 2021)
Please refer to Isuzu's website for details regarding countries in which Isuzu holds No.1 market shares.
<https://www.isuzu.co.jp/company/glance.html> (Japanese only)

*2 Figures include units delivered by knockdown shipment and assembled locally.

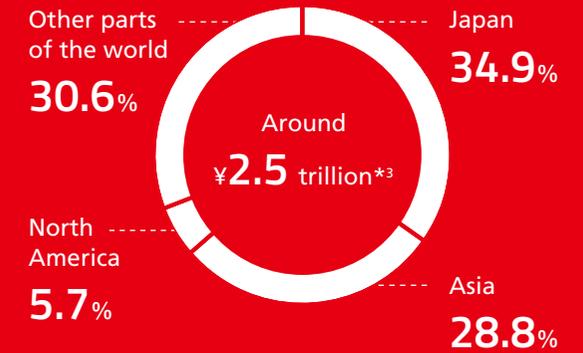
Founding

April **9, 1937**

Share Capital

¥ **40.6** billion

Net Sales



Number of Employees by Region



*3 Consolidated: ¥2,514.2 billion; non-consolidated: ¥1,111.8 billion

Our History

1853–

The Origins of Isuzu

In 1853, the year in which Matthew C. Perry, a commodore of the United States Navy, arrived in Japan, the Edo Shogunate ordered the Mito Domain to establish the Ishikawajima Shipyard, the site of the origins of Isuzu, Japan's oldest automobile manufacturer. Isuzu's history began in 1916 when the renamed Tokyo Ishikawajima Shipbuilding & Engineering Co., Ltd. and Tokyo Gas and Electric Industry Co., Ltd.—both of which would later merge—each set out plans to manufacture automobiles. In 1929, through an agreement with the United Kingdom car manufacturer Wolseley, Isuzu's predecessor developed the Sumida Model M Bus—the first automobile manufactured entirely in Japan. This was the beginning of Isuzu's journey as a domestic automobile manufacturer.



Sumida Model M Bus

- 1916** Tokyo Ishikawajima Shipbuilding & Engineering Co., Ltd. and Tokyo Gas and Electric Industry Co., Ltd. initiate plans to build automobiles
- 1937** Tokyo Automobile Industries Co., Ltd., the predecessor of Isuzu Motors Limited, is established with a capital of one million yen
- 1938** Starts production of TX40 truck at Kawasaki Works

1945–

Postwar Reconstruction and the Strengthening of Isuzu's Business Foundation

When the Second World War ended in 1945, Isuzu was quick to resume the production of trucks, which contributed to Japan's postwar reconstruction. Moreover, during the postwar period of high economic growth, the Company established its business foundation by commencing operations at its Fujisawa Plant in 1961 to meet the growing demand for freight transportation. The first-generation ELF, a small truck that responded to the need to efficiently transport goods on Japan's limited land area and narrow roads and highways, was first produced in 1959, and has become synonymous with Isuzu to this day.



N-Series/ELF TL 2-ton truck

- 1949** Company changes its name to Isuzu Motors Limited
- 1959** Isuzu announces N-Series/ELF TL 2-ton truck
- 1961** Isuzu completes first phase of construction and opens the Fujisawa Plant

1966–

Establishment of a Global Business Structure and Growth into a World-Class Manufacturer of Commercial Vehicles

Isuzu Motors Co., (Thailand) Ltd. was established in 1966. Furthermore, in 1971 the Company formed a partnership with General Motors Company of the United States that would see Isuzu expand its overseas bases beyond Asia to North America and Africa. By creating products that accurately addressed the unique needs and challenges of each country and region to which it expanded, Isuzu contributed to the development of local logistics networks and grew to become one of the world's leading manufacturers of commercial vehicles.



The Faster KB 1-ton pickup truck

- 1966** Establishes Isuzu Motors Co., (Thailand) Ltd.
- 1970** Announces F-Series/FORWARD TR model medium-duty payload truck
- 1971** Signs basic agreement on full alliance with General Motors Company
- 1972** Announces Faster KB 1-ton pickup truck
- 1990** Establishes Isuzu Advanced Engineering Center, Ltd.
- 1992** Establishes Isuzu Charter on the Global Environment
- 1994** Heavy-duty truck undergoes a full-model change and is launched as the C&E-Series/GIGA (GVW 22-25-ton)

2001–

Transition into a Next-Generation Manufacturer of Commercial Vehicles

Being a truck manufacturer that serves as an integral part of social infrastructure, Isuzu's mission has been to actively promote technological research and development in the areas of the environment, safety, and uptime support. As one example, we took the lead over our competitors in the connected domain to provide services such as MIMAMORI, Japan's first telematics service for commercial vehicles, launched in 2004, and PREISM, an advanced genuine maintenance service that uses vehicle information to prevent breakdowns, launched in 2015. Through these services, we have helped enhance the efficiency and operational stability of transportation. By continuing to establish alliances with a diverse range of partners and by engaging in co-creation activities with our customers, we will strive to resolve a wide range of issues through an open innovation approach to our research going forward.



PREISM

- 2004** Launches MIMAMORI online service, a real-time telematics system for commercial vehicles
- 2018** Launches TRAGA, a newly engineered lightweight truck geared toward emerging markets
- 2019** Signs a comprehensive partnership agreement with Cummins Inc. to develop powertrains
- 2020** Signs an agreement with Honda R&D Co., Ltd. to conduct joint research on fuel-cell-powered heavy-duty trucks
- 2020** Announces formulation of Isuzu Long-Term Environmental Vision 2050
- 2020** Concludes memorandum with the Volvo Group for a strategic alliance
- 2021** Establishes new company with Hino Motors, Ltd. and Toyota Motor Corporation to accelerate the promotion of the domain of CASE (connected, autonomous, shared & service, and electric) for commercial vehicles

Vehicle and Product Lineup

Commercial Vehicles

Light- and Heavy-Duty Trucks

Isuzu trucks are manufactured in Japan and overseas to address the diverse challenges of the logistics industry and boast exceptional fuel efficiency, reliability, durability, advanced safety, and low environmental impact.

Buses

As a form of public transportation, buses are required to deliver safety, comfort, and environmentally friendly performance to support people's daily lives and mobility needs. Isuzu buses are manufactured by J-Bus Limited, a joint venture with Hino Motors, Ltd., and are sold throughout Japan under both the Isuzu and Hino brands.



N-Series light-duty truck | F-Series medium-duty truck | C&E Series heavy-duty truck | ERGA route and shuttle bus

Light Commercial Vehicles

Our pickup trucks are primarily geared toward emerging markets. Pickup trucks, which can be used as both passenger cars and commercial vehicles, are mainly produced in Thailand and exported to approximately 100 countries, where they support economic growth and day-to-day life.



Pickup truck D-MAX



PPV MU-X

Powertrains

We supply diesel engines to manufacturers in a variety of fields, including construction machinery, agricultural equipment, power generators, and commercial vessels. Our diesel engines contribute to the growth of these industries by offering power and environmental performance developed for use in automobiles.



4LE2X



UM6HK1



After-Sales Services

We provide a variety of after-sales services that ensure optimal operation of our vehicles and products, both to our customers in Japan and internationally.

- **Connected services:**
MIMAMORI: a fleet management service
PREISM: an advanced genuine maintenance service
- **Maintenance services offered by our dealerships**
- **Leasing businesses**
Maintenance leases, finance leases, and maintenance contracts
- **Used vehicle sales**



The Value Creation Story of Isuzu



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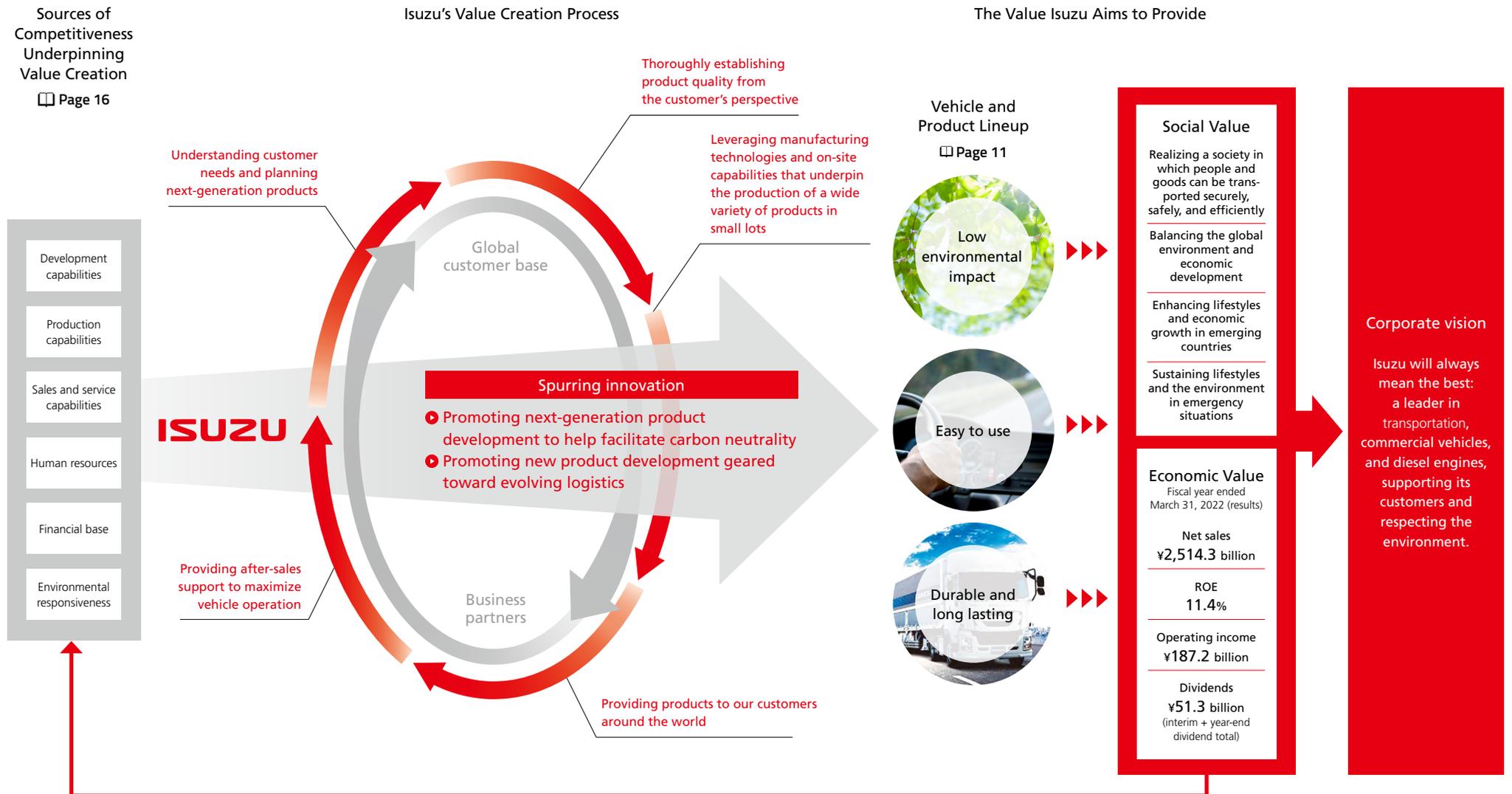
30 Development of Automated Driving Technologies

31 Development and Application of Advanced Safety Technologies



The Value Creation Story of Isuzu

By spurring innovation through the development of next-generation products that help facilitate carbon neutrality and of new products geared toward evolving logistics, the Isuzu Group will create new value for its customers and for society as a whole going forward.





The Value Creation Story of Isuzu

The Kind of Value We Aim to Provide

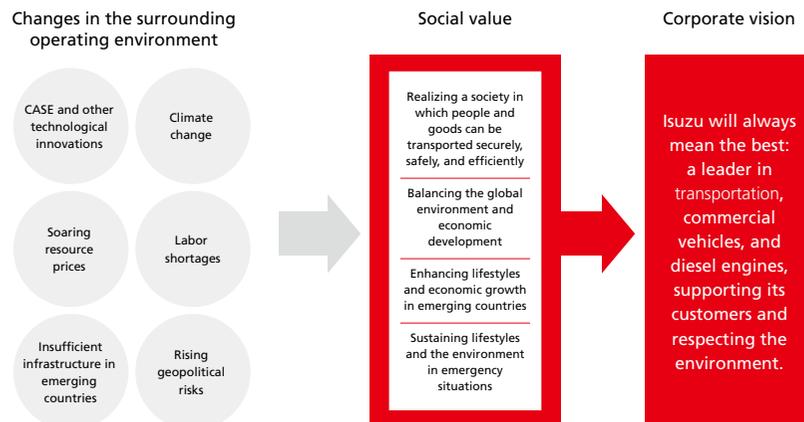
1 Activities to realize the value we aim to offer society

We have established "realizing a society in which people and goods can be transported safely, securely, and efficiently," "balancing the global environment and economic development," "enhancing lifestyles and economic growth in emerging countries," and "sustaining lifestyles and the environment in emergency situations" as the four themes through which we aim to provide value to society.

We believe that realizing a society in which people and goods can be transported steadily and efficiently, no matter what the environment, will lead to prosperous lifestyles for people in the future. To date, we have supported the transportation of people and goods around the world by creating a logistics infrastructure that can deliver necessary cargo to the places that need it, even in the event of a natural disaster or other unpredictable circumstances, much in the same manner as water and electricity.

Meanwhile, the operating environment that surrounds the Company is undergoing dramatic change in light of recent technological innovations such as connected, autonomous, shared & service, and electric (CASE) and the trend of strengthening measures to respond to climate change. Emerging countries lack the necessary infrastructure to respond to rapid industrialization and population increases. As a result, various transportation and environmental issues are emerging, and there is a need to improve people's standard of living. Additionally, advanced countries are facing issues such as truck driver shortages in the logistics industry and a massive increase in transportation volumes due to rising demand for e-commerce. This has led to a situation in which goods cannot be delivered in a timely fashion.

We are working to resolve these difficult issues by offering not only trucks, buses, and pickup trucks but also products that provide motor power sources for these vehicles and relevant other services, thereby establishing a robust social infrastructure. At the same time, we are striving to realize our corporate vision of "Isuzu will always mean the best: a leader in transportation, commercial vehicles, and diesel engines, supporting its customers and respecting the environment."



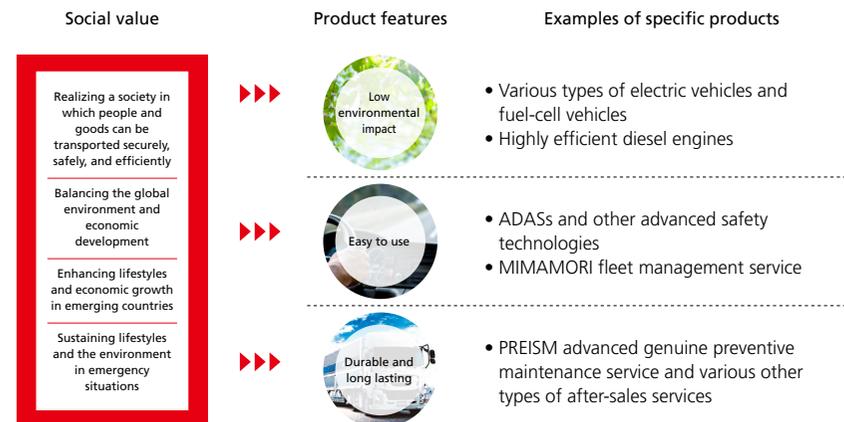
2 Activities to ensure necessary product value

We have determined three kinds of value that our products need to have so as to provide social value based on the four aforementioned themes.

The first kind of value is "low-environmental-impact" products. In order to address global issues such as climate change, our products need to have a low environmental impact. To date, we have delivered highly efficient internal combustion engine vehicles and other products to customers across the globe. Going forward, we will further enhance the value of our products through the development of innovative technologies such as electrification and strive to create products with a low environmental impact.

The second kind of value is "easy-to-use" products. Commercial vehicles are an indispensable tool for delivering social value to realize a society in which people and goods can be transported safely, securely, and efficiently. We have thus far provided products that make use of advanced safety technologies such as advanced driver-assistance systems (ADASs), and products with high fuel efficiency. In addition, through fleet management services such as MIMAMORI, we have offered services that enable customers to utilize commercial vehicles safely and securely, as well as in an economically rational manner. Going forward, we will continue to provide safe, easy-to-use products in collaboration with our business partners and customers.

The third kind of value is "durable and long-lasting" products. We have worked to provide highly reliable and durable commercial vehicles while offering services to support their stable operation, such as after-sales service networks and PREISM. Through the ongoing provision of products that allow for sustainable production activities, we will further support the stable economic growth of regional economies.





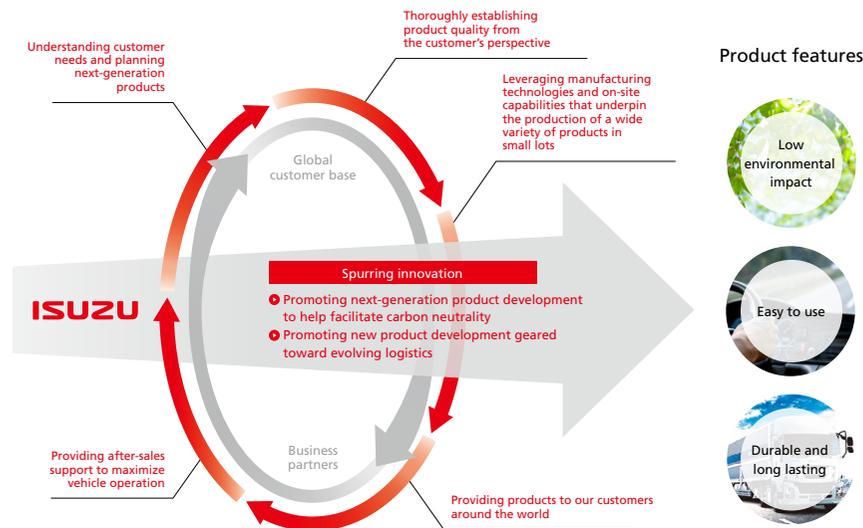
The Value Creation Story of Isuzu

How Isuzu Creates Value

3 Innovation activities to create new product value

Within the five business processes of “understanding customer needs and planning next-generation products,” “thoroughly establishing product quality from the customer’s perspective,” “leveraging manufacturing technologies and on-site capabilities that underpin the production of a wide variety of products in small lots,” “providing products to our customers around the world,” and “providing after-sales support to maximize vehicle operation,” we have sought to achieve differentiation and high levels of sophistication while drawing on the strengths of the Isuzu Group to their full potential. We will take steps to leverage the strengths we possess in our existing businesses to steadily execute each of these five processes and also work to further enhance the overall sophistication thereof. Doing so will help us create the three kinds of value that our products need to deliver.

Meanwhile, we have come to understand that the dramatic changes that have occurred recently in social environments have made it difficult to meet customer needs for “low-environmental-impact” and “easy-to-use” products through our conventional business processes alone. For that reason, we will strive to become a corporate group that spurs innovation by embracing diverse perspectives and creating frameworks for enhancing the diversity of our human resources while ensuring they have an active role. Also, we will collaborate appropriately with a broad range of partner companies (co-creation activities and business alliances) to address the social issues of “promoting next-generation vehicle development to help facilitate carbon neutrality” and “promoting new product development geared toward evolving logistics” over the medium to long term. By doing so, we will accelerate the pace of our value creation.

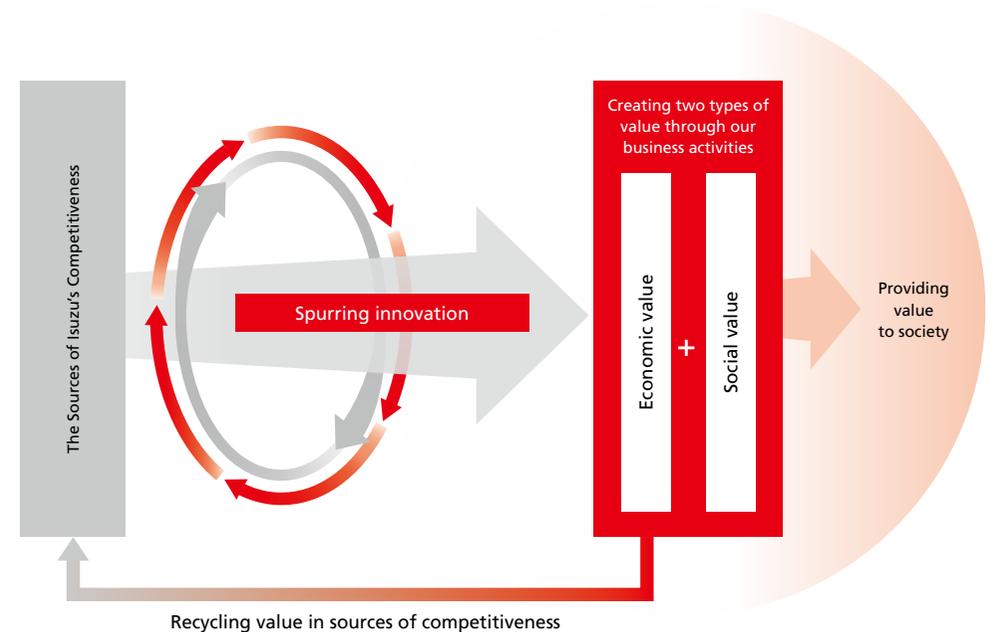


4 Sustainable development of the Company and society at large

Through these three activities, we will contribute to the realization of a prosperous and sustainable society.

With that said, it is imperative that we as a company realize sustainable growth if we are to continue to pursue these activities. Through the aforementioned innovation activities and the creation of product value, we will enhance the economic value we offer as a company. We will also utilize this economic value as capital for further reinforcing our current sources of competitiveness. Furthermore, we will draw on these reinforced sources of competitiveness to boost the competitive advantage of our products and services, thereby creating new value for society.

In these ways, we will push forward with activities that mutually enhance and benefit society and the Company, with the aim of establishing an indispensable social presence.



Sources of Competitiveness Underpinning Value Creation

The sources of our competitiveness, built up through the growth we have thus far achieved, underpin our current business activities and will help us enhance corporate value in the future. Going forward, we will strive to reinforce these sources so that we can continue to achieve sustainable growth.

 <h3>Development Capabilities</h3> <p>Development bases Establishment of development bases starting with three locations in Japan and spanning ASEAN, Europe, the United States, and China</p>	<h3>Development capabilities that realize innovations and optimal structures for alliances in each business and in technological domains</h3> <p>Research and development expenditures ¥104.8 billion Plan for ¥340.0 billion in research and development expenditures over the three-year period of Medium-Term Business Plan 2024</p>	 <h3>Production Capabilities</h3> <p>Production bases 43 bases in 30 countries</p>	<h3>Isuzu's high-quality <i>monozukuri</i> (manufacturing) that responds to diverse customer needs</h3> <p>Capital expenditures ¥78.4 billion Plan for ¥300.0 billion in capital expenditures over the three-year period of Medium-Term Business Plan 2024</p>
 <h3>Sales and Service Capabilities</h3> <p>Countries and regions in which Isuzu has No. 1 market share 37 countries and regions*1</p>	<h3>Brand power and trust-based relationships with customers cultivated through high-quality products and services</h3> <p>Countries and regions in which Isuzu conducts sales activities More than 150 countries and regions</p>	 <h3>Human Resources</h3> <p>Total number of employees</p> <ul style="list-style-type: none"> • Non-consolidated: 8,056 • Domestic consolidated subsidiaries: 20,671 • Overseas consolidated subsidiaries: 15,572 	<h3>Diverse human resources on a global scale</h3> <p>Hours of training programs by rank 231,993 hours*2 (29 hours per person)</p>
 <h3>Financial Base</h3> <p>Shareholders' equity ¥1,194.1 billion</p> <p>Interest-bearing debt ¥530.5 billion</p> <p>Return on equity 41.8%</p>	<h3>Solid business foundation</h3> <p>Issuer credit ratings</p> <ul style="list-style-type: none"> • A (R&I) • A+ (JCR) 	 <h3>Environmental Responsiveness</h3> <p>CDP</p> <ul style="list-style-type: none"> • Climate Change A- rating • Selection for the Supplier Engagement Leadership Board 	<h3>Business operations with low environmental impact</h3> <p>Environmental management</p> <ul style="list-style-type: none"> • Promotion of overall business management based on ISO 14001 • Independent audit of environmental data • Achievement of net-zero emissions

Note: The numerical and other data on this page is for the year ended March 31, 2022, or as of March 31, 2022. *1 CY2021 results (January 2021 - December 2021) *2 Total hours of participants

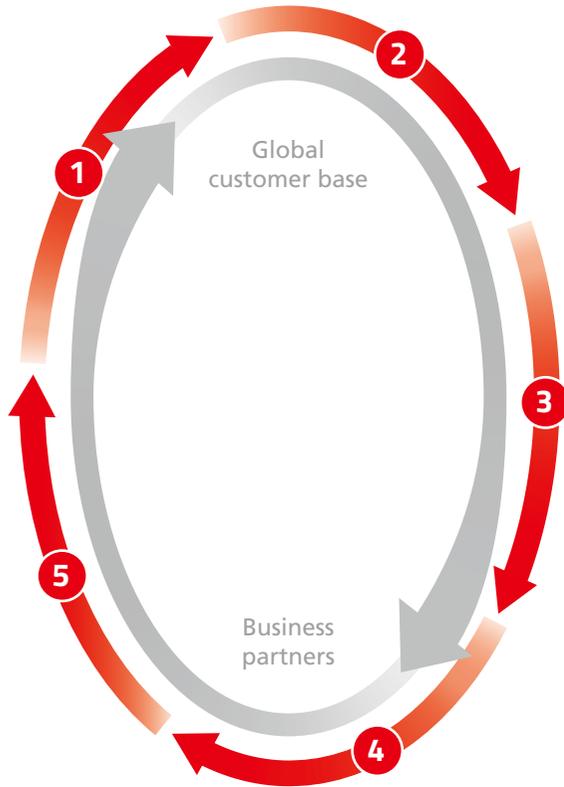
Isuzu's Value Chains

Commercial vehicles are used by a broad array of customers, including logistics companies, retailers, and construction companies. Such vehicles are also utilized for various purposes, which include long-distance and high-occupancy operations.

Therefore, various types of vehicles are required depending on the size and weight of the payload and rear body as well as the distance goods need to be transported. Since each country around the world has different laws, regulations, and traffic conditions, it is necessary to develop vehicles that meet these requirements.

It is also very important to keep these working vehicles operational at all times in order to transport goods in a timely and appropriate manner, and the development of our services is required to achieve this. With its unique track record in commercial vehicles as a foundation, the Isuzu Group will strive to create new value for society and customers and further enhance its corporate value through all activities conducted under the Group's business process.

This page provides an overview of Isuzu's value chains, and the subsequent pages provide details on specific initiatives.



1 Understanding customer needs and planning next-generation products □ P.18

- Planning for products that can be used for 10 or 20 years
- Establishment of a specialized department to work with customers to resolve issues and expand market-oriented product development
- Utilization of know-how to reflect information on market needs obtained from customer bases in each country and region in which we operate in the planning of next-generation products

By leveraging these strengths, we will continue to provide vehicles and services that meet customer expectations in the future.



2 Thoroughly establishing product quality from the customer's perspective □ P.19

- Extensive understanding of how a wide variety of commercial vehicles are used
- Incorporation of quality needs into manufacturing processes, such as quality management activities and development processes, to create quality, user-friendly products

We will strive to achieve a higher level of quality and further improve our product capabilities through continuous quality improvements from the product development phase to the after-sales phase.



3 Leveraging manufacturing technologies and on-site capabilities that underpin the production of a wide variety of products in small lots □ P.20

- Vehicle manufacturing technology capable of efficiently producing a wide variety of vehicle models, even in small lots
- Manufacturing technology and know-how that are deployed at Company plants around the world
- Implementation of production technology improvement activities and human resources development at each plant

We will carry out production technology improvement activities and human resource development at each plant.



4 Providing products to our customers around the world □ P.21

- Building of a network to deliver products to more than 150 countries and regions
- Development and distribution of pickup trucks and light-duty trucks to meet the needs of emerging countries that require durable and reliable vehicles

By continuing to contribute to the construction of logistics infrastructure, we will support the economic development of emerging countries and the rest of the world.



5 Providing after-sales support to maximize vehicle operation □ P.21

- MIMAMORI: launched in 2004, enables the monitoring of vehicle conditions and currently provides information on vehicle anomaly detection
- PREISM: provides services to minimize vehicle inspection and maintenance servicing times by utilizing acquired vehicle information

We will further advance these services to maximize the operating times of our customers' vehicles.





Isuzu's Value Chains

1 Understanding Customer Needs and Planning Next-Generation Products

In many cases, commercial vehicles are used longer than passenger vehicles, so it is essential for us to plan next-generation products that meet the needs of customers 10 or 20 years into the future. For this purpose, in April 2019 the Company established a specialized department to work with customers to resolve issues and created a system for market-oriented product development.

We will continue to provide vehicles and services that meet our customers' future expectations, leveraging our customer base, insight regarding market needs obtained via our worldwide sales network, and the know-how to appropriately apply this insight to the planning of next-generation products.

Topic 1

▶ Co-creation activities with customers

The Isuzu Group's customer base is one of its major business assets.

Through co-creation activities with a wide range of customers, we will continue to develop new vehicles and services that are closely tailored to the usage scenarios of individual customers.



In April 2019, the Company established a department dedicated to working with customers to resolve issues and created a system for market-oriented product development. Such efforts as those mentioned above allow us to not only collaborate with customers but also work closely with our product development and sales divisions to accelerate the resolution of customer issues.

For example, in the case of retail clients, we thoroughly investigate and identify issues along the life cycles of products, from ordering to loading onto trucks, delivery, and putting on display. Doing so enables us to propose solutions that are based on a deep understanding of customers' issues.

The Company will continue to increase its collaborative business partnerships and strive to carry out *monozukuri* (manufacturing) from a customer-oriented perspective.

Topic 2

▶ Example of co-creation activity related to public transportation

Isuzu, in collaboration with Nishi-Nippon Railroad Co., Ltd. and Mitsubishi Corporation, conducted demonstration tests using the Company's large demonstration test vehicle for realizing autonomous driving, one of the solutions expected to alleviate the driver shortage in public transportation.

The demonstration tests first targeted the attainment of Level 2 autonomous driving* in a limited driving area, after which the use of autonomous driving technology was gradually increased with the aim of realizing Level 4 autonomous driving* in the future. With the cooperation of Fukuoka International Airport Co., Ltd.—which aims to introduce autonomous driving technology in order to facilitate the smooth transportation of passengers and luggage between the Fukuoka Airport domestic and international passenger terminal buildings—such demonstration tests were conducted for one month from March 2022 in a closed space along the connecting bus route between the two terminals.

Through these demonstration tests, we identified issues related to operations and services. While advancing autonomous driving technology for buses, we will continue to study ways to realize the future social implementation of autonomous technology, in addition to resolving such social issues as labor shortages due to the declining birth rate and aging population of Japan.

* The level of autonomous driving conforms to the Society of Automotive Engineers (SAE) 6 Levels of Driving Automation™, or SAE J3016, the international standard in this regard. Level 2 autonomous driving refers to partial driving automation in which the system partially performs both accelerator and brake control operations and steering wheel operations. Level 4 autonomous driving refers to advanced driving automation in which the system performs full driving operations including cognition, judgment, and operation in specific driving conditions.



Demonstration test vehicle



Isuzu's Value Chains

1 Understanding Customer Needs and Planning Next-Generation Products

Topic 3

Example of co-creation activity at manufacturing sites



The aforementioned driver shortage impacts not only logistics but also the sustainability of manufacturing sites. In particular, blast furnaces at steelworks are expected to operate 24 hours a day, 365 days a year, as are transportation and other related operations. Therefore, there is concern that the driver shortage will have an impact on said operations.

To address this issue, UD Trucks Corporation, an Isuzu Group company, will conduct a demonstration test from the second half of fiscal 2023, using a heavy-duty truck equipped with Level 4 automatic driving technology at the Kakogawa Steel Works of Kobe Steel, Ltd.

Based on the results of these demonstration tests, both companies will continue to explore the creation and practical application of solutions that utilize automated driving technology. In addition, we aim to implement autonomous driving technology in the logistics and manufacturing industries of the future while working to solve various social issues including labor shortages due to the low birth rate and aging population of Japan.

2 Thoroughly Establishing Product Quality from the Customer's Perspective

At Isuzu, we understand how our customers use our products and incorporate their need for quality into our quality management activities, product development processes, and other *monozukuri* (manufacturing) processes. By doing so, we create quality products that our customers can use easily.

Through these activities, we will strive to make products that can be used safely and securely by customers in any environment. The Isuzu Group will continuously improve product quality from the development phase to the after-sales phase to further improve product capabilities.

Topic

Thoroughly establishing product quality from the customer's perspective

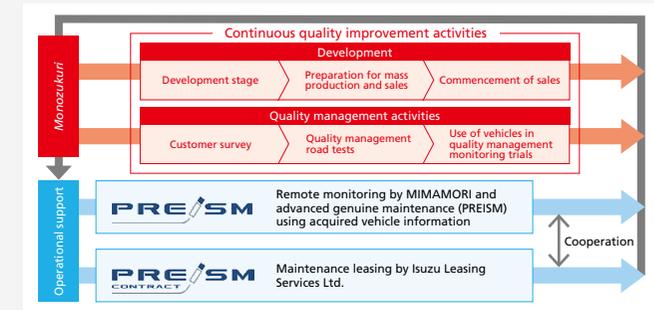
The Isuzu Group's *monozukuri* (manufacturing) activities consist of two pillars: the development of optimal vehicles that customers can use with peace of mind and quality management activities that continuously maintain and improve the quality of vehicles after they are sold.

UD Trucks, which joined the Group last fiscal year, is also promoting the activities mentioned above.

In the product development process, stage gates are established at each phase, from the planning stage to the development, mass production, sales preparation, and market evaluation stages, and product development is carried out while conducting quality checks in a timely manner.

Additionally, we are striving to improve quality by incorporating methods such as failure mode and effect analysis (FMEA)*1 and quality function deployment (QFD)*2.

Overview of *Monozukuri* (Manufacturing) from the Customer's Perspective



Customer surveys	Test driving	Monitoring of vehicle activities
Acquire and analyze data such as engine and transmission data during driving in order to improve performance and quality	Based on the data obtained from customer surveys, reflect findings in test vehicles and reconfirm said findings by test driving on actual roads in Japan and overseas	Request customers to use the vehicle enhanced through the above steps and conduct long-term monitoring. Feedback and requests then collected through data anomaly checks and customer visits carried out by the Development Division

The purposes of quality management activities are to provide customers with safe and secure vehicles and to strengthen product capabilities through continuous quality improvements from the development stage to the after-sales stage. These activities are conducted in the previously described three steps, and they will be leveraged to enhance product competitiveness and develop next-generation models.

Remote monitoring by MIMAMORI and advanced genuine maintenance (PREISM) using acquired vehicle information have reduced breakdowns and maintenance times. In addition, the acquired information is fed back to the Development Division, leading to *monozukuri* (manufacturing) activities that are implemented from the customer's perspective.

*1 Approach aimed at identifying problems that arise during use at the design phase
*2 Method to ensure quality assurance from the development phase of new products



Isuzu's Value Chains

3 Leveraging Manufacturing Technologies and On-Site Capabilities That Underpin the Production of a Wide Variety of Products in Small Lots

Isuzu's strength lies in its vehicle manufacturing technologies, which enable efficient production of a wide variety of models, even in small lots.

Furthermore, based on a unified approach to *monozukuri* (manufacturing) and quality control at all of our plants around the world, we have been deploying these vehicle manufacturing technologies and attendant expertise at said plants and leveraging such technologies and expertise in our improvement activities and human resource development.

In order to incorporate design that takes a customer-oriented perspective, the Company will meticulously create products while visualizing the real-life scenarios in which customers will actually use them.

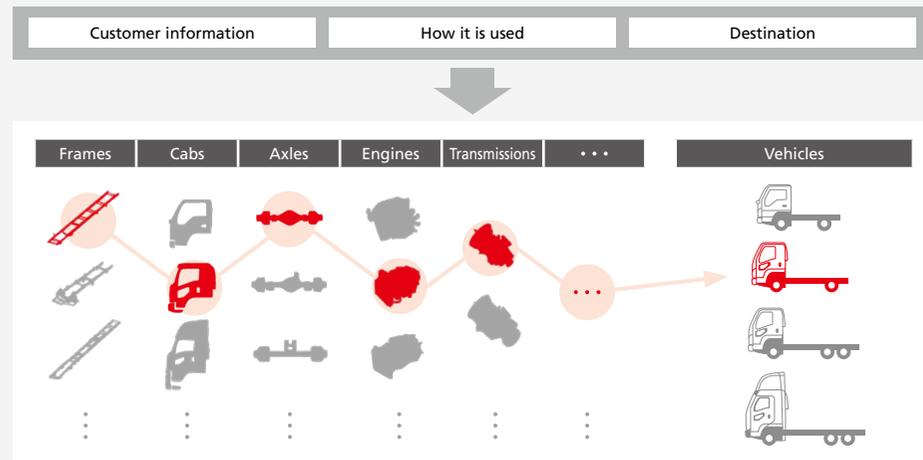
Topic 1

▶ A characteristic of commercial vehicle operations: high-mix, small-lot production

Isuzu manufactures more than 2,500 types of commercial vehicles with different combinations of frames, cabs, axles, engines, and transmissions.

Of the more than 2,500 types of commercial vehicles produced each year, only 5% are manufactured in quantities of over 1,000. With the aim of maintaining high-mix, small-lot production, we are constantly making improvements to ensure efficient production.

Further, to be able to manufacture any type of vehicle on a limited production line, the Company is developing innovative production line designs, increasing the number of multi-skilled workers on-site, and improving the efficiency of on-site tasks.



Manufacturing technologies that can facilitate high-mix, small-lot production of more than 2,500 combinations are necessary.

Topic 2

▶ Realizing a high level of unified *monozukuri* (manufacturing)

One of the principles of the Company's *monozukuri* is to manufacture all products that bear the Isuzu name through the same approach to *monozukuri* and quality control at all of its plants, anywhere in the world. To this end, we believe it is important to extend the know-how we have cultivated at the Company's mother plant in Fujisawa City, which is capable of handling high-mix, small-lot production, to our overseas plants so that this know-how can take root.

Isuzu systematizes this know-how into Isuzu *Monozukuri*. In addition, we regularly provide training to overseas employees engaged in production in order for them to acquire Isuzu *Monozukuri* concepts, methods, and production expertise. In fiscal 2022, a total of 656 employees attended training sessions on Isuzu *Monozukuri*, with each participant averaging 21 hours over a two- to five-day period.

In addition, at each manufacturing site, team leaders take the lead in continuous improvement activities through a short-term plan-do-check-act cycle. Through these improvement activities, team leaders and employees alike develop an awareness of the issues arising in their places of work, thereby raising the level of on-site capabilities. We share examples of improvements realized through these activities globally, which helps give them momentum.

By tirelessly implementing improvement activities, Isuzu will continue to evolve as a global *monozukuri* (manufacturing) company.



Quality control incorporating the Isuzu *Monozukuri* philosophy



Manufacturing site improvement briefing session

Isuzu's Value Chains

4 Providing Products to Our Customers around the World

Isuzu has expanded its distribution network and now delivers its products to more than 150 countries. (At a Glance: 019)

Furthermore, to meet the needs of emerging countries in terms of durability and reliability, we develop and distribute pickup trucks and light-duty trucks geared toward such countries based on the technologies we have cultivated through our truck manufacturing track record.

As such, it is our responsibility as a commercial vehicle manufacturer to continue to contribute to the construction of logistics infrastructure, thereby supporting economic development in emerging countries and the rest of the world.

5 Providing After-Sales Support to Maximize Vehicle Operation

We recognize that one of the most important needs of our customers is to keep their vehicles ready for use at all times in order to transport goods in a timely and appropriate manner.

In 2004, we launched MIMAMORI, a service capable of monitoring vehicle conditions that currently provides data on anomaly detection in customer vehicles. In addition, we offer PREISM, a service that uses the acquired vehicle condition data to minimize vehicle inspection and maintenance times.

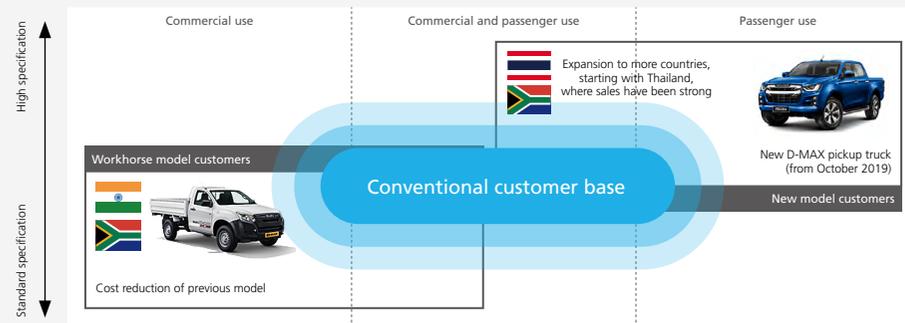
We will further evolve these services in pursuit of optimizing our customers' vehicle operating times.

Topic

▶ Vehicles geared toward emerging countries

In 2019, the D-MAX pickup truck underwent a full-model change to enhance its competitiveness. We sought to expand its conventional customer base from those who use it as both a commercial and passenger vehicle to those who use it exclusively as a passenger car. In the future, we will produce the new D-MAX in Thailand, India, and South Africa alongside existing models to expand sales and meet the needs of customers around the world.

Expansion of D-MAX pickup truck customer base



Isuzu's TRAGA light-duty truck, a strategic product for emerging countries, has adopted commercial vehicle technologies cultivated by Isuzu to maximize loading efficiency, maneuverability, and fuel efficiency in pursuit of customer convenience. Currently, we are expanding sales of TRAGA in Indonesia and other emerging countries as well as in neighboring countries.



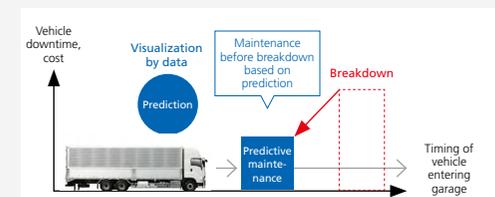
Topic

▶ Advanced genuine maintenance service (PREISM)



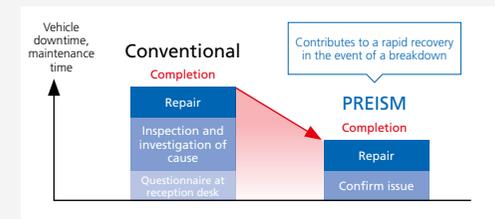
Mitigation of breakdowns

In the inspections and maintenance carried out at Isuzu's service plants, predictive and preventive maintenance is performed at the stage when predictive data is detected prior to a breakdown occurring. By utilizing vehicle condition data, it is possible to prevent and reduce the occurrence of breakdowns at an early stage with high accuracy, which greatly contributes to safe vehicle operations for our customers.



Reduced maintenance times

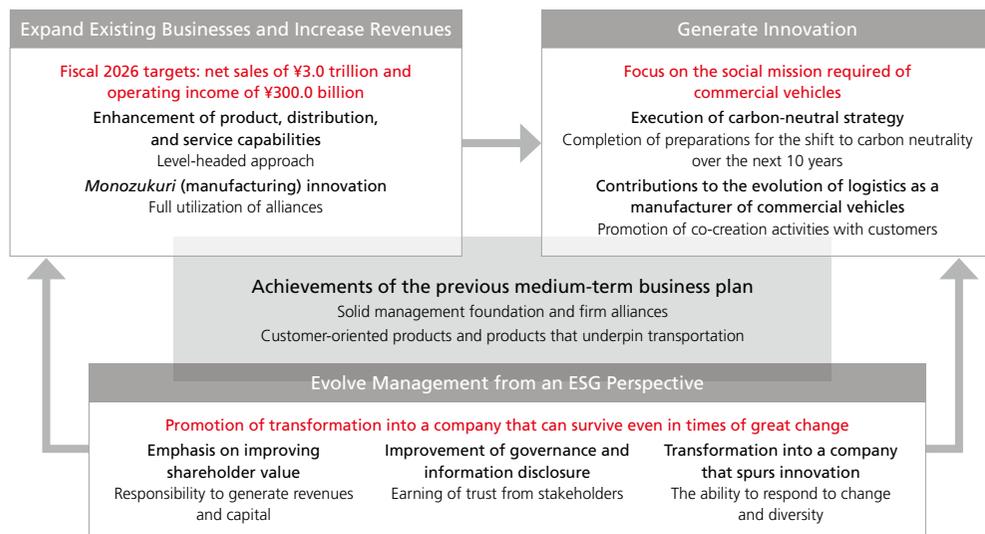
During the inspections and maintenance performed at Isuzu's service plants, it is possible to predict to a certain extent the type of maintenance needed prior to the arrival of vehicles by understanding vehicle condition data in advance, thereby improving maintenance efficiency and accuracy and shortening maintenance times.



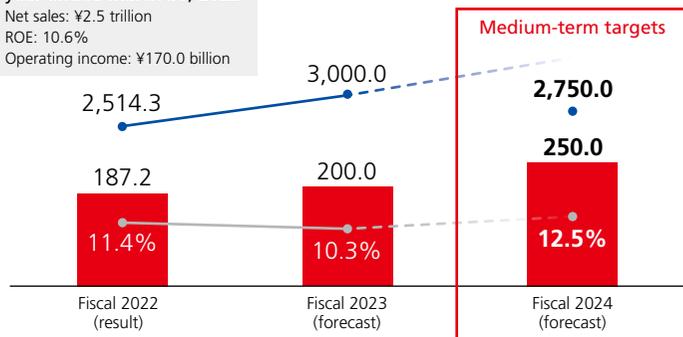
Medium-Term Business Plan 2024

Every three years, Isuzu formulates a business plan with a view to achieving medium-term corporate growth. In May 2021, the Isuzu Group formulated Medium-Term Business Plan 2024 with an eye to achieving growth by fiscal 2024, the year ending March 31, 2024, and beyond. In order to achieve the targets set forth in the current plan, we will strive to further expand our existing businesses and increase revenues by leveraging the business foundation and various alliances we have cultivated. We will also strengthen ESG-focused management in order to become a sustainable company that can survive periods of great change and be recognized for its achievements.

Overview of Medium-Term Business Plan 2024



Targets for fiscal 2022, the year ended March 31, 2022
Net sales: ¥2.5 trillion
ROE: 10.6%
Operating income: ¥170.0 billion



— Net sales (Billions of yen) — ROE (%) ■ Operating income (Billions of yen)

Medium-Term Business Plan 2024 Progress

	Expand Existing Businesses and Increase Revenues	Generate Innovation	Evolve Management from an ESG Perspective
Targets	<ul style="list-style-type: none"> Strengthening of alliances Further improvements in productivity and pursuit of global expansion 	<ul style="list-style-type: none"> Execution of carbon-neutral strategy to achieve the targets set forth in Isuzu Long-Term Environmental Vision 2050 Contributions to the evolution of logistics as a manufacturer of commercial vehicles 	<ul style="list-style-type: none"> Transformation into a company that can survive even in times of great change
Status of initiatives	<ul style="list-style-type: none"> Beginning of joint development of a heavy-duty vehicle between Isuzu and UD Trucks Corporation as an initiative that will lead to future profits Incorporation of Isuzu's modular design concept I-MACS,* with a full-model change of light-duty and medium-duty vehicles planned by the end of fiscal 2023 In the light commercial vehicle business, promotion of the division of responsibilities among the three plants in Thailand, India, and South Africa as well as a shift to a structure in which plants in Thailand and South Africa can augment each other's production capacity 	<ul style="list-style-type: none"> Advanced development and demonstration testing of vehicles including light-duty fuel-cell vehicles (FCVs), heavy-duty FCVs, heavy-duty transit FCV buses, electric pickup trucks, and North American battery-electric vehicles (BEVs) Development of a heavy-duty transit BEV bus with the aim of introducing it to the market in 2024 Promotion of collaboration with a wide range of data platforms through Transtron Inc. and Fujitsu Limited In the area of automated driving, prioritization of use cases that are highly effective in terms of saving manpower, safety, and feasibility 	<ul style="list-style-type: none"> Strengthening of governance through such measures as transitioning to a Company with Audit and Supervisory Committee organizational system Appointment of a chief coordination officer to promote management strategies alongside the chief financial officer, chief risk management officer, and chief information & security officer, thereby strengthening the Companywide management function responsible for management decision-making, strategic policy, and Companywide coordination With the aim of strengthening our human resource foundation, launching of a personnel system reform based on the concept of diversity in fiscal 2022

* I-MACS: An abbreviation for Isuzu Modular Architecture and Component Standard, based on which the use and combination of components in vehicle development are optimized



Alliance System for Realizing Innovation

Collaboration with Cummins Inc. in the Powertrain Business

In February 2021, we reached an agreement with Cummins Inc. of the United States to collaborate on the development and sale of medium-sized diesel engines for the Powertrain Business and to conduct joint research into various advanced technologies.

Alliance details

- Sharing technological capabilities and know-how, complementing each other's strengths, and promoting cooperation that leverages economies of scale in various next-generation powertrains, including diesel engines with low environmental impact and electric powertrains

Main initiatives

- Cummins will supply Isuzu with medium-sized B6.7 diesel engines to use in medium-duty trucks. Vehicles equipped with this engine will be introduced to global markets to meet the needs of customers around the world.
- Isuzu and Cummins plan to install a Cummins' electric system in the Company's F-Series medium-duty commercial vehicles for the North American market and began monitoring for large-fleet customers in September 2022.

Strategic Alliance with the Volvo Group

Based on a basic agreement for forming a strategic alliance in the field of commercial vehicles concluded with the Volvo Group in Sweden, we started a full-scale strategic alliance in April 2021.

Alliance details

- Isuzu and the Volvo Group will promote collaboration in the development of existing and advanced technologies by mutually complementing their areas of expertise, leveraging each company's superior technologies, and collaborating to utilize economies of scale.
- Isuzu acquired UD Trucks Corporation and its business from the Volvo Group in April 2021, in order to further strengthen its heavy-duty truck business in Japan and international markets.
- The two companies will promote collaboration in light-duty and medium-duty trucks to respond to evolving urban logistics.
- Both companies will pursue mutual benefits from increased sales volumes through collaborative purchasing based on mutual technologies and deployment regions.

Main initiatives

- Isuzu and UD Trucks plan to launch their new tractor heads in Japan around 2023. In the future, both companies will start development via their large shared platform of a full-model change for their heavy-duty trucks in Japan and overseas markets, with an eye to collaborating with the Volvo Group in the area of advanced technologies.
- In addition, under the leadership of the Alliance Board, consisting of the president and representative director of Isuzu, the CEO of the Volvo Group, and executives from both companies, the Company will promote activities that leverage the advantages of the alliance, including the establishment of alliance offices in both Japan and Sweden, and the development of a corporate culture and management from an ESG perspective.

Collaboration with Participating Partners in Commercial Japan Partnership Technologies (CJPT)

Isuzu participates in Commercial Japan Partnership Technologies (CJPT), a joint venture established in March 2021, in which it has begun collaboration with participating partners to accelerate the response to connected, autonomous, shared & service, and electric (CASE) technologies and services in commercial businesses.

Alliance details

- Promote the planning of CASE technologies and services in commercial businesses
- Jointly develop electric and fuel-cell vehicles, automated driving technology, and electronic platforms, with a focus on the light-duty truck domain
- Jointly build a commercial version of the connected technology platform and provide various logistics solutions

Main initiatives

- Plan and develop a next-generation, hydrogen-fuel-cell electric route bus based on the heavy-duty battery-electric route bus scheduled to commence production in fiscal 2025
- Commence planning and basic research on hydrogen engines for heavy-duty commercial vehicles
- Develop light-duty fuel-cell trucks, which are scheduled to be introduced to the market through social implementation projects in Fukushima Prefecture and Tokyo from January 2023 onward

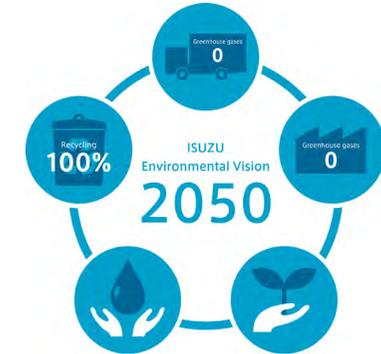


Isuzu's Medium- To Long-Term Strategy for Realizing Innovation

As a medium- to long-term strategy, Isuzu will realize innovation in the areas of next-generation product development to help facilitate carbon neutrality and of new product development geared toward evolving logistics.

In March 2020, the Company outlined the environmental aspects of its business activities—including those related to carbon neutrality—from a long-term perspective in Isuzu Long-Term Environmental Vision 2050. To further clarify the Company's environmental vision from a medium- to long-term standpoint, Isuzu announced its new 2030 Environmental Roadmap in June 2022.

Moving forward, Isuzu will continue to grow and provide value to society through the approaches, initiatives, and product development activities listed below.



		Examples of approaches and initiatives	Relation to Product Value		
			Low environmental impact	Easy to use	Durable and long lasting
Realizing Innovation	Next-Generation Product Development to Help Facilitate Carbon Neutrality	Business-Wide Carbon Neutralization ☞ Page 25	●	●	
		→ Realizing a Circular Economy ☞ Page 25	●	●	
		→ Developing Carbon-Neutral Vehicles That Meet Diverse Needs ☞ Page 26	●		
		→ Taking On the Challenge of Achieving Net-Zero Greenhouse Gas Emissions in Isuzu's Business Activities ☞ Page 28	●	●	
New Product Development Geared toward Evolving Logistics		Expanding Value Provided through the Evolution of Fleet Management and Operational Support Services ☞ Page 29	●	●	●
		Development of Automated Driving Technologies ☞ Page 30	●	●	●
		Development and Application of Advanced Safety Technologies ☞ Page 31	●	●	●
		Development of More User-Friendly Rear Bodies		●	



Business-Wide Carbon Neutralization

The various global environmental issues caused by climate change are having a dramatic impact on our society. There is now a common awareness around the world that such issues are of paramount importance and must be addressed urgently.

In light of this awareness, countries are rapidly advancing their carbon-neutral strategies and accelerating the shift toward a global decarbonized society. We at Isuzu view this as an opportunity for further growth and, to this end, are intensifying our efforts to become carbon neutral.

Isuzu conducted a scenario analysis based on long-term environmental scenarios for 2050 to identify risks and opportunities. As a result, we reaffirmed that climate change and other global environmental issues have a major impact on the Isuzu Group's business activities and product range. To counteract climate change, it is essential that we respond to stricter environmental regulations and develop new technologies. Furthermore, natural disasters are becoming increasingly frequent and severe due to climate change and carry with them the potential to significantly impact Isuzu's business activities. At the same time, Isuzu is expected by society to realize innovation that contributes to a decarbonized society, and we recognize that appropriately responding to these expectations will lead to new business opportunities for the Company.

Amid this social backdrop and with the results of the Company's own analysis as its basis, Isuzu will further promote the shift to carbon neutrality in all of its business operations, guided by Isuzu Long-Term Environmental Vision 2050.



→ Realizing a Circular Economy

Isuzu aims to recycle 100% of its waste and end-of-life vehicles by 2050 and will thus promote activities geared toward realizing a circular economy.

The linear economic system of mass production, mass consumption, and mass disposal has already reached its limits. Isuzu recognizes the need to review such a system and shift to a circular economic system by expanding businesses that rebuild, remanufacture, and reuse resources and by further promoting the efficient and cyclical use of said resources.

It is essential that we use limited resources carefully, collect them after use, and reuse them in a cyclical manner while maximizing added value. Isuzu anticipates that next-generation vehicles developed to achieve carbon neutrality and realize a decarbonized society will spur calls for novel approaches to certain resources, such as the adoption of new materials. In addition, it is hoped that materials that are difficult to recycle with currently available technologies will be recycled through technological innovation and other means. By ensuring that we address these issues, we will further promote the effective use of resources and aim to conduct business activities in line with a circular economic system that does not generate waste.



Business-Wide Carbon Neutralization

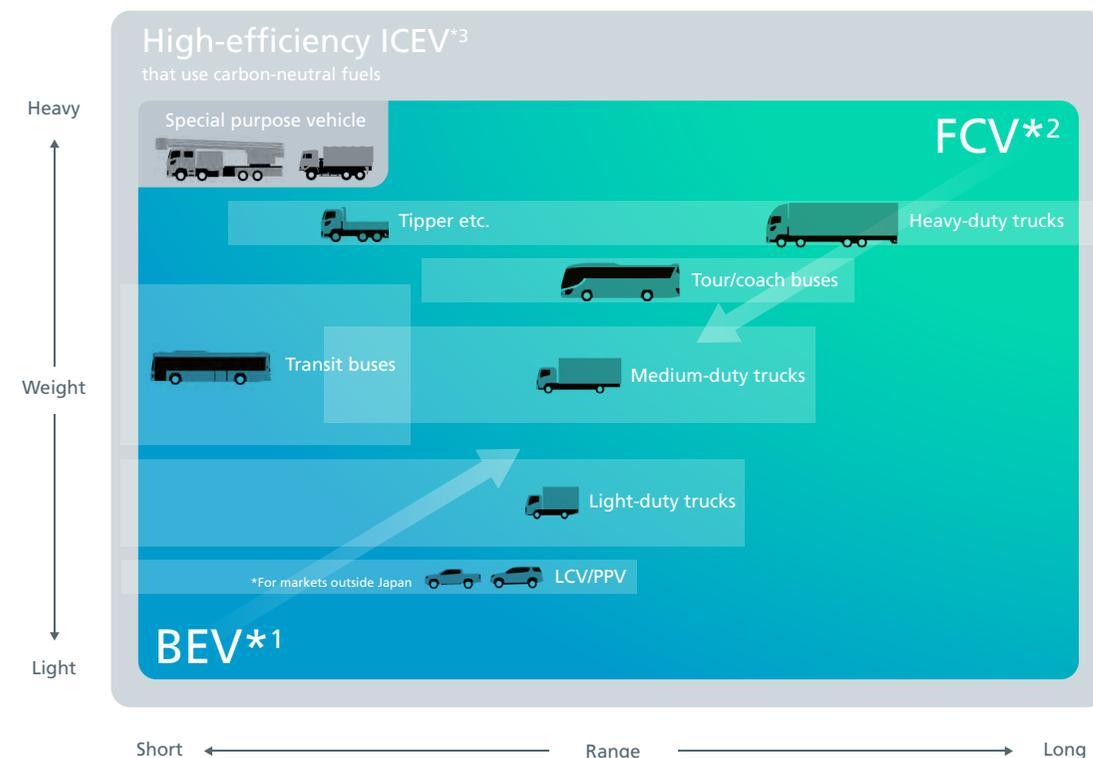
→ Developing of Carbon-Neutral Vehicles That Meet Diverse Needs

Isuzu aims to achieve net-zero greenhouse gas (GHG) emissions throughout the entire life cycle of its products by 2050.

In order to do so, the Company's entire lineup of new vehicles sold worldwide must be carbon neutral. However, the type of carbon-neutral vehicles required will vary depending on how a given vehicle is used and where it is used. We will respond to the diverse needs of the various customers and continue to support the transportation all over the world by offering a wide lineup of carbon neutral vehicles.

We believe that the development of carbon-neutral vehicles calls for the pursuit of more efficient internal combustion engines, the use of carbon-neutral fuels, the combination of new technologies, and the promotion of electrification. Through alliances with our various business partners, we are confident that we can offer carbon-neutral vehicles for a variety of applications and will identify the technologies required for this endeavor by 2025.

● Isuzu's Lineup of Carbon-Neutral Vehicles That Meet Diverse Needs



*1 LCVs, light-duty trucks, route buses, etc., that travel short distances and are lightweight
 *2 Heavy-duty trucks, sightseeing buses, and other large vehicles that travel long distances
 *3 Special-purpose vehicles such as fire engines, etc.

● Main Initiatives Geared toward Carbon-Neutral Vehicle Development

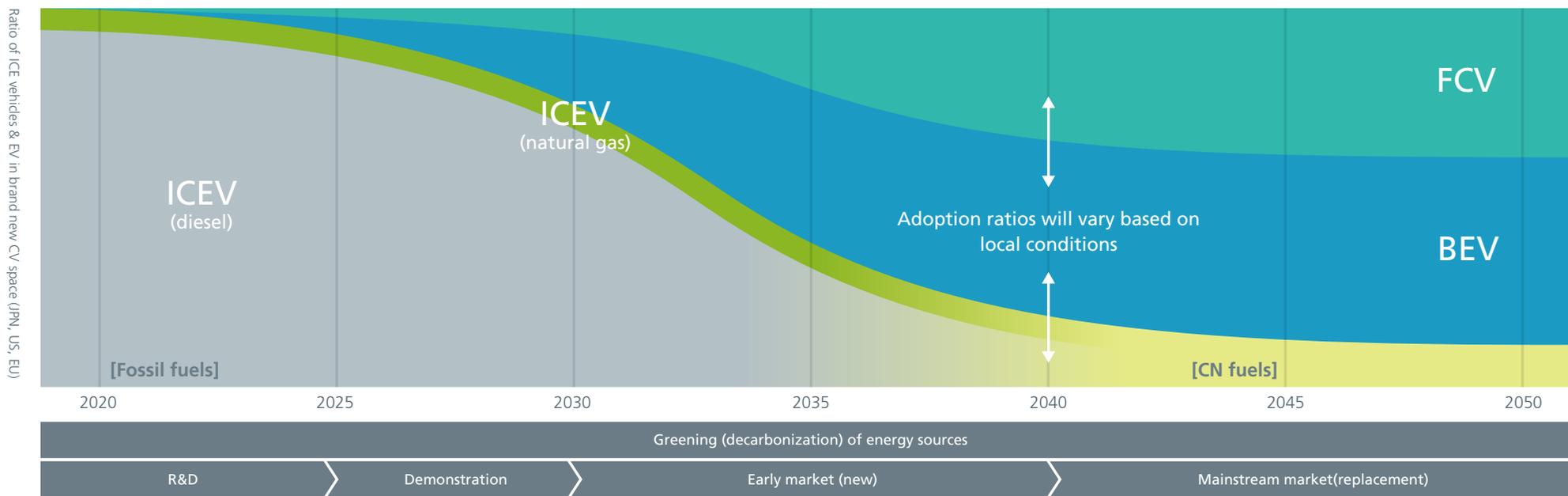
Main Initiatives	Summary of Initiatives and Future Plans
Commence mass production of light-duty battery-electric vehicles	<ul style="list-style-type: none"> Based on the knowledge gained from the monitoring trials conducted since 2019, Isuzu launched a compact battery-electric truck in the Japanese market in fiscal 2023, which the Company plans to steadily roll out to North America and Europe. In Japan, models compatible with ordinary driving licenses are scheduled for release in due course.
Commence introduction of fuel-cell vehicles to the market	<ul style="list-style-type: none"> Isuzu is promoting the planning and development of a mass-market light-duty fuel-cell truck in collaboration with partners participating in Commercial Japan Partnership Technologies (CJPT). Market introduction is scheduled to begin in January 2023 through social implementation projects in Fukushima Prefecture and Tokyo.
Commence monitoring trials of medium-duty battery-electric vehicles for the North American market	<ul style="list-style-type: none"> Isuzu and Cummins Inc. have installed a Cummins electric system in Isuzu's F-Series (FTR) medium-duty commercial vehicles for the North American market, and both parties began monitoring the system for a major North American fleet customer in September 2022.
Commence monitoring trials for heavy-duty fuel-cell vehicles	<ul style="list-style-type: none"> Joint research on heavy-duty fuel-cell vehicles began in 2020 in collaboration with Honda R&D. Further, Isuzu will promote vehicle manufacturing with the aim of conducting demonstration tests using monitoring vehicles by the end of fiscal 2023. Through demonstration tests, we will be able to provide feedback on ease of use and technical issues, which will be utilized in the development of mass-produced vehicles in the future.
Commence production of heavy-duty battery-electric route buses	<ul style="list-style-type: none"> From fiscal 2025, Isuzu and Hino Motors, Ltd. will begin production of large battery-electric route buses through their joint venture J-Bus. Compared with conventional non-step buses, these new buses have a much larger, fully flat area, thereby improving safety for travelers and contributing to our aim of eliminating onboard passenger accidents entirely.
Commence consideration for the development of heavy-duty fuel-cell route buses	<ul style="list-style-type: none"> Isuzu, in collaboration with partners participating in CJPT, will begin consideration for the planning and development of next-generation, fuel-cell route buses based on the aforementioned large battery-electric route buses. By standardizing their parts, the cost of battery-electric vehicles and fuel-cell vehicles will be significantly reduced, thereby spurring the adoption of a new generation of fuel-cell stacks. We will also leverage the expertise of Toyota Motor Corporation and Hino Motors in the area of fuel-cell electric bus development, aiming to provide electric vehicles with longer service lives and higher added value.

Business-Wide Carbon Neutralization

→ Developing of Carbon-Neutral Vehicles That Meet Diverse Needs

The process encompassing the research and development of carbon-neutral vehicles to their social implementation and popularization varies depending on the social infrastructure and energy use by country and region and thus cannot be approached in a uniform manner. However, based on projected social changes, it is expected that, while the scale of expansion will vary depending on regional conditions and social trends, the number of carbon-neutral vehicles will gradually increase among the various options available. Taking such social conditions into consideration, Isuzu will work to promote carbon-neutral vehicles tailored to the characteristics of each country and region.

▶ Projected Carbon-Neutral Vehicle Expansion



* ICEV (Internal Combustion Engine Vehicle): vehicles powered by fuels such as diesel, gas, and CN fuels
* CN fuels: carbon neutral fuels such as bio fuels and synthetic fuels derived from renewable energies.

Research and Development Period

We will proceed with demonstration tests for the social implementation of various carbon-neutral vehicles and promote research and development from the perspective of economic rationality, among other factors.

With customers' needs in mind, Isuzu will identify optimal technologies to support a diverse range of applications by 2025.

Social Implementation Period

In 2025 and beyond, we will utilize the knowledge and data obtained from the demonstration tests to expand and improve our product lineup and expand mass production and sales, thereby promoting the social implementation of carbon-neutral vehicles.

Popularization Period

From 2030 onward, the initial cost of carbon-neutral vehicles is expected to decrease as development costs are reduced through our leveraging of alliances and other means. In addition, running costs are expected to decrease due to social changes such as the spread of infrastructure, commonality with other companies' products, and standardization. By reducing the burden on customers through such cost decreases, it is likely that we will enter a period of popularization whereby switching to a carbon-neutral vehicle will become a viable option for customers.

Transitional Period

Around the time of the popularization period, we expect that customers using existing vehicles will gradually switch to carbon-neutral vehicles and that the number of carbon-neutral vehicles in their fleets will increase. At the same time, carbon-neutral fuels are expected to become widely used from around 2040, and we anticipate that existing internal combustion engines will be encouraged to become carbon neutral through the use of carbon-neutral fuels.

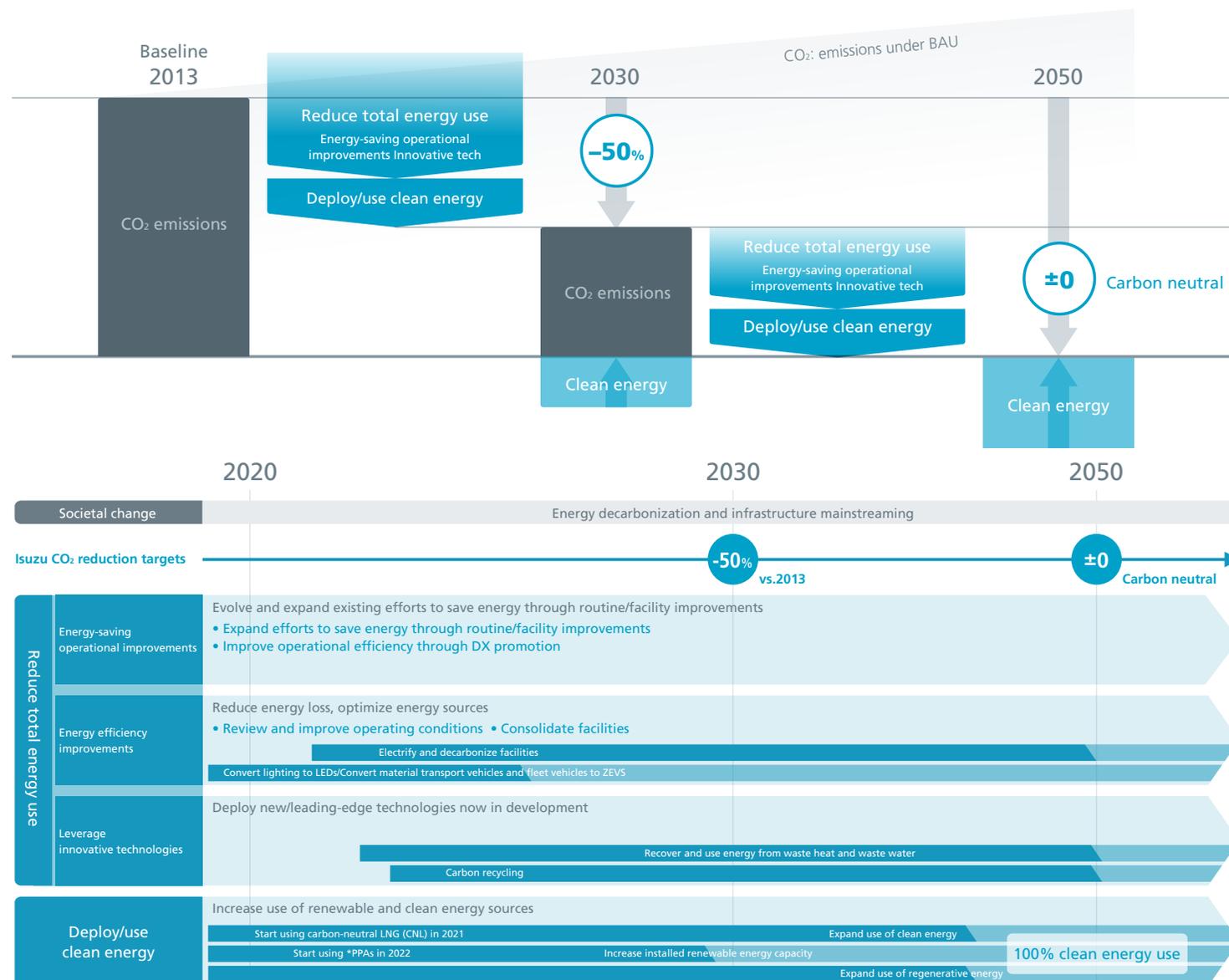
Business-Wide Carbon Neutralization

➔ Taking On the Challenge of Achieving Net-Zero Greenhouse Gas Emissions in Isuzu's Business Activities

In the process of promoting a business-wide shift to becoming carbon neutral, the Company must achieve carbon neutrality not only in its products and services but also in the greenhouse gases emitted directly from its own business activities.

Isuzu has begun taking on the challenge of reducing CO₂ emissions directly from its business activities—Scope 1 and Scope 2 emissions—by 50% from 2013 level by 2030 and to achieve carbon neutrality by 2050.

The Isuzu Group, both in Japan and overseas, will continue to take on the challenges of reducing total energy use, introducing and expanding clean energy, and implementing innovative technologies with a view to realizing a future where carbon-neutral products are produced at carbon-neutral plants.



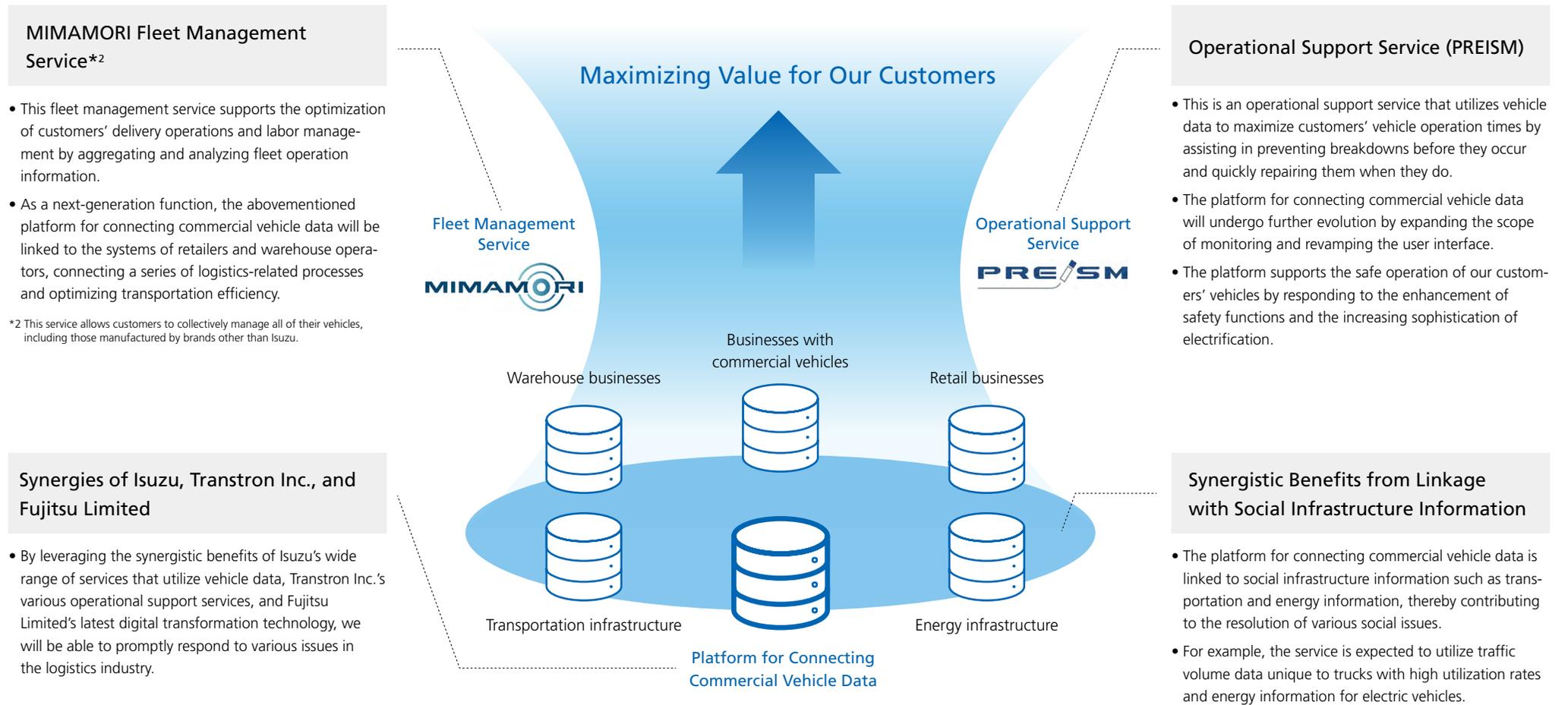
*PPA: Power Purchase Agreement



Expanding Value Provided through the Evolution of Fleet Management and Operational Support Services

Isuzu has been an industry pioneer in providing connected services that support its customers' businesses, such as the MIMAMORI fleet management service and the PREISM advanced genuine maintenance service. In October 2022, a platform for connecting commercial vehicle data will begin operation and start providing advanced connected services based on information on approximately 500,000 trucks.*1 Specifically, the platform will contribute to the creation of prosperous lifestyles by supporting the construction of a logistics infrastructure that enables goods to be delivered in a timely, safe, and accurate manner through the further advancement of fleet management and operational support services. Furthermore, the platform will contribute to a reduction in CO₂ emissions by optimizing transportation efficiency. In the future, we will contribute to resolving social issues such as energy management in the era of electric vehicles, including through the optimization of electric vehicle charging.

*1 500,000 is the total number of trucks (including existing vehicles) from which data was collected by Isuzu and Transtron Inc.





Development of Automated Driving Technologies

Through joint development with our various partners, we will accelerate initiatives geared toward the realization of automated driving and implement measures to verify and promote the benefits of improved safety, efficiency, and autonomous driving not only in logistics but also in various applications.

Application	Details of Initiatives
<p>Expressways and Heavy-Duty Trucks</p> 	<ul style="list-style-type: none"> • The Company is participating in the Japanese government's "Road to the L4" project to accelerate implementation of advanced mobility-as-a-service (MaaS) initiatives such as autonomous driving. The project entails research, development, and social implementation for advanced mobility services such as Level 4 automated driving. In cooperation with logistics companies and heavy-duty truck manufacturers, we will contribute to efforts toward the practical application of high-performance trucks, including platooning on expressways, and social implementation initiatives from 2026 and beyond. • Isuzu is proceeding with the commercialization and market launch of a 2020 model GIGA truck equipped with all-speed adaptive cruise control and a lane keep assist system, while researching automated driving technologies exclusively for heavy-duty trucks, with certain of these technologies being utilized in the development of mass-produced vehicles.
<p>Low-Speed Driving and Parking at Ports</p> 	<ul style="list-style-type: none"> • Isuzu will participate in the Ministry of Land, Infrastructure, Transport and Tourism's demonstration test project for the automation of incoming off-site trailers at ports, which is part of the ministry's efforts to realize AI terminals that support people. The project aims to improve the working environment for drivers of incoming off-site trailers and to maintain the transportation capacity of shipping containers. • In cooperation with manufacturers of heavy-duty vehicles, Isuzu will contribute to the development of an environment in which automated trailers can be introduced at ports, while verifying the safety of operating automated incoming off-site trailers in restricted off-road areas.
<p>Manufacturing Sites and Transportation</p> 	<ul style="list-style-type: none"> • By the second half of fiscal 2023 an automated driving experiment will be conducted on one route of the granulated slag transportation course at Kobe Steel, Ltd.'s Kakogawa Works, using a vehicle capable of Level 4 limited-area automatic driving based on UD Trucks Corporation's heavy-duty truck Quon. • Isuzu will promote the creation and practical application of solutions that utilize autonomous driving technologies through co-creation with UD Trucks.
<p>Restricted-Zone Buses</p> 	<ul style="list-style-type: none"> • The Company will promote the automated operation of large route buses in restricted zones by conducting demonstration tests while utilizing the technology of start-up companies, with the aim of contributing to increased passenger traffic and improved people flow efficiency by eliminating driver shortages. • Demonstration tests were conducted for one month from March 2022 in a closed space along the connecting bus route between the domestic and international terminals of Fukuoka Airport. • Isuzu will realize the automated operation of route buses on ordinary roads in the future, contributing to securing means of transportation in rural areas.
<p>Urban Area Delivery Vehicles</p> 	<ul style="list-style-type: none"> • In collaboration with the U.S. semiconductor manufacturer NVIDIA Corporation, Isuzu is promoting development by combining NVIDIA's driving environment recognition technology used in passenger cars with Isuzu Advanced Engineering, Ltd.'s decision-making and control technology. • The Company began verification tests of automated operation in urban areas on the Fujisawa Plant premises from 2020 and will subsequently expand testing areas from 2021 onward. • Collaboration with Isuzu Technical Center of America, Inc. was strengthened in 2022 to promote the development of cutting-edge technologies.



Development and Application of Advanced Safety Technologies

▶ Streamlining Daily Inspections through the MIMAMORI Driver's App

On March 1, 2022, Isuzu launched the operation of the MIMAMORI driver's app throughout Japan, the country's first operational management smartphone application* developed by a commercial vehicle manufacturer, as a new service that utilizes connected technology in commercial vehicles and which contributes to resolving social issues faced by commercial vehicle customers.

The MIMAMORI driver's app is a smartphone application linked to MIMAMORI, Isuzu's telematics service for commercial vehicles. As a new service, we have added the functions of pre-operational daily inspections and cargo-handling operations, and the application also allows the user to streamline safety confirmation processes. The daily inspection function has been refined through trials of PRE START CHECK, a daily pre-operational inspection application announced in 2019, and now enables a single person to perform inspection tasks previously performed by two people, saving labor and reducing time spent on tasks. In addition, users now have the ability to record inspection data via their smartphone.

* According to a survey by Isuzu



Image of daily inspection function



Image of cargo handling operation

▶ Examples of the Application of Advanced Safety Technologies

Isuzu has contributed to a reduction in traffic accidents through the application of advanced safety technologies such as advanced driver-assistance systems. Through the further development and advancement of safety technologies, we aim to realize a society in which drivers can feel safe at the wheel and society at large can have peace of mind.

1 Blind Spot Monitor

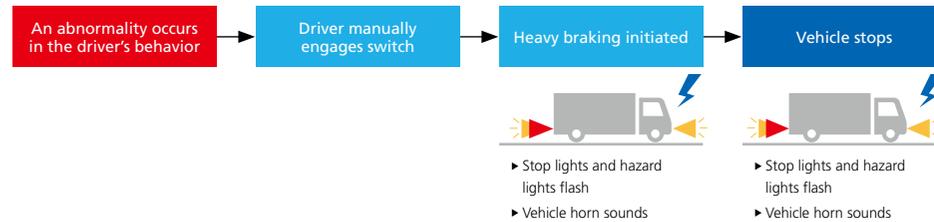
This is a system that not only emits millimeter-wave radar in all directions of the cab to detect cars, motorbikes, bicycles, and pedestrians in the driver's blind spot area but also alerts the driver via an alarm and warning lights on the truck's pillars. It is effective in reducing traffic accidents in such situations as turning right and left at intersections, facing oncoming vehicles, and changing lanes.



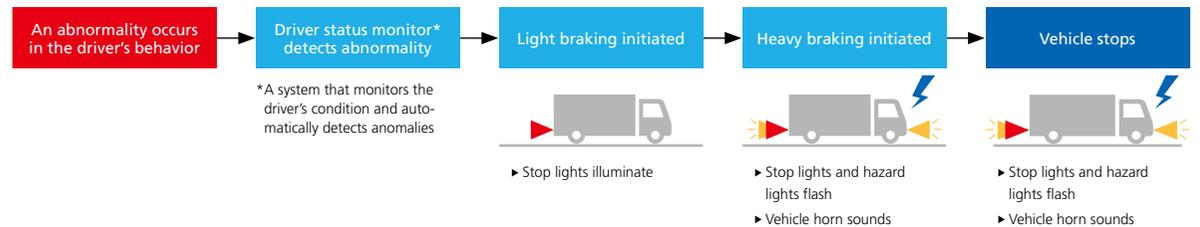
2 Emergency Driving Stop System (EDSS)

In 2021, Isuzu's heavy-duty truck GIGA became the first truck in Japan to adopt EDSS. This system brings the vehicle to an emergency stop when the device automatically detects an abnormality in the driver's behavior, or if the driver suddenly becomes ill or otherwise becomes unable to continue driving safely while the vehicle is in motion, and manually engages the EDSS switch.

Manual Operation by the Driver



Automatic Operation by EDSS



The Isuzu Group's Material Issues and Business Foundation Supporting Value Creation



- 33** The Isuzu Group's Material Issues
- 34** Resolving Isuzu's Material Issues under the Theme of "Providing Value to Society": Approaches and Activities
- 35** Resolving Isuzu's Material Issues on the Theme of "Cornerstones Supporting Value Creation": Approaches and Activities
- 36** Improvement of Technologies and Provision of Reliable Products and Services
- 37** Respect for and among Employees and Promotion of Diversity
- 39** Coexistence and Co-Prosperty with Local Communities and Stakeholders
- 40** Corporate Governance
- 48** Compliance
- 49** Risk Management
- 51** A Dialogue between Two Outside Directors

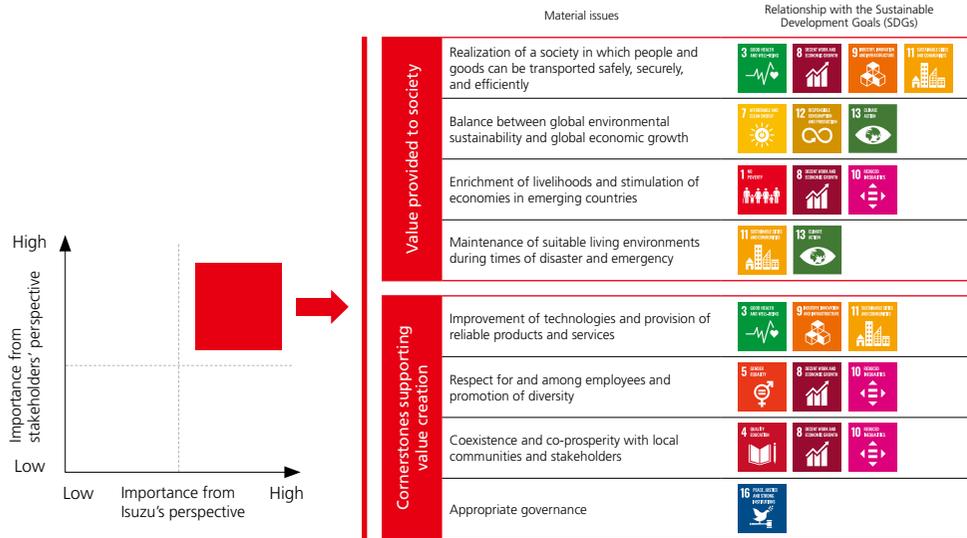
The Isuzu Group's Material Issues

Isuzu has established eight material issues comprising two themes. The first theme is “value provided to society,” in which the Company aims to provide value by resolving material issues such as the realization of a society in which people and goods can be transported safely, securely, and efficiently and the achievement of a balance between global environmental sustainability and global economic growth. The second theme is “cornerstones of value creation,” in which respect for and among employees and the promotion of diversity and appropriate governance are among the material issues set forth.

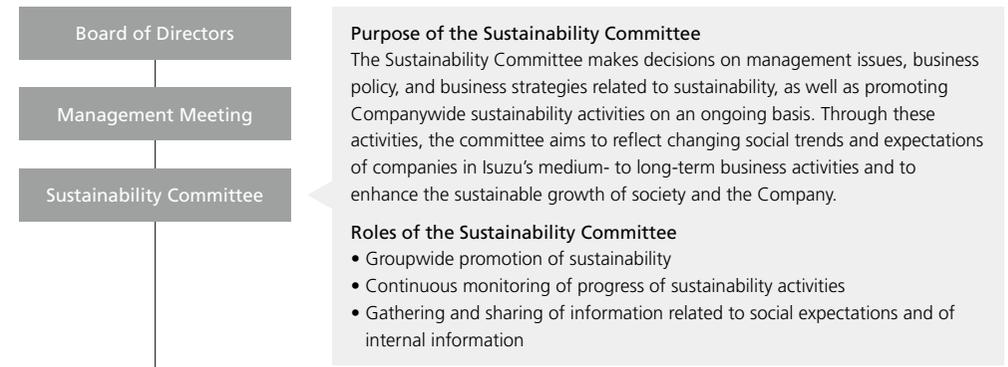
In 2018, the abovementioned eight material issues were first identified and selected based on the perspectives of the Company and its stakeholders and then decided upon by the Management Meeting after exchanging opinions with experts.

By establishing specific plans to resolve these material issues, reflecting them in our business activities, and taking action accordingly, we will strive for the sustainable development of both the Company and society.

Identification and Selection of Material Issues



Governance Systems for Promoting Material Issues



Business Carbon-Neutrality Promotion Subcommittee	This subcommittee promotes cross-departmental activities focusing on manufacturing activities, the Group's main source of CO ₂ emissions, that aim to achieve carbon neutrality in the Isuzu Group's business activities by 2050.
Product Carbon-Neutrality Promotion Subcommittee	This subcommittee advocates various activities that contribute to the carbon neutrality of products, including decarbonization technologies and energy, to achieve well-to-wheel (WtW) carbon neutrality.
Resource-Recycling Promotion Subcommittee	This subcommittee promotes waste reduction and recycling in all business activities of the Company, including those pertaining to products and services, to achieve a 100% resource-recycling rate.
Environmental Management Promotion Subcommittee	This subcommittee advances environmental activities in coordination with Group companies, focusing on environmental management measures such as ISO 14001 certification acquisition, environmental risk management, and biodiversity conservation.
Social Promotion Subcommittee	This subcommittee examines various sustainability management issues, such as environmental, social, and governance (ESG) investment evaluation trends, and promotes activities to improve Isuzu's standing in society.

Progress in Efforts to Realize Management from an ESG Perspectives

Isuzu has established the aforementioned material issues in order to continue providing value to society and to lay the cornerstones of value creation through its business activities.

Furthermore, Isuzu has declared its carbon-neutral strategy in Medium-Term Business Plan 2024, in which the Company also outlines its endeavors to contribute to the evolution of logistics as a commercial vehicle manufacturer and evolve management from an ESG perspective for promoting initiatives that are rooted in material issues.

In February 2022, the Sustainability Committee established the Isuzu Group Human Rights Policy. Then in June 2022, the committee formulated the 2030 Environmental Roadmap in order to steadily realize Isuzu Long-Term Environmental Vision 2050.

In addition, VOIS—which is spelled so using the first two letters of “Volvo” and “Isuzu”—was formed together with the Volvo Group as a network to promote diversity and inclusion.

Moving forward, we will continue to make efforts to strengthen and enhance management from an ESG perspective.



Shinichi Takahashi
Sustainability Committee Chairperson
Executive Vice President, and Director

Resolving Isuzu's Material Issues under the Theme of "Providing Value to Society": Approaches and Activities

Material Issue	Approach to resolving issue	Details of activities
Realization of a society in which people and goods can be transported safely, securely, and efficiently	Isuzu creates innovation in the fields of automated driving and connected technologies while leveraging business collaborations with its trusted partners. Additionally, the Company will continue to make efforts to enhance its after-sales service network, in addition to supplying products equipped with state-of-the-art safety features so as to provide products and services that underpin the transportation industry.	<ul style="list-style-type: none"> ● Operation and development of connected technologies <ul style="list-style-type: none"> • Providing after-sales support to maximize vehicle operation (□ P.21) • Expanding value provided through the evolution of operation management and operational support services (□ P.29) ● Development of automated driving technologies (□ P.30) ● Development and application of advanced safety technologies <ul style="list-style-type: none"> • Development of apps geared toward drivers (□ P.31) • Equipping of advanced safety features (□ P.31) ● Development of Isuzu's after-sales service network <ul style="list-style-type: none"> • As of March 31, 2022, the Company has 252 after-sales service locations in Japan and 3,560 overseas. • As of March 31, 2022, UD Trucks Cooperation has 165 after-sales locations in Japan, as well as locations in over 60 countries.
Balance between global environmental sustainability and global economic growth	In addition to reducing the environmental impact of manufacturing processes and promoting recycling-oriented business, we will provide economically friendly products and services that have low environmental impact through the creation of innovation geared toward decarbonization such as the development of products with advanced environmental performance that contribute to efficient transportation.	<ul style="list-style-type: none"> ● Reduction of the environmental impact of manufacturing processes <ul style="list-style-type: none"> • Initiatives for eliminating greenhouse gas emissions from Isuzu's business activities (□ P.28 / <i>Isuzu Sustainability Report 2022</i>, □ P.12) ● Development of products with advanced environmental performance <ul style="list-style-type: none"> • Isuzu's main initiatives geared toward the development of carbon-neutral vehicles (□ P.26 / <i>Isuzu Sustainability Report 2022</i>, □ P.10 and P.11) ● Contributions to efficient transportation <ul style="list-style-type: none"> • Expanding the value Isuzu provides through the evolution of operation management and operational support services (□ P.29) ● Initiatives to Promote Recycling-Oriented Business
Enrichment of livelihoods and stimulation of economies in emerging countries	Isuzu will expand its sales channels and customer base for commercial and light commercial vehicles, thereby contributing to the popularization of commercial vehicles in emerging countries. Moreover, by further strengthening regional ties with our connected business entities, we will provide products and services that contribute to the enrichment of livelihoods and the development of economic infrastructure in a manner suited to the needs of individual emerging countries.	<ul style="list-style-type: none"> ● Expansion of sales channels for commercial vehicles and light commercial vehicles and of customer base by providing products tailored to each country and region of operation <ul style="list-style-type: none"> • Vehicles geared toward emerging countries (□ P.21) • Sales expansion of heavy-duty vehicles under the joint multi-brand system of Isuzu and UD Trucks Corporation ● Creation of local employment <ul style="list-style-type: none"> • Number of employees at overseas consolidated subsidiaries: 15,572 (as of March 31, 2022)
Maintenance of suitable living environments during times of disaster and emergency	Isuzu provides products and services that are reliable not only in normal times but also in times of disaster and emergency, including emergency vehicles and products that are compatible with a variety of energy sources as well as an after-sales service network to assist in the restoration of damaged vehicles.	<ul style="list-style-type: none"> ● MIMAMORI data, which contributes to prompt transportation in times of disaster ● Sales of industrial diesel engines that support living environments ● Diverse lineup of energy sources, including liquefied natural gas, which are highly reliable for transportation even in times of disaster

Resolving Isuzu's Material Issues on the Theme of "Cornerstones Supporting Value Creation": Approaches and Activities

Material Issue	Approach to Resolving Material Issue	Details of Activities
Improvement of technologies and provision of reliable products and services	We will live up to the trust placed in us by our stakeholders by making quality our top priority and by pursuing safety and environmental technologies tailored to the needs of the times. As the activities conducted at each stage of our value chains are important in ensuring the quality of our products and services, we have established a system to ensure quality throughout our value chains	<ul style="list-style-type: none"> ● Improvement of quality awareness in Isuzu's operations <ul style="list-style-type: none"> • Continue to conduct training on quality. In fiscal 2022, 94% of all Isuzu employees (6,946) attended training sessions. ● Improvement of the quality of our products and services <ul style="list-style-type: none"> • Implement initiatives to improve quality at the development, procurement, and production stages • Carry out initiatives to improve services
Respect for and among employees and promotion of diversity	Our employees are the foundation of our business activities. As such, we will respect their human rights and diversity, strive to maximize their abilities, and create an environment in which they can work safely and with peace of mind. In doing so, our employees and the Company will grow together. Furthermore, in order to realize management from an environmental, social, and governance (ESG) perspective, we will promote the reform of our human resource systems and work to strengthen our human resource base.	<ul style="list-style-type: none"> ● Reforming of our human resource systems <ul style="list-style-type: none"> • Organize the necessary functions and assign the right personnel to the right positions to enable management from an ESG perspective while implementing initiatives to strengthen organizational capabilities, such as conducting employee surveys and analyzing results ● Diversity and inclusion <ul style="list-style-type: none"> • Develop specialized human resources and enable them to build careers by promoting a shift to management that further respects diverse individuals • Hire women and non-Japanese nationals and expand opportunities for them to play active roles in the Company ● Employee health and safety <ul style="list-style-type: none"> • Number of occupational accidents resulting in leave of absence (fiscal 2023 target: 0.00; fiscal 2022 result: 0.00) • Promote mental health measures, with support ranging from preventive measures to assistance for returning to work
Coexistence and co-prosperity with local communities and stakeholders	We will conduct open and fair business transactions, engage in two-way communication with the various business partners involved in our supply chains, and build relationships of trust. Furthermore, by respecting national and regional cultures and working to engage and harmonize with local communities and society through our business activities, we will gain an accurate awareness of the needs of local communities and our stakeholders and respond accordingly.	<ul style="list-style-type: none"> ● Strengthening of corporate social responsibility (CSR) procurement <ul style="list-style-type: none"> • Monitor business partners' quality and business continuity planning • Conduct CSR procurement self-assessments (fiscal 2022: 95% response rate of requests to approximately 300 major business partners) • Promote human rights due diligence initiatives in the supply chain ● Promotion of understanding of Isuzu's business activities among local communities and stakeholders <ul style="list-style-type: none"> • Visitors to Isuzu Plaza: 11,348 in fiscal 2022 • Social studies field trips conducted: 5,822 students from 58 schools in fiscal 2022
Appropriate governance	We will develop a corporate governance system that provides a framework for regulating corporate activities, strengthen oversight functions, enhance the rationality and speed of decision-making, and fulfill our responsibilities to all stakeholders.	<ul style="list-style-type: none"> ● Emphasis on supervisory function <ul style="list-style-type: none"> • Strengthen the independence, transparency, and objectivity of the Board of Directors' functions (Board composition: comprising at least one-third outside directors) ● Strengthening of internal and external communication <ul style="list-style-type: none"> • Conduct meetings for outside directors only and disclose important information in a timely and appropriate manner

Improvement of Technologies and Provision of Reliable Products and Services

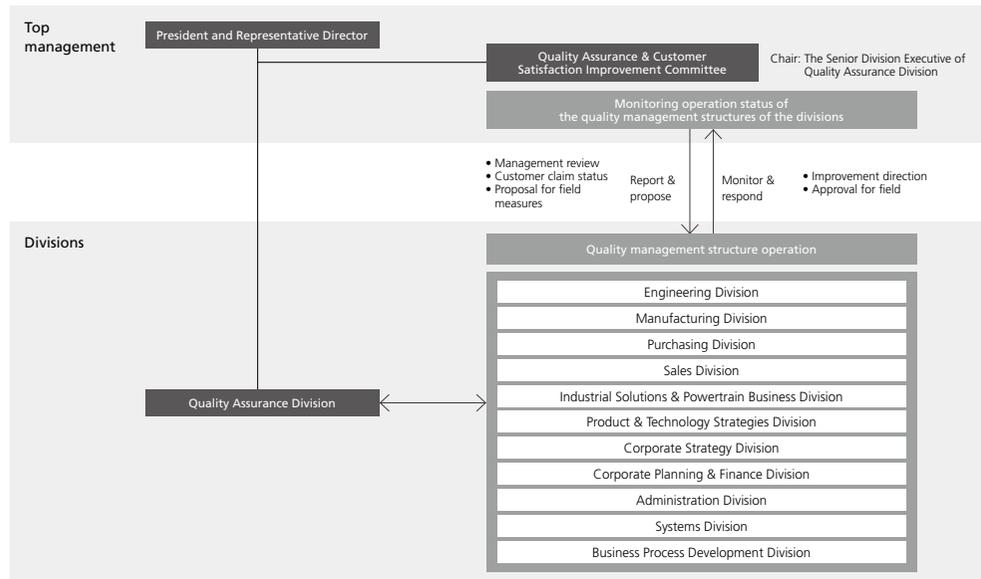
We will live up to the trust placed in us by our stakeholders by making quality our top priority and by pursuing safety and environmental technologies tailored to the needs of the times.

Basic Approach

By making quality its foremost priority, Isuzu aims to create products and services that truly satisfy its customers, contribute to society, and develop as a company with a deep sense of humanity. We believe that activities at the various stages of the value chains are important to ensure the quality of our products and services. To this end, we have established a system to ensure quality at each stage, from development to procurement, production, and bringing to market, so as to be able to ensure quality.

Companywide Quality Assurance System

In order to fulfill its social and quality responsibilities as a manufacturer, Isuzu has established the quality assurance system shown in the schematic below, and the Company is unified in its efforts, led by the Quality Assurance Division, to improve quality. Specifically, the Quality Assurance and Customer Satisfaction Improvement Committee, which is chaired by members of the Quality Assurance Division, holds monthly meetings to share the status of quality assurance efforts from the senior management teams of all divisions, holds discussions on improving customer satisfaction, and monitors the operation of the quality management system in each division. The results are applied to quality assurance activities in each business unit.



Initiatives to Improve Product Quality

Isuzu's mission is to underpin transportation and support people's living environments as well as society's production activities. To achieve this mission, we have implemented various initiatives to improve quality at every stage of the value chain, from product development and production to bringing to market. At the development stage, we strive to improve quality by focusing on the three key issues of safety, economy, and the environment. Achieving high performance in safety technology is particularly important for trucks, which are closely linked to people and society. Further, to help reduce accidents and mitigate damage, we are promoting the development of safety features to suit each vehicle model, such as pre-crash brakes that can detect pedestrians and bicycles and a blind spot monitor that assists the driver by using radar sensors that emit from the cab of the truck in all directions.



Pre-crash brake control that can detect pedestrians and bicycles

At the procurement stage, we are thoroughly implementing quality improvement activities related to purchased products in cooperation with our business partners. We have a total of 675 business partners in Japan and overseas, and we perform regular checks regarding the quality of delivered products and market quality. We calculate a monthly evaluation score based on factors such as the number of defects that occurred and their severity. Business partners whose delivery quality evaluations do not achieve a certain score are asked to make improvements.

At the production stage, we have created the Isuzu *Monozukuri* system incorporating our methods and production expertise based on the manufacturing concept of prioritizing quality. We create products with a uniform high standard of quality based on the concept that all products bearing the Isuzu name should be produced under the same manufacturing approach and quality control at any Company plant around the world. Moreover, all employees involved in production are given regular lecture-based and practical training to acquire the Isuzu *Monozukuri* mindset, methods, and production expertise. In fiscal 2022, a total of 656 employees attended training sessions, with each employee taking an average of 21 hours (two to five days per person).

Improvement of Technologies and Provision of Reliable Products and Services

Initiatives for Improving Service Quality

Not only are commercial vehicles used in harsh environments but they also have long service lives, so it is extremely important that they do not break down. However, should a breakdown occur, it is crucial that they have a well-developed service system that can respond quickly to such events. To this end, Isuzu aims to establish high-level service systems that transcend the boundaries of our operations in Japan and overseas. As of March 31, 2022, we have 252 service centers in Japan and 3,560 sites overseas.



In addition, we are working to improve our maintenance technologies for supporting after-sales services. We hold various contests designed to improve service quality in countries and regions around the world. These include the Isuzu World Service Skills Competition (I-1GP), in which teams of servicing staff and engineers from countries and regions around the world gather and compete on technical skills and knowledge, as well as other contests such as the parts skills competition in Japan.

Isuzu conducts training at its dealerships to improve employees' ability to handle service operations, maintenance engineering skills, and their ability to perform more advanced repairs. Service engineers who carry out repairs are provided with training on basic and specialized knowledge about the structure of vehicles, engines, and other equipment, while service advisors who deal directly with customers are given training in diagnosis and explanation skills.

Initiatives to Improve the Quality of Operations

The Isuzu Group believes that improving the quality of operations carried out by all employees, not just by those in divisions directly involved in product quality, will lead to the realization of quality that meets customers' needs. To this end, we conduct training to develop both quality awareness and knowledge of our employees.

To improve Groupwide quality awareness, we hold the annual Quality Month each November, during which we create opportunities for our employees to reflect on what good work is considered to be from the customer's perspective. Discussions are held within each division to raise awareness of the importance of quality operations. In fiscal 2022, 94% of employees from Isuzu joined the program. In addition, as an educational program for employees to systematically acquire knowledge about quality, we also provide legal and quality control training. In legal training, employees learn about the Road Transport Vehicle Act and the product recall system related to Isuzu product quality. In quality control training, we aim to improve employees' basic problem-solving and practical skills so that they can effectively implement quality improvement in their places of work. In fiscal 2022, we held remote and group training for 404 participants.

 For details on specific initiatives, please refer to the "Quality" section of the Sustainability Report.

Respect for and among Employees and Promotion of Diversity

We will respect employees' human rights and diversity and create rewarding working environments.

Basic Approach

Isuzu respects all of its employees and strives to maximize their abilities while creating an environment in which they can work safely and with peace of mind. In doing so, employees and the Company will grow together.

Summary of Initiatives

In order to promote respect for and among its employees, Isuzu implements various human resource measures related to each of the following issues: human resource development, improvement of employee satisfaction, promotion of diverse workstyles, utilization of diverse human resources, occupational health and safety, and labor-management relations.

Moving forward, Isuzu will promote the reform of its human resource system to allocate the right personnel to the right positions, achieve professional diversity, and realize independence and autonomy in individuals to enable management from an ESG perspective.



Human resource development	Isuzu's training system comprises three components: career development, skills development, and management capability development. Career development, which is aimed at new hires and junior employees, fosters human resources who can develop their own expertise and build their own careers. Skills development focuses on the abilities required for each employee rank and position and supports employees in developing their skills so that they can acquire the knowledge and insight necessary to be active on the global stage. Regarding management capability development, training is conducted to enhance management ability and strengthen interpersonal skills in order to nurture future management personnel.
Improvement of employee satisfaction	An employee satisfaction survey is conducted every two years to monitor changes in the satisfaction levels of Isuzu employees by analyzing fixed-point observations, as well as to expand and improve systems and measures.

Respect for and among Employees and Promotion of Diversity

Diversity and inclusion	Promotion of diverse workstyles	We have established a human resource management system that enables each employee to work with a sense of satisfaction and have introduced different types of employment to promote flexible workstyles as an organization.
	Utilization of diverse human resources	<p>Isuzu strives to employ a diverse workforce that includes people with disabilities and non-Japanese people as well as to create an environment that facilitates reduced working hours, childcare and nursing leave, and other measures. In terms of supporting the success of female employees, we aim to increase the number of female managers (senior level) to at least twice the fiscal 2015 level by the end of March 2024.</p> <p>In addition, Isuzu has been awarded three stars under the Ministry of Health, Labour and Welfare's "Eruboshi" certification for recognizing companies that have achieved excellent results in promoting women in their workplaces based on the Act on Promotion of Women's Participation and Advancement in the Workplace.</p> 
Employee health and safety	Occupational health and safety	As set forth in its Health and Safety Philosophy, Isuzu promotes business activities based on employee health and safety. Further, we prevent occupational accidents by ensuring thorough safety checks and conducting periodic drills for fire and disaster prevention.
	Promotion of mental health measures	Self-care support includes stress checks and follow-up interviews, self-care training, and consultations with new employees conducted by public health nurses. For line care, an initiative in which supervisors and managers regularly monitor subordinates' mental well-being, a workplace consultation service has been established, and line care training and counseling is provided to supervisors who are in a position to utilize the results of stress checks. The care provided by occupational health personnel includes responding daily to consultations from the workplace. Occupational health personnel also refer employees to outside organizations, coordinate employment with workplaces, and provide ongoing follow-up interviews as necessary. We also utilize the Employee Assistance Program* as an external resource to provide counseling and training.

* Assistance by outside experts

For details on specific initiatives, please refer to the "Respect for and among Employees" section of the Sustainability Report.

Human Rights Initiatives

Establishment of Human Rights Policy

On February 25, 2022, we established the Isuzu Group Human Rights Policy.

This policy conforms to the United Nations Guiding Principles on Business and Human Rights and reiterates Isuzu's commitment to its corporate social responsibility to contribute to the realization of a sustainable society by promoting business activities that respect human rights. Isuzu established the policy amid expectations from the international community to foster a corporate culture of respect for human rights and to implement initiatives that consider human rights across all aspects of its corporate activities. In accordance with this policy, Isuzu will comply with international codes, laws and regulations, and Group codes. Moreover, the Company will develop a Groupwide human rights promotion system, engage in human rights due diligence, and provide appropriate training to officers and employees. In addition, based on the importance of respecting human rights in corporate activities, we will engage in dialogue with our stakeholders and strive to promote understanding among our business partners.

The Isuzu Group Human Rights Policy can be found at: https://www.isuzu.co.jp/world/company/sustainability/human_rights.html

Human Rights Training

In order to promote awareness of the importance of respecting human rights, our employees receive human rights training—which utilizes the Compliance Guidebook—when they join the Company. Furthermore, in conjunction with the formulation of the Human Rights Policy, we conduct human rights training on the theme of "business and human rights" with the aim of deepening employees' understanding of respect for human rights in corporate activities. In addition, we conduct educational activities to raise awareness of human rights by sharing case studies that correspond to the topic being discussed. Going forward, we will continue to conduct human rights training for our employees.

Diversity and Inclusion Initiatives

VOIS (a Partnership between Volvo and Isuzu)

Isuzu, the Volvo Group, and UD Trucks Corporation have collaborated to form a project called "VOIS"—which is spelled so using the first two letters of "Volvo" and "Isuzu"—a social network aimed at promoting diversity and inclusion (D&I). By providing leadership, coaching, and opportunities to share best practices of the three companies, this initiative will raise awareness of D&I, leading to positive change in our employees' career development. In May 2022, we held an event featuring a video projection of a conversation between the president and representative director of Isuzu, Masanori Katayama, and the CEO of the Volvo Group, Martin Lundstedt. The conversation was followed by a panel discussion among employees. A total of 2,766 employees and officers from Group companies in Japan and overseas joined the event, including those who participated online. Moving forward, we will continue to promote D&I through various activities.



Coexistence and Co-Prosperity with Local Communities and Stakeholders

Through appropriate communication, we will gain an accurate understanding of the needs of local communities and stakeholders and respond thereto accordingly.

▶ Contribution to Local Communities and Society

Basic Approach

Isuzu respects national and regional cultures and works to engage and harmonize with local communities and society through its business activities while proactively contributing to the realization of a sustainable society. In terms of specific initiatives, we are conducting activities to contribute to local communities based on the three themes of resolving issues of poverty, providing support for education, and harmonizing with local communities.

On the theme of resolving issues of poverty, we are actively promoting social contribution activities in which our employees participate. With regard to providing support for education, Isuzu strives to provide a variety of educational opportunities from the perspective of *monozukuri* (manufacturing), in which Isuzu excels. These opportunities include social studies field trips and support for auto mechanics training schools. In terms of harmonizing with local communities, Isuzu conducts activities through Isuzu Plaza to gain the trust of local residents in the areas surrounding Isuzu's business sites as a member of the community and to contribute to the development of local communities.

Educational Support and Initiatives for Achieving Harmony with Local Communities

In April 2017, as part of Isuzu's 80th anniversary commemorative project, Isuzu Plaza was opened on a site adjacent to its Fujisawa Plant. Isuzu Plaza aims to be a facility where visitors can become more familiar with Isuzu through exhibits of Isuzu's history and vehicles.

At Isuzu Plaza, Isuzu's social contribution activities are more actively introduced through exhibits and events. In addition to helping stakeholders understand Isuzu's social contributions, Isuzu Group employees engaged in such activities will be motivated to further promote contributions to society. Additionally, the Company conducts annual social studies field trips for fifth-grade elementary school students to learn about the automobile industry through a package tour that includes a visit to the adjacent Fujisawa Plant.



Students participating in a virtual social studies field trip

For details on specific initiatives, please refer to the "Contribution to Local Communities and Society" section of the Sustainability Report.

▶ Supply Chain Management

Basic Approach

Isuzu shares with its business partners its corporate vision, "Isuzu will always mean the best: a leader in transportation, commercial vehicles, and diesel engines, supporting its customers and respecting the environment," and engages in procurement activities in collaboration with them. Moreover, we place great importance on conducting

open and fair trade, engaging in two-way communication with the various parties involved in our supply chains, and building relationships of trust.

We also formulated the Basic Purchasing Vision and Basic Purchasing Policy and thoroughly educate our employees on said vision and policy.

In addition, for our business partners we formulated the Supplier CSR Guidelines, which set out our CSR-related requests to business partners, and the Isuzu Green Procurement Guidelines, which summarize our environmental action guidelines and requests for each industry, with the aim of ensuring an understanding of Isuzu's approach and initiatives among our business partners. For further details on these policies and guidelines, please refer to the Sustainability Report.

Monitoring of Business Partners' Initiatives

Isuzu is making efforts to address quality, the environment, business continuity planning, and human rights throughout the entire supply chain.

In addressing quality, we calculate and monitor evaluation scores on a monthly basis for the quality of delivered products and market quality of our business partners and suppliers. For business partners whose evaluations do not achieve a certain score, efforts are made to improve delivery quality through such initiatives as holding monthly quality meetings.

With regard to the environment, we ask our business partners to report on their activities for environmental management system promotion using a self-assessment report on environmental management. Additionally, we held seminars and workshops on the urgent issue of carbon neutrality and conducted activities to raise environmental management levels throughout the entire supply chain.

Regarding business continuity planning, we periodically conduct a crisis management survey for our business partners. We also conducted educational activities on the importance of having a large inventory of finished products and components and of preparing for natural disasters.

In the area of our business partners' sustainability initiatives, including human rights, we ask them to respond to the CSR/Sustainable Procurement Self-Assessment Questionnaire issued by the United Nations Global Compact Network Japan. Furthermore, we invited outside experts to hold a seminar on business and human rights in order to promote human rights due diligence in business partners' supply chains. In fiscal 2023, we will strive to raise the level of our efforts in this regard and further promote understanding of human rights-related matters.

Business Partner Consultation Service

A business partner consultation service has been established within the Legal Department's Compliance Promotion Group's Office as an impartial consultation service for our business partners.

For details on specific initiatives please refer to the "Supply Chain Management" section of the Sustainability Report.

Corporate Governance

Isuzu will enhance its supervisory function, increase the rationality and speed of decision-making, and fulfill its duty of accountability to all stakeholders.

Basic Approach

In order for Isuzu to continuously increase revenues and enhance corporate value through its corporate activities, the Company believes that it is essential to establish a corporate governance system that provides a framework for regulating such activities.

Furthermore, we believe that the fundamental purpose of corporate governance is to respect the perspectives of, and build constructive relationships with, all of our stakeholders. To that end, we endeavor to ensure fairness and transparency in our corporate affairs through timely and appropriate disclosure of important information. In particular, we believe that a key element of corporate governance is to develop an internal structure and environment that protects the rights and interests of all stakeholders and ensures equality among stakeholders.

Corporate Governance Structure

With the objective of achieving greater rationality and speed of business-related decision-making amid rapid changes in the business environment, more robust deliberations at Board of Directors' meetings, and a strengthened supervisory function, Isuzu adopted the Company with Audit and Supervisory Committee organizational system at the Annual General Meeting of Shareholders held on June 25, 2021, enabling the Board of Directors to delegate a significant portion of important business execution decisions to executive officers.

The new corporate governance structure has an Audit & Supervisory Committee comprising five directors, three of whom are outside directors. By giving directors on the Audit & Supervisory Committee voting rights at Board of Directors' meetings, the Company aims to further increase the soundness and transparency of management. Furthermore, as a voluntary body related to governance, a Nomination and Remuneration Committee, with a majority of members being outside directors, has been established to strengthen independence, transparency, and objectivity in the functioning of the Board of Directors in such matters as the nomination of officer candidates, the appointment of management executives, and the determination of officer remuneration.

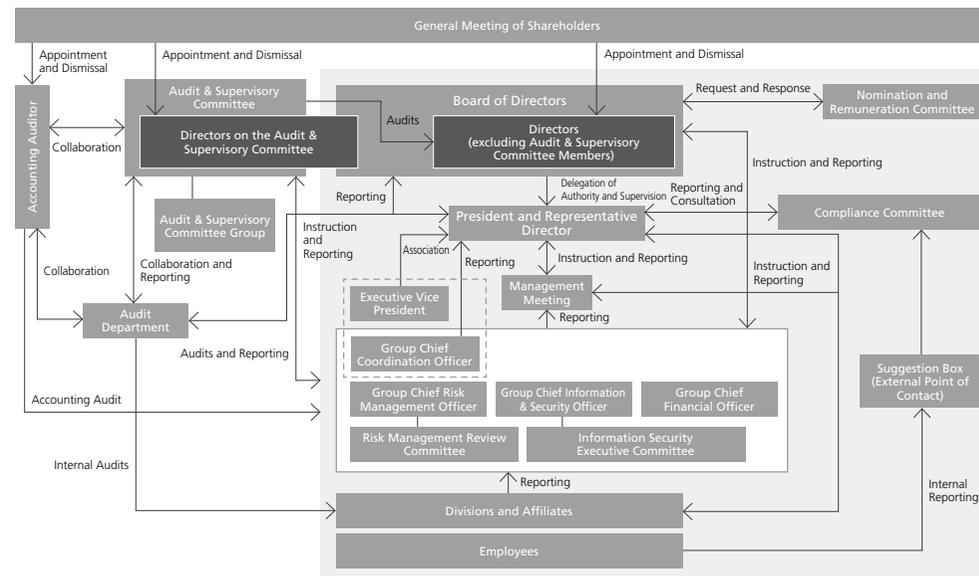
Board of Directors

The Board of Directors carries out important business-related decision-making and supervision in order to respond to the mandate from, and trust of, shareholders, and to continuously enhance corporate value. In principle, the Board of Directors holds regular monthly meetings, as well as conducting extraordinary Board of Directors' meetings as necessary, to deliberate and make decisions regarding necessary matters.

At present, the Board of Directors consists of 13 directors. Its chair is President and Representative Director Masanori Katayama, and five of the 13 directors (Mitsuyoshi Shibata, Kozue Nakayama, Tetsuhiko Shindo, Kanji Kawamura, and Kimie Sakuragi) are highly independent outside directors.

In fiscal 2022, the Board of Directors met 15 times and active discussions were held on the Isuzu Group's medium- to long-term business strategies and other matters.

Corporate Governance Structure



Audit & Supervisory Committee

In accordance with its established auditing plan, the Audit & Supervisory Committee audits and supervises decision-making by the Board of Directors and execution of business by directors.

The current Audit & Supervisory Committee is composed of five directors. The Company has appointed three members—Tetsuhiko Shindo, Masayuki Fujimori and Kenji Miyazaki—as full-time Audit & Supervisory Committee members in order to strengthen the audit and supervisory functions of the committee members and to enable them to share information by collecting information on a daily basis and attending important internal meetings, as well as to sufficiently cooperate with the accounting auditor and the Internal Audit Division. The chair is Outside Director Tetsuhiko Shindo, who is a full-time Audit & Supervisory Committee member, and three of the five members (Tetsuhiko Shindo, Kanji Kawamura, and Kimie Sakuragi) are highly independent outside directors. All five members have been appointed Audit & Supervisory Committee members.

Further, to support the Audit & Supervisory Committee, a three-person Audit & Supervisory Committee Group reporting directly to the Audit & Supervisory Committee has been established as an organization dedicated to assisting the Audit & Supervisory Committee's execution of duties. Further, the Audit & Supervisory Committee Support Staff Regulations have been established to ensure the independence of the committee group and the effectiveness of instructions to its staff.

In fiscal 2022, the Company held five Audit & Supervisory Board meetings by June 25, 2021, when the Company transitioned to the Company with Audit and Supervisory Committee organizational system, and 11 meetings were held thereafter.

Corporate Governance

Nomination and Remuneration Committee

The Nomination and Remuneration Committee serves as a voluntary body related to corporate governance, with the aim of strengthening the independence, transparency, and objectivity of the Board of Directors' functions related to such matters as the nomination of officer candidates, appointment of senior management, and determination of officer remuneration.

The present Nomination and Remuneration Committee comprises four members: its chair, President and Representative Director Masanori Katayama, and three outside directors (Mitsuyoshi Shibata, Kozue Nakayama, and Tetsuhiko Shindo). The committee deliberates and responds to inquiries received from the Board of Directors. In fiscal 2022, the committee met eight times to discuss the succession plan for the president and representative director and matters related to their development.

Implementing Changes to Strengthen Corporate Governance

Isuzu has been making efforts to reform its corporate governance against the backdrop of the recent trend of strengthening corporate governance in Japan. Moreover, starting in June 2021, we adopted the Company with Audit and Supervisory Committee organizational system and have implemented other initiatives to further strengthen our corporate governance and enhance our corporate value.

Corporate Governance Initiatives

	115th Term Fiscal 2017	116th Term Fiscal 2018	117th Term Fiscal 2019	118th Term Fiscal 2020	119th Term Fiscal 2021	120th Term Fiscal 2022	121st Term Fiscal 2023
Independent outside directors (of whom are female directors)	2 (0)	2 (0)	2 (0)	2 (0)	2 (1)	5 (2)	5 (2)
Officer remuneration	Introduction of performance-linked share-based remuneration plan		Setting of annual upper limit for directors' bonuses				
Advisory committees				Establishment of Nomination and Remuneration Committee			
Separation of execution and supervisory functions			Revision of decision-making rules	Transition to the Company with Audit and Supervisory Committee organizational system		Establishment of position of chief coordination officer	
Improvement of the Board of Directors' functions				Commencement of Board of Directors' effectiveness evaluations	Ratio of independent outside directors of at least one-third	Setting of agenda for management strategy	Creation of skills matrix
					Commencement of institutional shareholder engagement		

Attendance of Directors and Audit & Supervisory Committee Members (Attendance Rate) (April 1, 2021 to March 31, 2022)

Current Position	Name	Meetings Attended
President and Representative Director	Masanori Katayama	Board of Directors' Meetings: 15/15 (100%)
Executive Vice President and Director	Shinichi Takahashi	Board of Directors' Meetings: 15/15 (100%)
Director of the Board	Shinsuke Minami	Board of Directors' Meetings: 15/15 (100%)
Director of the Board	Kouichi Seto	Board of Directors' Meetings: 15/15 (100%)
Director of the Board	Tetsuya Ikemoto	Board of Directors' Meetings: 15/15 (100%)
Director of the Board	Shun Fujimori*1	Board of Directors' Meetings: 11/11 (100%)
Director of the Board	Mitsuyoshi Shibata	Board of Directors' Meetings: 15/15 (100%)
Director of the Board	Kozue Nakayama	Board of Directors' Meetings: 15/15 (100%)
Director of the Board	Masatoshi Ito*2	Board of Directors' Meetings: 4/4 (100%)
Director of the Board	Tetsuya Aiba*2	Board of Directors' Meetings: 4/4 (100%)
Director of the Board	Kazuya Igeta*2	Board of Directors' Meetings: 4/4 (100%)
Director of the Board	Shigeji Sugimoto*2	Board of Directors' Meetings: 4/4 (100%)
Full-Time Audit & Supervisory Board Member	Tetsuhiko Shindo	Board of Directors' Meetings: 15/15 (100%)
Full-Time Audit & Supervisory Committee Member		Audit & Supervisory Board Meetings: 5/5 (100%) Audit & Supervisory Committee Meetings 11/11 (100%)
Full-Time Audit & Supervisory Board Member	Masayuki Fujimori	Board of Directors' Meetings: 15/15 (100%)
Full-Time Audit & Supervisory Committee Member		Audit & Supervisory Board Meetings: 5/5 (100%) Audit & Supervisory Committee Meetings 11/11 (100%)
Full-Time Audit & Supervisory Board Member	Kenji Miyazaki	Board of Directors' Meetings: 15/15 (100%)
Full-Time Audit & Supervisory Committee Member		Audit & Supervisory Board Meetings: 5/5 (100%) Audit & Supervisory Committee Meetings 11/11 (100%)
Audit & Supervisory Board Member	Kanji Kawamura	Board of Directors' Meetings: 15/15 (100%)
Audit & Supervisory Committee Member		Audit & Supervisory Board Meetings: 5/5 (100%) Audit & Supervisory Committee Meetings 11/11 (100%)
Audit & Supervisory Committee Member	Kimie Sakuragi*1	Board of Directors' Meetings: 11/11 (100%) Audit & Supervisory Committee Meetings 11/11 (100%)
Audit & Supervisory Board Member	Takashi Mikumo*2	Board of Directors' Meetings: 4/4 (100%) Audit & Supervisory Board Meetings: 5/5 (100%)

Note: On June 25, 2021, the Company transitioned from being a Company with Audit and Supervisory Board to a Company with Audit and Supervisory Committee. In accordance with this change, Audit & Supervisory Board members were appointed as directors and elected as Audit & Supervisory Committee members.

*1 Since appointment on June 25, 2021

*2 Until retirement on June 25, 2021

Corporate Governance

Board Members (as of June 28, 2022)

N Nomination and Remuneration Committee member **A** Audit & Supervisory Committee member **I** Independent officer

Masanori Katayama
President and Representative Director



N

- Apr. 1978** Joined Isuzu Motors Limited
- Jun. 2007** Director of the Board, Isuzu Motors Limited
- Apr. 2014** Executive Vice President and Director, Isuzu Motors Limited
- Apr. 2015** Executive Vice President and Director, Supervisory Management Officer, Senior Division Executive of Operations Headquarters, Isuzu Motors Limited
- Jun. 2015** President and Representative Director, Isuzu Motors Limited (to present)

Shinichi Takahashi
Executive Vice President and Director



Senior Division Executive of Operations Headquarters, and Senior Division Executive of Quality Assurance Division and Product & Technology Strategies Division

- Apr. 1980** Joined Isuzu Motors Limited
- Jun. 2017** Director of the Board and Division Executive of Engineering Division, Operations Headquarters, Isuzu Motors Limited
- Apr. 2020** Director of the Board, Senior Division Executive of Quality Assurance Division, and Division Executive of Engineering Division, Operations Headquarters, Isuzu Motors Limited
- Apr. 2021** Executive Vice President and Director, Senior Division Executive of Operations Headquarters, and Senior Division Executive of Quality Assurance Division and Product & Technology Strategies Division, Isuzu Motors Limited (to present)

Shinsuke Minami
Director of the Board and Managing Executive Officer



Group Chief Coordination Officer, Division Executive of Corporate Strategy Division and Corporate Planning & Finance Division, and Commercial Vehicles Business Collaboration Promotion Manager

- Apr. 1983** Joined Isuzu Motors Limited
- Apr. 2017** Senior Executive Officer and Division Executive of Sales Division, Sales Headquarters, Isuzu Motors Limited
- Jun. 2018** Director of the Board and Division Executive of Sales Division, Sales Headquarters, Isuzu Motors Limited
- Apr. 2019** Director of the Board, Senior Division Executive of Quality Assurance Division, and Division Executive of Corporate Planning & Finance Division, Isuzu Motors Limited
- Apr. 2020** Director of the Board and Division Executive of Corporate Strategy Division and Corporate Planning & Finance Division, Isuzu Motors Limited
- Apr. 2022** Director of the Board, Group Chief Coordination Officer, Division Executive of Corporate Strategy Division and Corporate Planning & Finance Division, and Commercial Vehicles Business Collaboration Promotion Manager (to present)

Tetsuya Ikemoto
Director of the Board and Managing Executive Officer



Division Executive of Sales Division, Sales Headquarters

- Apr. 1983** Joined Isuzu Motors Limited
- Apr. 2017** Senior Executive Officer, Isuzu Motors Limited, and Executive Vice President and Director, Isuzu Motors Sales Ltd.
- Apr. 2018** Senior Executive Officer, Isuzu Motors Limited, and President and Representative Director, Isuzu Motors Sales Ltd.
- Jun. 2019** Director of the Board, Isuzu Motors Limited, and President and Representative Director, Isuzu Motors Sales Ltd.
- Apr. 2021** Director of the Board and Division Executive of Sales Division, Sales Headquarters, Isuzu Motors Limited, and Chairman and Representative Director, Isuzu Motors Sales Ltd.
- Oct. 2021** Director of the Board and Division Executive of Sales Division, Sales Headquarters (to present)

Shun Fujimori
Director of the Board and Senior Executive Officer



Division Executive of Product & Technology Strategies Division and Deputy Division Executive of Engineering Division, Operations Headquarters

- Apr. 1984** Joined Isuzu Motors Limited
- Oct. 2018** Executive Officer, Associate Division Executive of Corporate Planning & Finance Division, and General Manager of Program Management Dept., Isuzu Motors Limited
- Apr. 2019** Executive Officer and Associate Division Executive of Corporate Planning & Finance Division, Isuzu Motors Limited
- Apr. 2020** Senior Executive Officer, Division Executive of Product Strategy Division, and Deputy Division Executive of Engineering Division, Operations Headquarters, Isuzu Motors Limited
- Apr. 2021** Senior Executive Officer, Division Executive of Product & Technology Strategies Division, and Deputy Division Executive of Engineering Division, Operations Headquarters, Isuzu Motors Limited
- Jun. 2021** Director of the Board, Division Executive of Product & Technology Strategies Division, and Deputy Division Executive of Engineering Division, Operations Headquarters, Isuzu Motors Limited (to present)

Naohiro Yamaguchi
Director of the Board and Senior Executive Officer



Deputy Division Executive of Sales Division, Sales Headquarters; Executive of Sales Planning Dept., Trade Control Dept., Overseas Product Policy Dept., Rear Body & Special Equipment Planning Dept., and Sales Management Dept.; General Manager of Engineering Division, Operations Headquarters, Light Commercial Vehicle Management Chief Executive, Light Commercial Vehicle Business Management

- Apr. 1986** Joined Isuzu Motors Limited
- May 2015** President of Isuzu Motors India Private Limited
- Apr. 2019** Executive Officer and Associate Division Executive of Sales Planning Dept. and Sales Division No. 2, Sales Headquarters, Isuzu Motors Limited
- Apr. 2021** Senior Executive Officer, General Manager of Light Commercial Vehicle Business, and Executive of Light Commercial Vehicle Operations Dept. and Sales Division, Sales Headquarters, Isuzu Motors Limited
- Apr. 2022** Senior Executive Officer; Executive of Sales Planning Dept., Trade Control Dept., Overseas Product Policy Dept., Rear Body & Special Equipment Planning Dept., and Sales Management Dept.; General Manager of Engineering Division, Operations Headquarters; and Chief Executive of Light Commercial Vehicle Business Management
- Jun. 2022** Director of the Board; Executive of Sales Planning Dept., Trade Control Dept., Overseas Product Policy Dept., Rear Body & Special Equipment Planning Dept., and Sales Management Dept.; General Manager of Engineering Division, Operations Headquarters; and Chief Executive of Light Commercial Vehicle Business Management

Mitsuyoshi Shibata
Outside Director of the Board



N I

- Apr. 1977** Joined Furukawa Electric Co., Ltd.
- Jun. 2008** Corporate Vice President and General Manager of Corporate Planning Department, Furukawa Electric Co., Ltd.
- Jun. 2009** Corporate Senior Vice President and President of Metals Company, Furukawa Electric Co., Ltd.
- Jun. 2010** Director and Corporate Senior Vice President and President of Metals Company, Furukawa Electric Co., Ltd.
- Apr. 2012** President and Representative Director, Furukawa Electric Co., Ltd.
- Apr. 2017** Chairman of the Board, Furukawa Electric Co., Ltd. (to present)
- Jun. 2018** Outside Director, Tobu Railway Co., Ltd., and Outside Director of the Board, Isuzu Motors Limited (to present)
- Jul. 2018** Outside Statutory Auditor, Asahi Mutual Life Insurance Company (to present)

Kozue Nakayama
Outside Director of the Board



N I

- Apr. 1982** Joined Nissan Motor Co., Ltd.
- Apr. 2005** General Manager, Corporate Planning Division, Nissan Motor Co., Ltd.
- Apr. 2008** General Manager, Brand Management Office, Nissan Motor Co., Ltd.
- Sep. 2010** Vice General Manager, Brand Coordination Division, Nissan Motor Co., Ltd.
- Apr. 2011** Director General for Urban Management Bureau, City of Yokohama
- May 2011** Executive Director of City Brand Promotion Office, Culture and Tourism Bureau, City of Yokohama
- Apr. 2012** Director General of Culture and Tourism Bureau, City of Yokohama
- Jun. 2012** Outside Director, Pacific Convention Plaza Yokohama (abbreviated name: PACIFICO Yokohama)
- Apr. 2018** Director, Pacific Convention Plaza Yokohama (PACIFICO Yokohama)
- Jun. 2018** President & CEO, Pacific Convention Plaza Yokohama (PACIFICO Yokohama) (resigned in June 2020)
- Jun. 2019** Outside Auditor, Imperial Hotel, Ltd. (to present)
- Jun. 2020** Outside Director, TDK Corporation, and Outside Director of the Board, Isuzu Motors Limited (to present)
- Jun. 2022** Outside Director, The Nanto Bank, Ltd. (to present)

Corporate Governance

Board Members (as of June 28, 2022)

N Nomination and Remuneration Committee member **A** Audit & Supervisory Committee member **I** Independent officer

Tetsuhiko Shindo
Outside Director of the Board and Full-Time Audit & Supervisory Committee Member



N A I

- Apr. 1977 Joined Japan Development Bank (Predecessor of Development Bank of Japan Inc.)
- Oct. 2008 Corporate Auditor (Full-Time), Development Bank of Japan Inc.
- Jun. 2011 Director and Managing Executive Officer, Development Bank of Japan Inc. (resigned in June 2013)
- Jun. 2013 Full-Time Audit & Supervisory Board Member, Isuzu Motors Limited
- Jun. 2021 Outside Director of the Board and Full-Time Audit & Supervisory Committee Member, Isuzu Motors Limited (to present)

Masayuki Fujimori
Director of the Board and Full-Time Audit & Supervisory Committee Member



A

- Apr. 1980 Joined Isuzu Motors Limited
- Apr. 2014 Senior Executive Officer, Isuzu Motors Limited, and President and Representative Director, Isuzu Motors Co., (Thailand) Ltd.
- Apr. 2015 Senior Advisor, in charge of Tax and Finance, Corporate Planning & Finance Division, Isuzu Motors Limited
- Jun. 2015 Senior Advisor, in charge of Tax and Finance, Corporate Planning & Finance Division, Isuzu Motors Limited, and Part-Time Director, IJT Technology Holdings Co., Ltd. (currently IJT Co., Ltd.) (resigned in June 2018)
- Apr. 2017 Senior Advisor, in charge of IR and Financial Strategy, Isuzu Motors Limited
- Jun. 2018 Full-Time Audit & Supervisory Board Member, Isuzu Motors Limited
- Jun. 2021 Director of the Board and Full-Time Audit & Supervisory Committee Member, Isuzu Motors Limited (to present)

Kenji Miyazaki
Director of the Board and Full-Time Audit & Supervisory Committee Member



A

- Apr. 1981 Joined Isuzu Motors Limited
- Apr. 2013 Executive Officer and Associate Division Executive of Corporate Planning & Finance Division, Isuzu Motors Limited
- Apr. 2015 President and Representative Director, Isuzu Motors Asia (Thailand) Ltd., and Senior Vice President and Director, Isuzu Motors Co., (Thailand) Ltd.
- Jun. 2018 Managing Director, Nippon Fruehauf Co., Ltd.
- Jun. 2020 Full-Time Audit & Supervisory Board Member, Isuzu Motors Limited
- Jun. 2021 Director of the Board and Full-Time Audit & Supervisory Committee Member, Isuzu Motors Limited (to present)

Kanji Kawamura
Outside Director of the Board and Audit & Supervisory Committee Member



A I

- Apr. 1971 Joined Itochu Corporation
- Apr. 1998 Professor, Faculty of Law, Meijigakuin University
- Jun. 2011 Outside Audit & Supervisory Board Member, Jamco Corporation (resigned in June 2019)
- Apr. 2013 Legal Advisor to the President, Meijigakuin University (resigned in March 2017)
- Jun. 2017 Outside Auditor, Isuzu Motors Limited
- Jun. 2021 Outside Director of the Board and Audit & Supervisory Committee Member, Isuzu Motors Limited (to present)

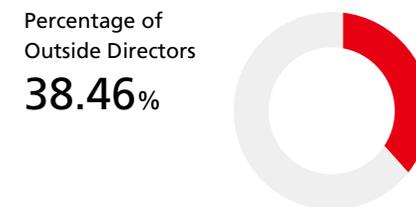
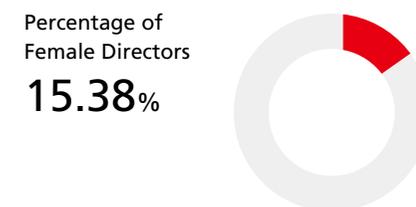
Kimie Sakuragi
Outside Director of the Board and Audit & Supervisory Committee Member



A I

- Mar. 1981 Joined Fukutake Publishing Co., Ltd. (predecessor of Benesse Holdings, Inc.)
- Apr. 1995 General Manager of Book Businesses in Publishing Division, Benesse Holdings, Inc.
- Nov. 1998 General Manager of Business Ethics and Compliance Division, Benesse Holdings, Inc.
- Jun. 2003 Full-Time Audit & Supervisory Board Member, Benesse Holdings, Inc. (resigned in June 2019)
- Apr. 2007 Adjunct Professor (part-time) of the University of Aizu Graduate School (present)
- Jun. 2019 Outside Director, Toyobo Co., Ltd. (to present)
- Jun. 2021 Outside Director of the Board and Audit & Supervisory Committee Member, Isuzu Motors Limited (to present)

Composition of Officers (as of June 28, 2022)



▶ Directors

 Men  Women



▶ Audit & Supervisory Committee Members

 Men  Women



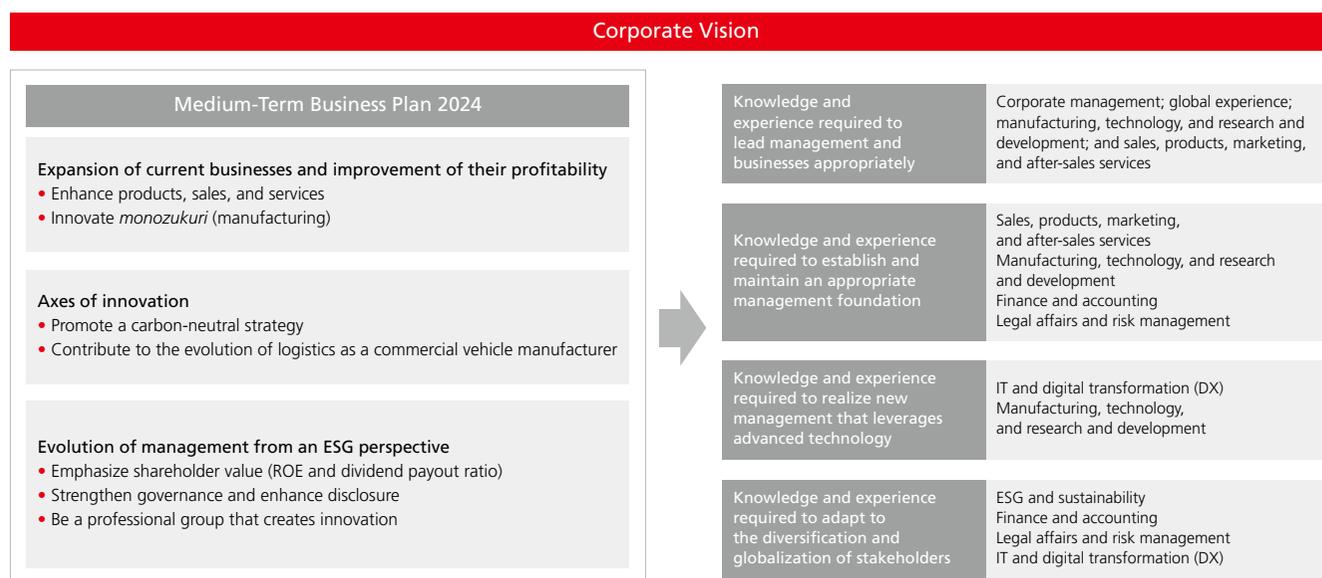
Corporate Governance

The Isuzu Board of Directors' Skills Matrix

Name	Independent outside director	Corporate management	Finance and accounting	Global experience	Legal affairs and risk management	Environmental, social, and governance (ESG) and sustainability	Sales, products, marketing, and after-sales services	Manufacturing, technology, and research and development	IT and digital transformation (DX)
Masanori Katayama		●	●	●		●		●	
Shinichi Takahashi				●		●	●	●	
Shinsuke Minami		●	●	●			●		
Tetsuya Ikemoto		●	●				●		
Shun Fujimori							●	●	●
Naohiro Yamaguchi		●		●			●		
Mitsuyoshi Shibata	●	●		●		●		●	●
Kozue Nakayama	●	●		●		●	●		
Tetsuhiko Shindo	●		●		●	●			
Masayuki Fujimori		●	●	●			●		
Kenji Miyazaki		●	●	●			●		
Kanji Kawamura	●			●	●				
Kimie Sakuragi	●				●	●	●		

Reason for Selection of Skills Categories

Our skills matrix comprises the knowledge and experience our directors should possess in order to realize our corporate vision, "Isuzu will always mean the best: a leader in commercial vehicles, and diesel engines, supporting its customers and respecting the environment," and to resolve each of the issues set forth in Medium-Term Business Plan 2024. The relevance of each skills category to each issue is shown in the chart to the right.



Corporate Governance

Officer Remuneration

Basic Policy

The Company's basic policy regarding remuneration for directors and executive officers is as follows.

1. Remuneration not only contributes to the Company's sustainable growth and enhancement of corporate value but also promotes the sharing of value with shareholders.
2. Remuneration is at a level that is appropriate and necessary for securing and maintaining talented human resources, taking into consideration the economic environment, market trends, and remuneration levels of other companies.
3. Remuneration amounts reflect the performance of the Company and the relevant individuals and are commensurate with their responsibilities and position.
4. The remuneration determination process is highly objective, impartial, and transparent.
5. The officer remuneration system and the level of remuneration are subject to review on a regular basis in conjunction with the renewal of medium-term business plans, in light of such factors as the economic environment, remuneration levels and systems at other companies, and the status of operation of the system at Isuzu.

Details of Remuneration	Basic Remuneration	Determined according to the predetermined base remuneration amount for each position and individual performance evaluation
	Bonuses	<ul style="list-style-type: none"> • Linked to the degree of achievement of performance targets for a single fiscal year • A performance-linked coefficient in the range of 0% to 200% will be determined that represents the degree of achievement of consolidated operating income compared with the target in a single fiscal year, and bonuses will be determined by multiplying this coefficient by basic remuneration, which is the standard amount for the relevant position, and by the percentage of base pay (40%; 50% for the president and representative director).
	Performance-Linked Remuneration Share-Based Remuneration	<ul style="list-style-type: none"> • Linked to the degree of attainment of targets during the period of the medium-term business plan • A weighted average will be taken of the degree of attainment of targets for consolidated net sales, consolidated operating income, and consolidated return on equity (ROE), using a ratio of 35%:35%:30%, and this figure will be multiplied by a coefficient for the growth of shareholder value*1 to calculate a performance-linked remuneration coefficient in the range of 0% to 225.6%; this coefficient, the standard amount for the relevant position, which is the basis for basic remuneration, and the percentage of base pay (30%; 50% for the president and representative director), as well as the reference share price,*2 will be used to determine the points to be granted. <p>*1 Evaluated based on a comparison between total shareholder return (TSR) for the relevant period and the TOPIX (total return) growth rate</p> <p>*2 Average value (rounded down to the nearest whole number) of the closing price of ordinary trades of Company shares on the Tokyo Stock Exchange on each day (excluding days on which no trades were made) of the month preceding the month in which the first day of the relevant period falls</p>
Policy for Determining Remuneration Ratio	Basic remuneration: bonuses: share-based remuneration = 1.00:0.40:0.30 (1.00:0.50:0.50 for president and representative director) (when performance target 100% achieved)	
Policy Regarding Payment Timing	Basic Remuneration	Monthly remuneration (paid monthly as 1/12 of annual basic remuneration)
	Bonuses	Paid in July after determination of the degree of performance target attainment for a single fiscal year (individual/Company)
	Share-Based Remuneration	Paid in July after the degree of attainment of performance targets set forth in the medium-term business plan and TOPIX-compared TSR coefficient are determined
Method to Determine Reappointment	Basic Remuneration	By a Board of Directors' resolution, evaluation of individual officer performance delegated to the president and representative director
	Bonuses and Share-Based Remuneration	There is no scope of discretion, as the amount is automatically calculated based on the degree of attainment of targets, standard amounts and coefficients, and the amount depends solely on the Company's performance.

Remuneration for Directors (excluding Directors on the Audit & Supervisory Committee and Outside Directors)

Remuneration for directors (excluding directors on the Audit & Supervisory Committee and outside directors) is composed of basic remuneration, bonuses linked to the degree of target attainment for consolidated performance in a single fiscal year, and remuneration based on the performance-linked, share-based remuneration plan, which is linked to the degree of attainment of business indicators established with the goal of sustainable enhancement of corporate value during the period of the medium-term business plan.

Further, regarding the evaluation of the individual performances of each officer and the methods for determining bonuses and remuneration under the performance-linked, share-based remuneration plan, there are procedures for inquiry and response with the Nomination and Remuneration Committee, a voluntary committee of which the majority of members are independent outside directors, and the president and representative director is accountable to this committee to ensure objective and impartial officer remuneration.

Outside Director Remuneration

Remuneration for outside directors, given their roles and independence, consists only of basic remuneration, with each being paid only a fixed amount. There are no changes based on performance evaluations, etc.

Remuneration for Directors on the Audit & Supervisory Committee

Remuneration for directors on the Audit & Supervisory Committee, given their roles and independence, consists only of basic remuneration. Taking into account such factors as the number of said directors, the economic environment, market trends, and remuneration levels of other companies, this will be decided through deliberations by the directors on the Audit & Supervisory Committee, within the range approved at the General Meeting of Shareholders.

Total Amount of Remuneration, etc., for Directors and Audit & Supervisory Committee Members

Officer Classification	Total Amount of Remuneration, etc. (millions of yen)	Amount of Remuneration, etc., by Type (millions of yen)				Number of Eligible Officers
		Basic Remuneration	Bonuses	Performance-linked, share-based remuneration, etc.	Of which, non-monetary compensation, etc.	
Directors (excluding Audit & Supervisory Committee Members and Outside Directors)	619	349	164	105	102	10
Auditors (excluding Outside Auditors)	51	51	—	—	—	2
Audit & Supervisory Committee Members (excluding Outside Directors)	15	15	—	—	—	2
Outside Officers	89	89	—	—	—	6

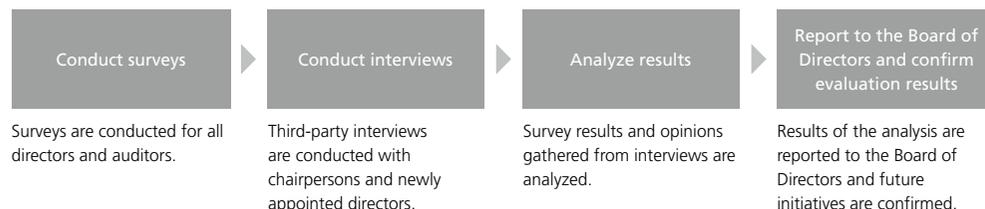
* Includes four directors and one Audit & Supervisory Board Member who stepped down at the conclusion of the General Meeting of Shareholders held on June 25, 2021. Furthermore, Isuzu transitioned from a Company with an Audit and Supervisory Board to a Company with an Audit and Supervisory Committee as the same date.

Corporate Governance

Evaluation of the Board of Directors' Effectiveness

To improve the supervisory function of its Board of Directors, Isuzu analyzes and evaluates the effectiveness of the Board of Directors each year. An overview of the analysis and evaluation for fiscal 2022 (the year ended March 31, 2022) is as follows.

1 Fiscal 2022 Analysis and Evaluation Process



2 Summary of Evaluation Results

The Board of Directors shares an awareness of the need to strengthen its supervisory function and further separate execution and supervision in order to achieve sustainable growth and enhance corporate value, and although there are issues that need to be addressed to further improve the effectiveness of the Board of Directors, it was determined that steady efforts are being made to improve in this regard.

Summary of Fiscal 2021 Evaluation Results and Status of Responses in Fiscal 2022

Key issues for fiscal 2021	Status of responses to key issues in fiscal 2022
<ul style="list-style-type: none"> Clarifying of the division of executive and supervisory roles and topics to be addressed by the Board of Directors Enhancement of Discussions at Board meetings Increase in and improvement of the quality of materials provided to outside directors Establishment of opportunities for executive members to deepen their understanding of the perspectives of outside officers Examination of the diversity of the Board of Directors 	<ul style="list-style-type: none"> Transition to a Company with Audit and Supervisory Committee organizational system Substantial delegation of authority for the execution of important business operations by the Board of Directors to executive directors (Management Meeting) Setting of agenda items for strategic discussions (inside and outside officers share a common understanding of topics requiring discussion) Enhancement of materials for reporting on business execution Participation of Audit & Supervisory Committee members (outside officers) in advance briefings of Board of Directors' materials Enhancement of feedback to the Management Meeting on the content of deliberations by the Board of Directors and to any questions and points raised Increase in ratio of independent officers and female directors. Creation of a skills matrix

Summary of Evaluation Results for Fiscal 2022 and Future Initiatives

Key issues and initiatives in fiscal 2022	
Enhancement of discussions that consider the diverse opinions of shareholders and other stakeholders	We will work to enhance discussions by sharing the opinions of diverse stakeholders, such as responses to management from an ESG perspective, with the Board of Directors.
Enhancement of discussions regarding capital cost strategies and business portfolio	We will work to further enhance our corporate value by evolving discussions on capital costs and enhancing discussions on our future business portfolio.
Enhancement of reporting to the Board of Directors	We will strive to enhance reporting to the Board of Directors by strengthening cooperation with the Risk Management Review and Compliance committees and the Nomination and Remuneration Committee.

Corporate Governance

Criteria for Appointment and Dismissal of Directors

Director candidates will be extremely knowledgeable and experienced in management, be sufficiently familiar with Isuzu's business and the automotive industry, be able to make appropriate judgments based on such knowledge and experience, be able to express themselves appropriately, and have a high level of insight and abilities. Such persons will be nominated from among internal staff and deliberations will be held by the Board of Directors. At the same time, by appointing as directors a number of persons from outside the Company who have extensive experience in and wide-ranging knowledge of corporate management, meet the independence standards stipulated by the Company, and can proactively offer advice from an outside perspective, the Company aims to increase diversity in the deliberations and decision-making of the Board of Directors as well as strengthen its supervisory function.

Director candidates serving as Audit & Supervisory Committee members must be knowledgeable and experienced in specialized fields, such as finance, accounting, or law, as well as in corporate management, and must be able to actively provide advice from an outside perspective. Furthermore, to ensure that their fields of expertise are balanced and to maintain a certain level of diversity in the composition of the committee, such candidates will be deliberated by the Board of Directors after receiving the agreement of the Audit & Supervisory Committee.

In the appointment and dismissal of directors and executive officers and the nomination of director candidates, reports will be obtained from the Nomination and Remuneration Committee to further enhance objectivity and transparency of procedures.

If, with respect to the duties of the president and representative director, there is found to be any illegal business conduct, any material damage from willful misconduct or negligence, or any other cause rendering continuation of business infeasible, the issue of dismissal will be submitted as an agenda item for a Board of Directors' meeting based on the recommendation of the Nomination and Remuneration Committee.

Criteria for Determining the Independence of Outside Directors

The appointment of outside directors will be subject to the condition that the Company's independence criteria are met. The Company's criteria for determining the independence of outside directors conform to the independence criteria of the Tokyo Stock Exchange. Executives of major business partners of the Company, persons whose major business partner is the Company or their executives, and consultants, accountants, attorneys, etc., who earn large sums from the Company other than officer remuneration are, in principle, deemed not to be independent.

Here, "major business partner" refers to a business partner where the volume of transactions between Isuzu and said partner accounted for 2% or more of the consolidated net sales of either party in any previous consolidated fiscal year, and the standard for large sums is ¥10 million or more annually.

Support System for Outside Directors

In order for outside directors to actively express their opinions and enhance deliberations at Board of Directors' meetings, the Company provides advance briefings regarding Board of Directors' meeting agendas and continuously works to enhance its materials to provide information necessary for management supervision.

Internal Control System

Isuzu has established a Groupwide system to ensure the appropriateness of business operations from the perspective of compliance with laws and regulations and the Articles of Incorporation, thorough risk management, ensuring business efficiency, and ensuring the reliability of financial reporting.

At the 119th Annual General Meeting of Shareholders convened on June 25, 2021, Isuzu became a Company with Audit and Supervisory Committee as of the same date. In conjunction with this transition, the Internal Control System Basic Policy was revised and a system to ensure appropriate management was designed, implemented, and maintained based on the revised policy.

 Please refer to the "Corporate Governance Report" (Japanese only) for details on the Company's basic approach to the internal control system and the status of its development.

Compliance

Basic Approach

Isuzu's corporate vision is "Isuzu will always mean the best: a leader in transportation, commercial vehicles, and diesel engines, supporting its customers and respecting the environment." In order for Isuzu's corporate value to be recognized and to continue to realize this corporate vision, we understand that it is essential for each one of our executives and officers to follow Isuzu's compliance standards—that is, to comply with laws and regulations and also maintain high ethical standards that live up to the trust society places in us.

In particular, Isuzu has positioned thorough compliance with laws and regulations as the highest priority in its business management. In 2005, Isuzu formulated and began implementing the Basic Policy for Compliance, and the Company has since been making efforts to disseminate and establish the policy among all officers and employees. The policy consists of seven categories and states that, if an incident occurs and causes the policy to be violated, senior management personnel must execute measures for problem resolution and investigation of the cause in an effort to prevent recurrences and must disclose information quickly and accurately to society and fulfill their accountability.

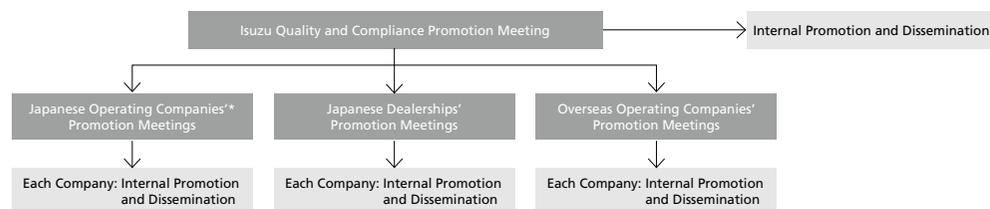
The Isuzu Group's Compliance Promotion System

Isuzu quality and compliance promotion meeting are held monthly, attended by Compliance Promotion Committee members from each division. At this meeting, the Company works to prevent compliance risks by sharing information among each division and reporting on the status of activities.

Isuzu has also established a Groupwide system to prevent compliance risks. In Japan, we hold regular compliance promotion meetings attended by companies of the Isuzu Group to share information and promote activities. In our overseas locations, we share information with contacts of Isuzu Group companies periodically and make efforts to prevent compliance risks. In particular, in Thailand, which is home to one of Isuzu's main overseas bases, we regularly hold joint compliance promotion meetings with the Isuzu Group companies based in Thailand to facilitate the sharing of information and to promote compliance-related activities.

In the event that a serious incident occurs, we will promptly receive reports from the company concerned and work with said company to resolve the issue in accordance with Groupwide management rules.

Outline of the Compliance Promotion System of the Isuzu Group



*Affiliates in Japan excluding Japanese dealerships

Employee Consultation Service

Isuzu has established three internal points of contact to receive whistle-blowing reports and provide consultations about compliance. These points of contact are available at the office level (supervisor), division level (division manager), and Companywide level (the Legal Department's Compliance Promotion Group).

The points of contact receive information from a fair and neutral standpoint. They provide consultations not only on clear violations of laws, regulations, or the Company code of conduct but also on matters that appear suspicious, in addition to receiving inquiries regarding internal rules and regulations related to business operations.

An external point of contact (suggestion box) has been set up at an outside legal office, as circumstances may make it difficult for the in-house consultation resources to accept consultations or provide solutions.

Both internal and external points of contact handle consultations and inquiries by email, fax, phone, or mail. In accordance with the Whistleblower Protection Act, the identity of the information provider and the information itself are treated as confidential and protected to prevent any disadvantageous treatment within the Company as a result of whistle-blowing or consultation.

To make these consultation services known throughout the Company, Isuzu distributes to all employees a compliance guidebook and compliance card in which the contact information of the contact points and suggestion box is written. Further, Isuzu quality and compliance promotion meetings, posters, and other materials assist in our regular activities to make the consultation resources known among employees.

The Legal Department's Compliance Promotion Group functions as the secretariat to verify and address the whistle-blowing and consultations received by the consultation resources. In fiscal 2022, the external consultation resource received 34 reports (eight cases concerning Isuzu and 26 concerning companies of the Isuzu Group). All reports brought to the internal and external consultation resources are handled appropriately to verify the absence of any major legal violation.

The Board of Directors is notified of the progress of compliance initiatives, the number of reports received, and major violation cases.

For details on specific initiatives, please refer to the "Compliance" section of the Sustainability Report

Risk Management

Basic Approach

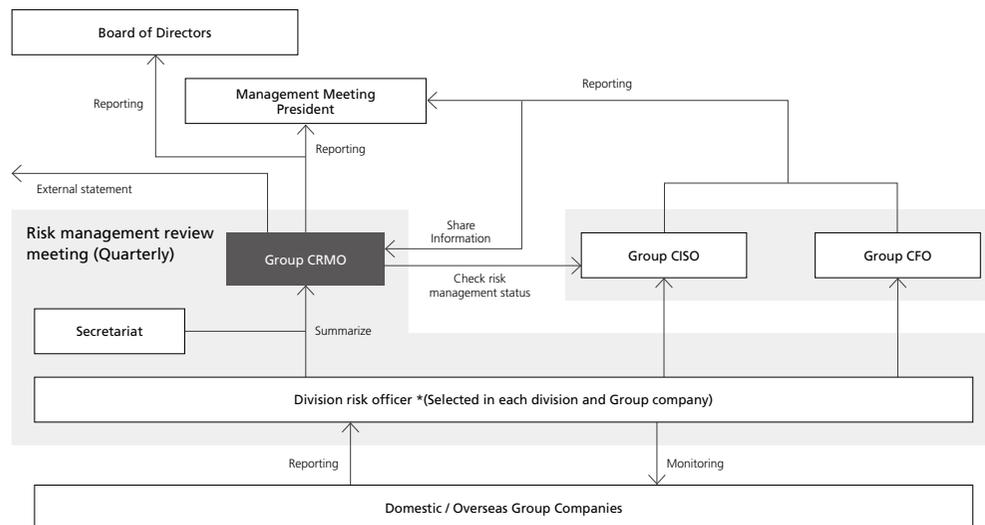
Amid a dramatically changing and increasingly uncertain business and management environment, in fiscal 2021 the Isuzu Group transitioned to a new risk management structure. At the same time, the position of chief risk management officer (CRMO) was created to serve as the locus of responsibility for risk management throughout the Group and to play the lead role in the Companywide risk management process. The CRMO regularly identifies and assesses risks in the Group's management and business operations and strives to manage them in an appropriate manner, making particular efforts to reduce them.

Risk Management Structure

The Isuzu Group holds quarterly risk management review meeting to ascertain the progress of risk countermeasures as well as emergent risks and to continuously review said countermeasures and risk awareness.

Furthermore, if a risk emerges and triggers a crisis, the CRMO is responsible for forming a response team, in which personnel chosen by the CRMO determine and execute various responses to minimize the impact of the risk in question. The results of these activities are constantly reported to management to ensure thorough crisis management at all times.

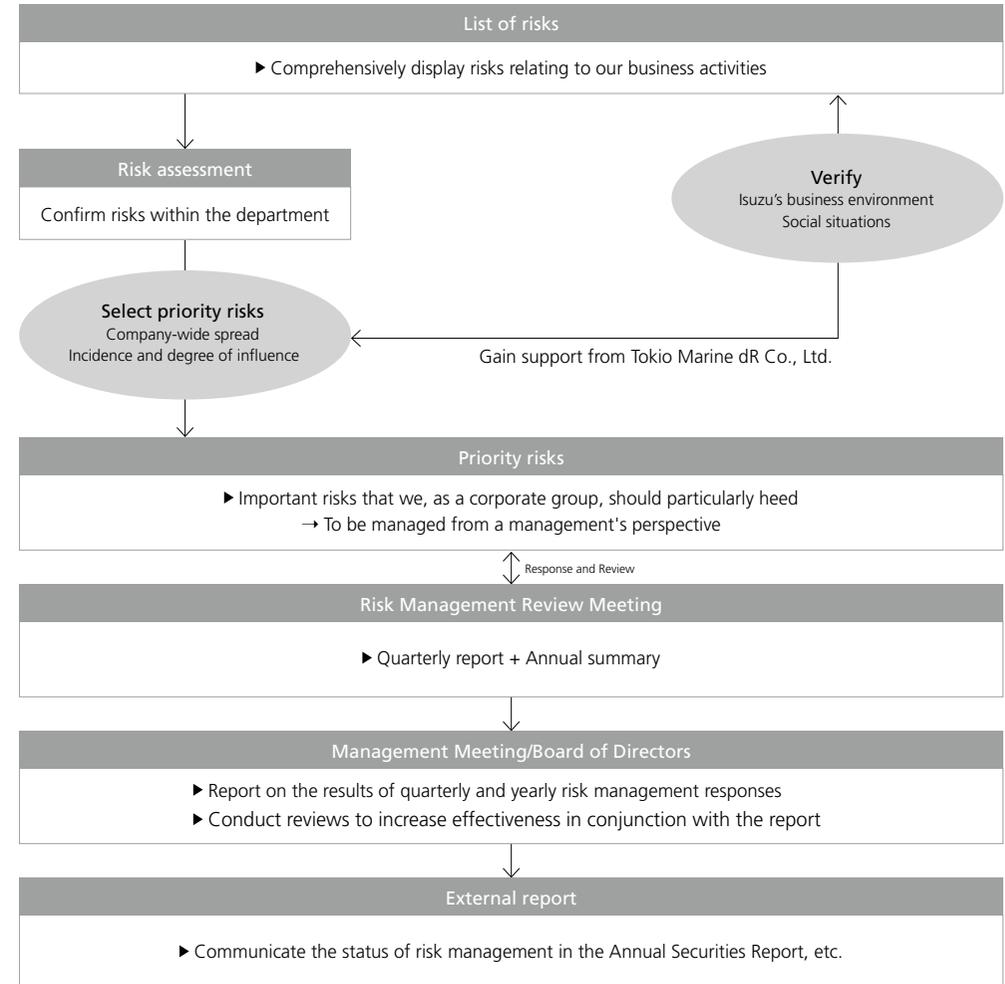
Risk Management Structure



* In addition to risk management review meetings, separate meetings are held to liaise between the secretariat and members.

Risk Management Process

The Isuzu Group comprehensively identifies and assesses risks related to its business activities, selects priority risks that require particular attention as a company, and formulates and executes responses and other measures.



Risk Management

Business and Other Risks

The following are risk factors in the development of the Isuzu Group's business that could have a significant impact on the judgment of investors, including matters such as those related to the business and accounting conditions described in the annual securities report.

The following information includes forward-looking statements that reflect the judgments of the Group as of June 28, 2022.

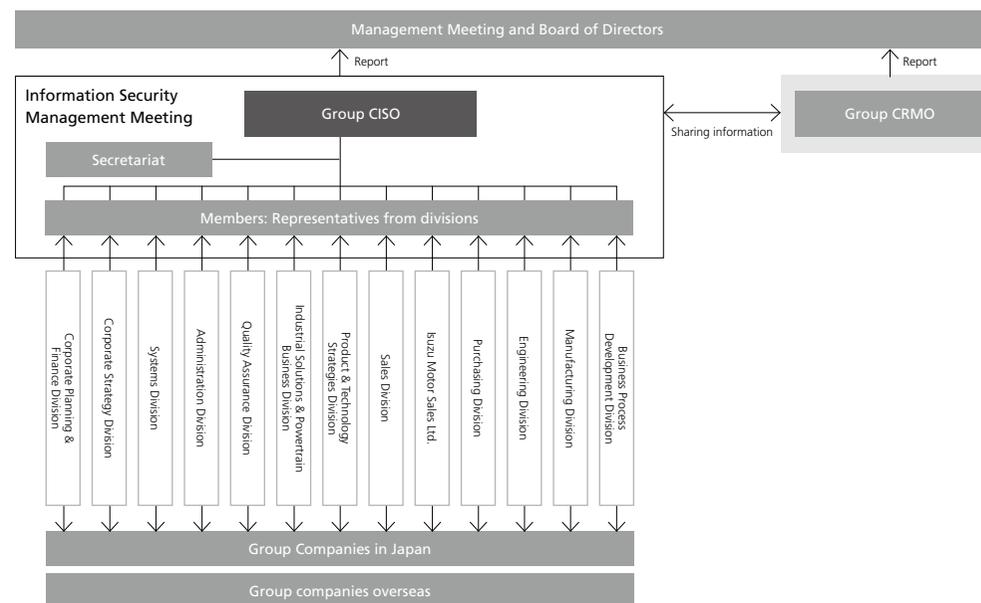
1. Risks arising from global economic conditions, financial markets, and the automotive market	
(1)	Fluctuations in economic conditions and overall demand in Isuzu's major markets
(2)	Competition in the automotive market
(3)	Foreign exchange and interest rate fluctuations
2. Business risks	
2-1. Business risks arising primarily from the Group's response to the external environment	
(4)	Response to new technological innovations, business model changes, etc.
(5)	Research and development
(6)	Joint ventures and other alliances
(7)	Dependence on specific channels for sales and supply
(8)	Delays or shortfalls in the procurement of materials, parts, and other supplies; rising procurement prices
2-2. Business risks arising primarily from the Group's internal operations	
(9)	Compliance and reputation
(10)	Product defects
(11)	Risks related to information security in a computerized society
(12)	Risks related to intellectual property protection
(13)	Recruitment and retention of talented human resources who perform well
2-3. Business risks derived primarily from factors external to the Group	
(14)	Legal requirements
(15)	Potential risks associated with international activities and overseas expansion
(16)	Disasters
(17)	Climate change

Note: Please refer to the Company's "annual securities report" for more information on each of the above risks.

Information Security

Isuzu has established the Group Information Security Policy under the guidance of the Group chief information & security officer (CISO) and is promoting Groupwide information security management at Isuzu and its consolidated subsidiaries.

Information Security Management System



In fiscal 2022, the Isuzu Group established information security management systems and standards, based on which Companywide training was provided.

We have established information security standards not only for IT systems that manage internal confidential information but also for plant equipment systems and systems that affect vehicle security. Moving forward, we will continue to manage and improve information security by conducting business operations based on the aforementioned standards and by reviewing the status of operations once a year. Furthermore, Isuzu participates in the J-Auto-ISAC,* which collects and analyzes information related to incidents detected within the automobile industry, and the Company has established a system to develop and manufacture automobiles with cybersecurity in mind. The above activities are conducted with reference to the Ministry of Economy, Trade and Industry's Cybersecurity Management Guidelines; the international regulation UN-R155 adopted by the World Forum for Harmonization of Vehicle Regulations (WP.29), a working party of the United Nations Economic Commission for Europe; and international standards such as ISO 21434, ISO 27001, and NIST SP800-171.

* J-Auto-ISAC: Japan Automotive ISAC, a Japanese automotive cybersecurity organization.

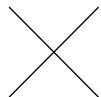
A Dialogue between Two Outside Directors



A Dialogue between Two Outside Directors

Strengthening Isuzu's Corporate Governance and Taking On Future Challenges

Outside Director
Mitsuyoshi Shibata



Outside Director
Kozue Nakayama

Isuzu has been making efforts to strengthen its corporate governance system as it aims to transform into a company that continues to evolve amid a drastically changing business environment. Mitsuyoshi Shibata and Kozue Nakayama, two outside directors of the Company, discussed their assessments of these efforts and spoke about the future challenges that need to be addressed.

Firstly, could you tell us how you view Isuzu's efforts to strengthen its corporate governance?

Shibata I believe that the key to effective governance is to clearly define the functions of the Board of Directors and the

Management Meeting. In promoting corporate management, it is essential that the Board of Directors—which performs a supervisory role—and the Management Meeting—which is responsible for business execution—carry out their functions in a balanced manner while respecting each other's roles. The Board of Directors promotes discussions on the fundamentals of management, such as a corporate vision and management strategies, and indicates the direction Isuzu should take. The Management Meeting then formulates and thoroughly implements specific plans based on said direction, after which the Board monitors the progress of these plans. Once the aforementioned functions have been clearly defined, it is necessary to set agenda items for each of them to address.

As a result of the transfer of decision-making authority regarding matters of business execution and investment opportunities to the Management Meeting, discussions on individual issues are now primarily settled by the Management Meeting, allowing the Board of Directors to devote more time to high-level discussions regarding Isuzu as a whole.

This has been an important change to which I give high praise.

Nakayama Indeed, it is important for the Board of Directors and the Management Meeting to fulfill their respective supervisory and business execution functions, acting as the two pillars of management. Although only one year has passed since Isuzu adopted the Company with Audit and Supervisory Committee organizational system, we have seen rapid progress in the separation of these functions, and the Board of Directors and Management Meeting have come to operate in a mutually balanced manner. The speed at which this has been achieved is remarkable.

A Dialogue between Two Outside Directors

I am also grateful for the various opportunities provided to foster mutual understanding prior to meetings of the Board of Directors as a means to stimulate discussion.

Shibata I agree. We, outside directors, take part in advance briefing sessions on individual agenda items for Board of Directors' meetings, which has been helpful in deepening our understanding of Isuzu.

Board of Directors' meetings are to a certain extent limited in time, and it can be difficult to ask complex questions and confirm details without stopping the flow of discussions. At briefing sessions, however, we can feel comfortable asking various questions without hesitation and have adequate time. Moreover, since Isuzu adopted the Company with Audit and Supervisory Committee organizational system in June 2021, three outside Audit & Supervisory Committee members have been participating in these briefing sessions—an initiative that

has made such sessions an increasingly important opportunity to deepen communication among outside directors.

Nakayama I find it extremely helpful that the briefing sessions before Board meetings are conducted online, making proceedings more efficient and creating ample time for outside directors to ask questions and discuss them.

In addition, the Isuzu Group's chief-level officers and business division executives disclose business progress via reports on the status of business execution. Such reports are an important means for outside directors to learn about the business operations of the Company, while briefing session materials distributed prior to Board of Directors' meetings regarding the business environment and progress of each business division bolster outside directors' understanding of Isuzu. For example, we will receive information on risks that all business divisions should be aware of and face, such as semiconductor shortages, as well as risks faced on an individual division basis. I often ask the secretariat questions about the briefing session materials I receive, with each division responding in writing and providing explanations at Board meetings. In this regard, I feel that close communication is taking place.

How have the discussions at Board of Directors' meetings changed as a result of these initiatives?

Shibata I was appointed as an outside director in 2018, and the Board of Directors then was completely different to how it is today. At that time, the Board meetings themselves were short, which, to be honest, made me feel that there was little encouragement for outside directors to speak up. However, the atmosphere of Board of Directors' meetings has

changed significantly since President and Representative Director Masanori Katayama began to lead serious efforts to reform the Company's corporate governance for responding to changes in the business environment and realizing technological innovation.

Now, when an agenda item is presented at a Board of Directors' meeting, it is no longer simply a case of reporting it. Rather, we take a cohesive approach to outlining why an agenda item has been raised—its purpose—and discussing the issues surrounding it as well as measures to address said issues. From there, our discussions become deeper and various opinions are exchanged. These improvements have conveyed to me the willingness of Board members to proactively take into consideration the opinions of outside directors.

Nakayama I was appointed as an outside director in 2020. Since then, the quality of discussions has improved with each successive Board meeting. Furthermore, the Management Meeting answers to questions from the Board of Directors are now more pointed, and the speed at which Isuzu's corporate governance addresses challenges and implements reforms is incredible. Some time ago, Mr. Shibata asked to change the method for sharing Board meeting agenda items from a presentation format to a document format—a change that was soon adopted.

Shibata It may seem like a minor detail, but presentation materials are composed of fragmented words and charts, often making it difficult to find cohesiveness in the information presented, which tends to be interpreted differently by different readers. I believe that presenting agenda items in a document format is more conducive to conveying to readers the purpose of an agenda item, describing the issues related thereto, and



A Dialogue between Two Outside Directors

outlining measures to address any issues in a cohesive manner, making it easier to achieve a shared understanding and enhancing the quality of discussions.

/// Nakayama I remember the moment Mr. Shibata proposed said change. I was surprised, and I think everyone participating in that particular Board of Directors' meeting must have also found it eye-opening. In fact, the change to document format has given depth to the explanations of those reporting, and I feel that discussions have become richer in content as a result.

With regard to future growth, how do you view Isuzu's corporate governance challenges moving forward?

/// Shibata With the division of functions between the Board of Directors and the Management Meeting becoming clearer, the next essential step would be to expand discussions on basic policies for overall management. In order to do this, we need to set up an annual plan. Since we tend to devote a lot of time to whichever matter is at hand, we should set a clear schedule in advance for major topics to be discussed and addressed.

/// Nakayama I agree about formulating an annual plan. We cover a wide range of topics, of which risk, compliance, and environmental, social, and governance (ESG) factors are just a few examples. I would like to see time set aside for discussions more focused on individual topics.

Additionally, in terms of specific agenda items, I would like to see more opportunities given to discuss a medium- to long-term strategy for technological development. One facet of such a strategy is deepening research on trends in overseas automobile companies to gain a better sense of Isuzu's current position. From this research, we can determine which direction

the Company should take in terms of technology. This is the kind of discussion I hope to see more of going forward.

/// Shibata Another is increasing opportunities for information sharing, which has been enhanced through the introduction of advance briefing sessions, as I mentioned earlier. However, I would appreciate the opportunity to observe on-site operations by visiting Isuzu's plants, for example.

/// Nakayama I agree. Not long after I became an outside director, such opportunities were limited by the spread of the COVID-19 pandemic. For example, I visited the Fujisawa Plant in Japan, but I have not yet been able to visit any overseas offices or plants. It can be said that the way in which frontline employees carry out their work and the level of pride they display while doing so are an accurate barometer of the vitality of a company.

/// Shibata There is a lot of information that can only be obtained on-site. Although our title is outside director, we want to understand the Company as an employee of Isuzu, and we believe that we can contribute to improving the Company's corporate value by deepening our understanding of frontline operations and employees. Even if a topic is ultimately discussed at a Board of Directors' meeting, firsthand experience on-site, outside the context of meetings, will provide invaluable information to enhance the quality of discussions.

Lastly, what are your expectations for Isuzu going forward?

/// Nakayama I hope that Isuzu will continue to support logistics in Japan, Asia, and the rest of the world. The COVID-19 pandemic gave me an acute awareness of how



indispensable logistics is to society and reaffirmed Isuzu's position as a key company that underpins such logistics.

I also think it is important to promote ESG management for future growth. Isuzu is already making efforts in this regard, so I hope they continue to do so in earnest. At the same time, I will continue to contribute to enhancing Isuzu's corporate value while maintaining an independent perspective as an outside director.

/// Shibata Now, Isuzu has a great opportunity to compete globally as a leading commercial vehicle manufacturer. However, in order to seize this opportunity, the Company needs to go beyond conventional ways of thinking and generate outward-looking and innovative ideas. It can be said that ESG management emphasizes external relations, so I hope Isuzu will seize this great opportunity and never stop making progress.

Financial and Non-Financial Performance



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CFO Message

Increasing Isuzu's Corporate Value

Proactively Promoting Investments While Enhancing Capital Efficiency



Senior Executive Officer, Group Chief Financial Officer, and
Division Executive of Corporate Planning & Finance Division

Naoto Nakamata

Preface

Support for the Implementation of Our Value Creation Story from a Financial Perspective

The Isuzu Group will further reinforce its business foundation by evolving management from an environmental, social, and governance (ESG) perspective and by leveraging the competitive edge it has cultivated to expand existing businesses and increase profits. Through innovation targeting carbon neutrality and the evolution of logistics, we will continue to provide value to society by underpinning transportation.

My responsibility as chief financial officer (CFO) is to carry out financial management in a manner that strikes a balance between maintaining stable revenues amid a constantly changing operating environment and implementing investments that sow the seeds for the future. As a member of a generation well acquainted with the financial crises of the early 2000s, I have a strong desire to solidify our business foundation for future growth, and as CFO I will strive to support the implementation of our value creation story from a financial perspective.

Medium-Term Business Plan 2024

In May 2021, Isuzu formulated Medium-Term Business Plan 2024—covering the period from fiscal 2022, the year ended March 31, 2022, to fiscal 2024, the year ending March 31, 2024 (see page 22 for more details)—as a growth strategy at the heart of its value creation. Amid the accelerating trend toward decarbonization and rising expectations for uninterrupted logistics, our basic policy positions a carbon-neutral strategy and contributions to evolving logistics as our cornerstones of innovation in order to address social issues that require the assistance of commercial vehicles.

To support these initiatives, the Company is working to expand its business and improve profitability by leveraging the business foundation and diverse alliances it has cultivated to date.

With this in mind, our targets for fiscal 2024, the final year of Medium-Term Business Plan 2024, are net sales of ¥2,750.0 billion, operating income of ¥250.0 billion, and return on equity (ROE) of 12.5%.

The Four Key Elements in Supporting Our Value Creation Story

As CFO, I believe that the following four elements are key in supporting our value creation story and in meeting the expectations of all of our stakeholders.

Growth Investments

The Isuzu Group aims to sustainably increase corporate value by prioritizing investments that are necessary for the continuation of its business activities and for future growth. In this light, during Medium-Term Business Plan 2024, we plan to allocate ¥300.0 billion for capital expenditures and ¥340.0 billion for research and development expenditures.

In terms of capital expenditures, in addition to replacing aging equipment and facilities, we will implement investments related to the full-model changing of medium- and light-duty trucks, as well as making investments geared toward increasing the production capacity of light commercial vehicles in South Africa to ensure the sustainable growth of existing businesses. Moreover, from the standpoint of strengthening our business revenue base, we will invest to significantly streamline and renew core systems and to relocate our headquarters to improve productivity.

With regard to research and development expenditures, the Company plans to allocate around 25.0% of the total of said expenditures to expand in the connected, autonomous, shared & service, and electric (CASE) fields. We also plan to begin mass production of light-duty battery-electric trucks by the end of fiscal 2023.



CFO Message

We view the duration of Medium-Term Business Plan 2024 as a period for exploring the potential of various technologies, and we expect to start making full-scale investments in advanced technologies from the period of the next medium-term business plan onward.

Moving forward, Isuzu will strive to maintain its competitive edge by leveraging its alliances while implementing effective investments.

Financial Soundness

As a company that operates businesses engaged in the manufacture and operational support of trucks—an essential part of social infrastructure—it is our responsibility to underpin the stability of such businesses while maintaining a financial base that enables flexible financing for investments in growth. Specifically, the Company intends to maintain a credit rating of “A” from rating agencies in Japan.

Moreover, Isuzu will proceed with the repayment of the ¥280.0 billion borrowed in April 2021 as funding for the acquisition of UD Trucks Corporation, in order to build a financial base that can flexibly respond to market changes while securing investment capacity so the Company can adroitly secure investment opportunities.

Shareholder Returns

We will return profits to shareholders based on the level of profitability for each fiscal year after comprehensively considering the balance between securing funds for growth investments and bolstering internal cash reserves for maintaining financial soundness. The Company aims to achieve steady dividend growth through its continued efforts to increase profitability.

During the period of Medium-Term Business Plan 2024, we are targeting an average dividend payout ratio of 40.0%. In addition, the Company will purchase treasury stock in a flexible manner based on such factors as its financial condition, cash flows, and expected future revenues.

Profitability and Capital Efficiency

From the perspective of emphasizing capital efficiency, we are aiming for ROE that exceeds the cost of shareholders' equity. In doing so, we will strive to improve profitability and strengthen cash management through measures that include increasing working capital efficiency.

The target ROE for fiscal 2024, the final year of Medium-Term Business Plan 2024, is 12.5%, which exceeds the cost of shareholders' equity. In order to achieve this target, it is essential that the Company increases its profitability. Furthermore, to realize operating income of ¥250.0 billion in fiscal 2024, we will promote business activities by leveraging the business foundation cultivated during the previous medium-term business plan along with the accomplishments realized through our alliances.

In addition, Isuzu will strive to improve capital efficiency by regularly examining cross-shareholdings according to their necessity to business strategies, economic rationality, and other factors and by strengthening investment management.

A Review of Progress Made to Date and a Look Ahead to Fiscal 2024

All Performance Targets for Fiscal 2022 Achieved amid a Dramatically Changing Business Environment

For fiscal 2022, the first year of Medium-Term Business Plan 2024, net sales were ¥2,514.3 billion and operating income was ¥187.2 billion, exceeding the targets set at the beginning of the period of ¥2,500.0 billion and ¥170.0 billion, respectively. That being said, changes in the business environment have far exceeded the assumptions made in Medium-Term Business Plan 2024.

Market conditions, especially overseas, have recovered from the decline caused by the COVID-19 pandemic much faster than expected and remain strong. However, due to constraints imposed on production as a result of the semiconductor shortage, Isuzu was unable to supply sufficient quantities of products, leaving customers in many regions waiting.

In terms of profitability, despite the positive effects that arose from the yen's depreciation, material and logistics costs have soared to historically high levels—a situation we have never experienced before.

Targeting of Increases in Net Sales and Operating Income in Fiscal 2023

In fiscal 2023, the year ending March 31, 2023, we have set targets of net sales of ¥3,000.0 billion and operating income of ¥200.0 billion, both of which we plan to upwardly revise from the previous fiscal year. The exchange rate is assumed to be ¥120.00 to the U.S. dollar.

With market conditions remaining favorable and production constraints expected to ease to some extent, sales of commercial vehicles are forecast to increase 21,000 units, to 364,000 units, and global sales of light commercial vehicles are anticipated to rise 60,000 units, to 438,000 units, year on year.

On the other hand, the impact of soaring material and logistics costs is expected to be greater than in the previous fiscal year. Accordingly, we are taking steps to reflect this cost increase in our sales prices with the understanding of our customers. However, the Company believes it will take one to two years for such costs to be fully reflected.

Despite Significant Changes in the Business Environment, Medium-Term Business Plan 2024's Performance Targets Remain Unchanged

As I mentioned above, the business environment has changed significantly since Medium-Term Business Plan 2024 was formulated. Despite continuing strong demand, material and logistics costs have rocketed to historically high levels, with no sign of returning to the assumed levels set forth in the plan.

However, the Isuzu Group is confident that it will be able to achieve the performance targets for fiscal 2024 through measures that include realizing synergies with UD Trucks and reflecting the aforementioned cost increases in sales prices. We will put forth our utmost efforts to achieve these targets.



10-Year Financial Summary

Consolidated

(Millions of yen)

For the year ended March 31:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net sales	¥1,655,588	¥1,760,858	¥1,879,442	¥1,926,967	¥1,953,186	¥2,070,359	¥2,149,168	¥2,079,936	¥1,908,150	¥2,514,291
Cost of sales	1,400,877	1,441,483	1,543,661	1,574,885	1,623,948	1,700,726	1,765,270	1,730,354	1,605,111	2,056,104
Gross profit	254,710	319,374	335,780	352,081	329,238	369,632	383,898	349,582	303,038	458,187
Selling, general and administrative expenses	123,927	145,125	164,669	180,522	182,793	202,867	207,116	208,999	207,305	270,989
Operating income	130,783	174,219	171,111	171,559	146,444	166,765	176,781	140,582	95,732	187,197
Profit before extraordinary items	141,719	186,620	187,411	186,690	152,022	173,616	189,001	150,876	104,265	208,406
Profit before income taxes	138,213	188,448	184,251	186,379	148,921	176,095	186,108	143,511	86,829	204,281
Profit attributable to owners of parent	96,537	119,316	117,060	114,676	93,858	105,663	113,444	81,232	42,708	126,193
At March 31:										
Total assets	¥1,340,822	¥1,521,757	¥1,800,998	¥1,808,377	¥1,879,853	¥2,066,539	¥2,130,894	¥2,152,090	¥2,244,970	¥2,856,139
Net assets	620,959	768,953	914,451	897,650	962,107	1,086,510	1,116,335	1,133,381	1,205,013	1,394,425

Non-Consolidated

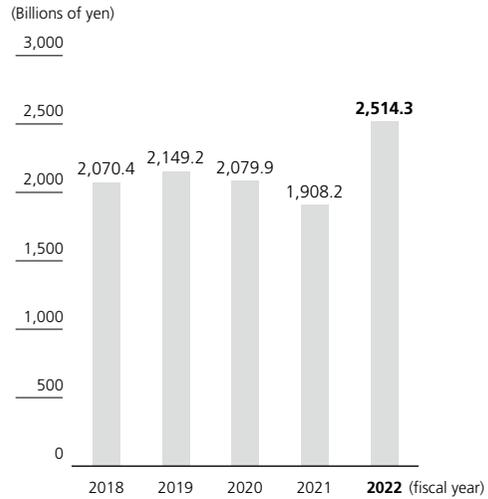
(Millions of yen)

For the year ended March 31:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net sales	¥ 967,489	¥ 986,822	¥1,060,028	¥1,076,360	¥1,065,886	¥1,081,384	¥1,130,825	¥1,074,968	¥ 922,628	¥1,111,891
Cost of sales	814,986	824,606	895,517	914,721	919,225	931,700	976,838	938,856	814,661	977,074
Gross profit	152,502	162,215	164,510	161,638	146,661	149,684	153,986	136,111	107,966	134,816
Selling, general and administrative expenses	80,614	88,603	98,616	97,334	96,391	103,139	104,136	104,351	101,409	104,085
Operating income	71,888	73,612	65,893	64,304	50,269	46,544	49,849	31,760	6,556	30,731
Profit before extraordinary items	76,603	79,358	78,931	108,624	100,330	71,745	100,413	89,796	60,425	96,297
Profit before income taxes	78,815	79,748	78,131	107,554	98,927	69,875	95,422	79,055	50,790	97,765
Net income	53,689	56,543	67,070	91,905	87,310	58,476	83,719	70,964	49,275	88,928
At March 31:										
Total assets	¥ 841,816	¥ 848,411	¥ 936,803	¥ 965,977	¥1,025,050	¥1,053,710	¥1,035,508	¥1,030,852	¥1,117,071	¥1,444,294
Net assets	400,589	438,677	468,720	475,388	544,117	593,999	573,641	604,015	657,786	751,628

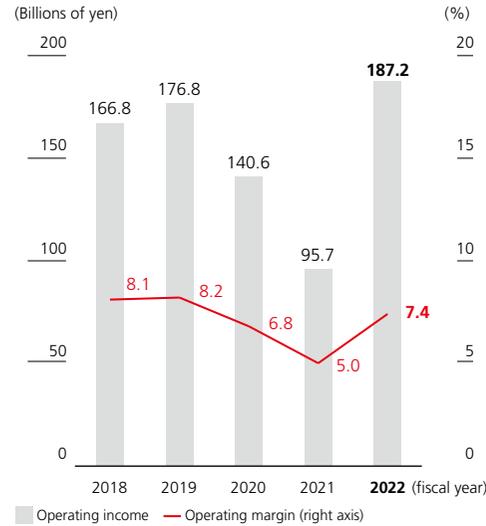


Financial Highlights

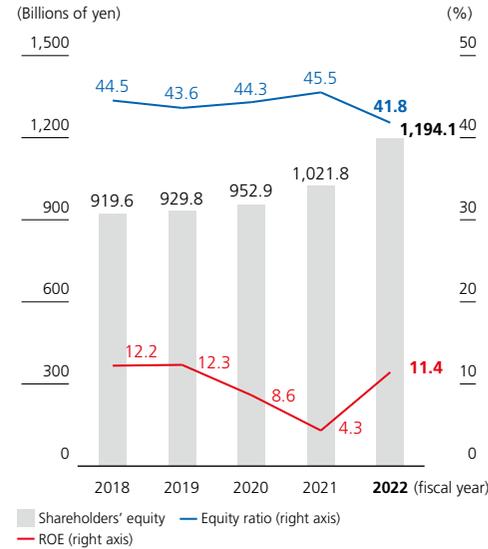
Net Sales



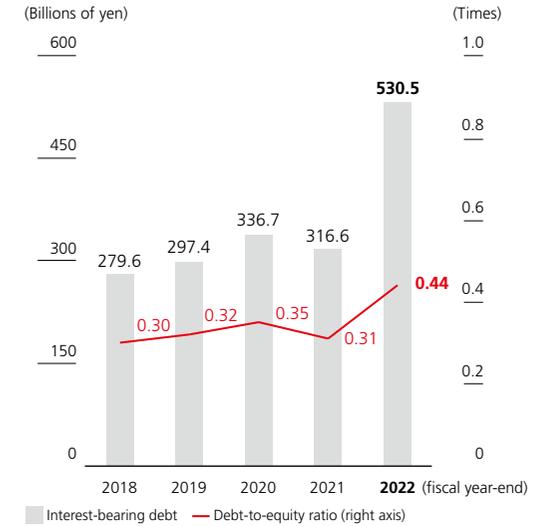
Operating Income



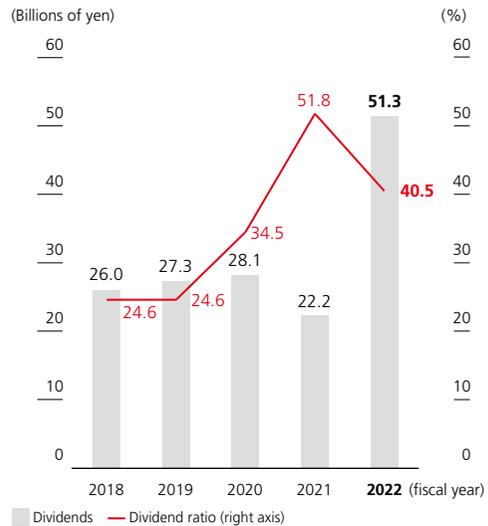
Shareholders' Equity / ROE



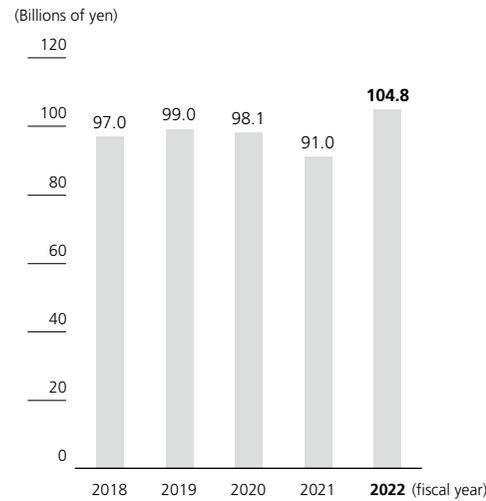
Interest-Bearing debt / Debt-to-Equity Ratio



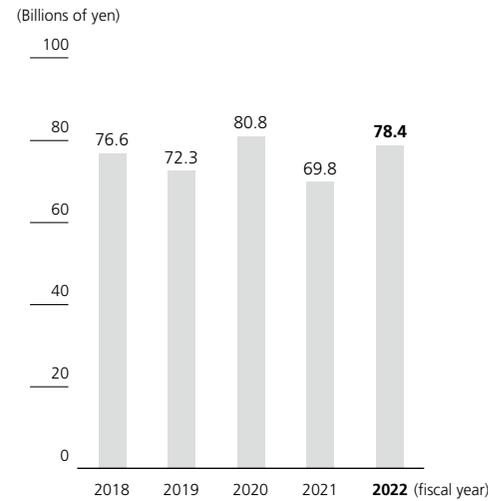
Dividends



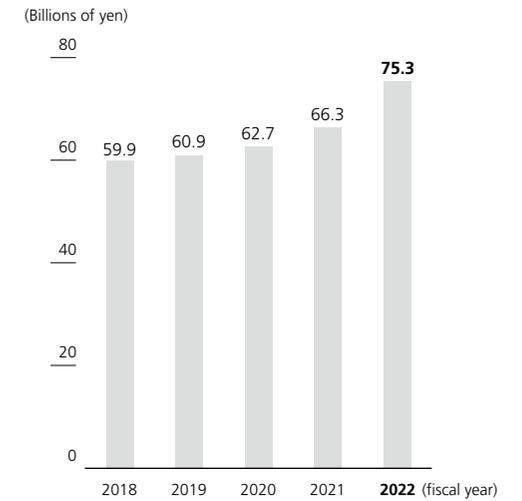
Research and Development Expenditures



Facility Investments



Depreciation

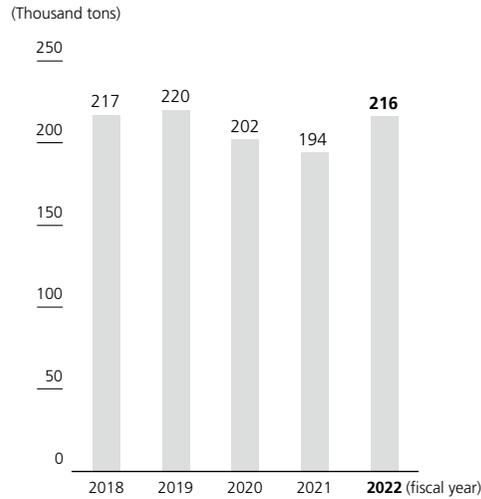


Note: The above financial highlights pertain to the entire Isuzu Group.

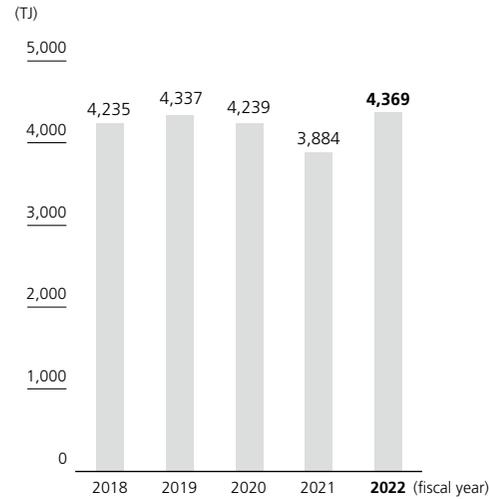


Non-Financial Highlights

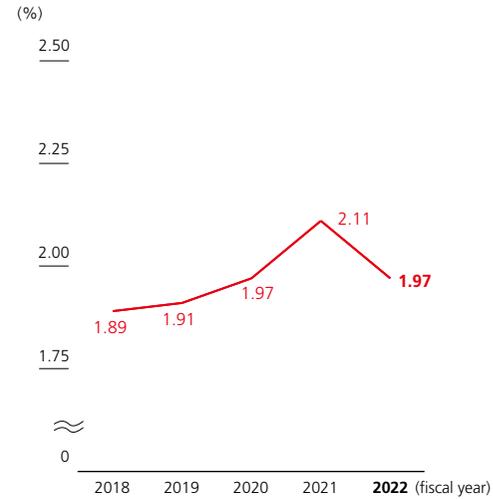
CO₂ Emissions from Energy use



Energy Consumption

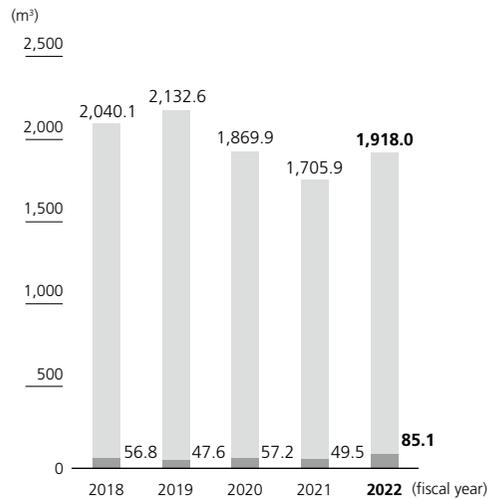


Employment of People with Disabilities*1



*1 As of June of each year

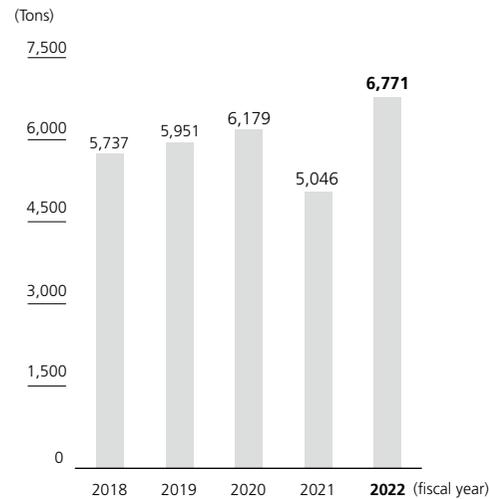
Water Resource Consumption*2



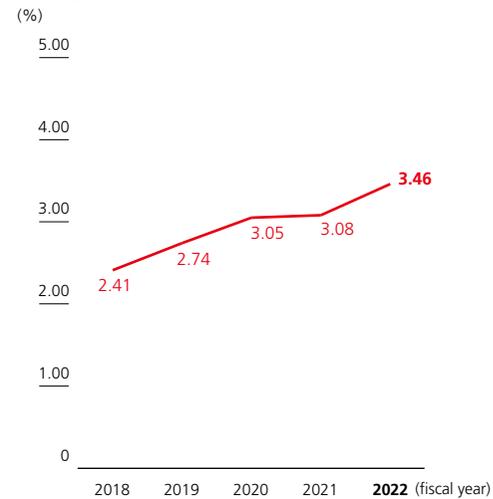
■ Public water ■ Industrial water

*2 Not including Omori head office

Waste Generation



Percentage of Women in Management Positions (Senior Level)



External Evaluations of Environmental, Social, and Governance (ESG) Initiatives

The CDP, which evaluates the environmental efforts of companies and municipalities and discloses relevant information to investors and other stakeholders, awarded the Company a Climate Change A- rating in 2021.



In addition, in the 2021 CDP Supplier Engagement Leader Rating, Isuzu was selected for the Supplier Engagement Leader Board—the highest possible rating—for the second consecutive year.

Isuzu is included in the FTSE Blossom Japan Sector Relative Index, an ESG-integrated index created by FTSE Russell



UK that reflects the performance of Japanese companies excelling in addressing ESG-related issues.

The Company has been selected as a constituent of the Sompo Sustainability Index, created by Sompo Asset Management Co., Ltd., for the fifth consecutive year.



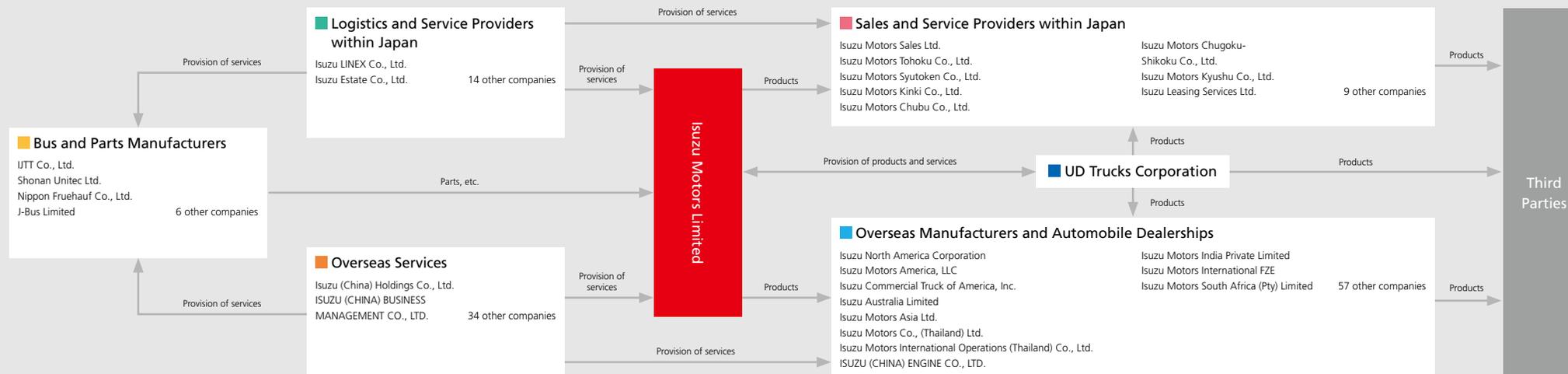


Disclosures Based on the Task Force on Climate-related Financial Disclosures (TCFD) Framework

	Recommended disclosures	ISUZU Sustainability Report 2022 page
Governance	a) Describe the Board of Directors' oversight of climate-related risks and opportunities b) Describe management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> • Management system ————— □ P.4
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C-or-lower scenario	<ul style="list-style-type: none"> • Climate change-related strategy ————— □ P.8 • Long-term environmental scenarios ————— □ P.9 • Risks and opportunities ————— □ P.9 • Products and services ————— □ P.10–11 • Business activities ————— □ P.12
Risk management	a) Describe the organization's processes for identifying and assessing climate-related risks b) Describe the organization's processes for managing climate-related risks c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<ul style="list-style-type: none"> • Management system ————— □ P.4 • Long-term environmental scenarios ————— □ P.9
Metrics and targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<ul style="list-style-type: none"> • ESG data ————— □ P.83 • Business activities and their environmental impact ————— □ P.89 • Isuzu Green Procurement Guidelines ————— □ P.54 • Isuzu Long-Term Environmental Vision 2050 ————— □ P5 • 2030 Environmental Roadmap ————— □ P.6

Principal Subsidiaries and Affiliates

One - Hundred Consolidated Subsidiaries and 54 Equity-Method Affiliates (as of March 31, 2022)



Principal Domestic Subsidiaries and Affiliates

Company name	Location	Equity stake	Business
 UD Trucks Corporation ^{*1}	Saitama Prefecture, Japan	100%	Manufacture and sale of commercial vehicles as spare parts
 Isuzu Motors Sales Ltd. ^{*2-6}	Tokyo, Japan	75%	Sale of trucks, buses, and other products
 Isuzu Motors Tohoku Co., Ltd.	Miyagi Prefecture, Japan	75%	Sale and repair of commercial vehicles and buses
 Isuzu Motors Syutoken Co., Ltd.	Tokyo, Japan	75%	Sale and repair of commercial vehicles and buses
 Isuzu Motors Chubu Co., Ltd.	Aichi Prefecture, Japan	75%	Sale and repair of commercial vehicles and buses
 Isuzu Motors Kinki Co., Ltd.	Osaka, Japan	75%	Sale and repair of commercial vehicles and buses
 Isuzu Motors Chugoku-Shikoku Co., Ltd.	Hiroshima Prefecture, Japan	75%	Sale and repair of commercial vehicles and buses
 Isuzu Motors Kyushu Co., Ltd.	Fukuoka Prefecture, Japan	75%	Sale and repair of commercial vehicles and buses
 Isuzu Leasing Services Ltd. ^{*3-6}	Tokyo, Japan	75%	Leasing of commercial vehicles and provision of maintenance contract services for commercial vehicles
 IJT Co., Ltd. ^{*4}	Kanagawa Prefecture, Japan	43.25%	Manufacture of automobile parts and engines
 Isuzu LINEX Co., Ltd. ^{*5-6}	Tokyo, Japan	100%	Logistics management
 J-Bus Limited	Ishikawa Prefecture, Japan	50%	Manufacture and sale of buses
 Nippon Fruehauf Co., Ltd.	Kanagawa Prefecture, Japan	34%	Manufacture of trailers, automobile chassis, and shipping containers

 Consolidated subsidiaries  Equity-method affiliates

*1 On April 1, 2021, Isuzu acquired all shares of UD Trucks Corporation, making it a consolidated subsidiary.

*2 As of July 1, 2022, Isuzu Motors Limited's equity stake became 100%.

*3 As of July 1, 2022, the equity stake changed to 51% for Isuzu Motors Sales Ltd. and 49% for ITOCHU Corporation.

*4 Although Isuzu's equity stake in the company is less than 50%, it is considered a subsidiary because Isuzu substantially controls the company.

*5 Merged with i-PACK Co., Ltd. and changed its name to ISUZU Logistics Co., Ltd. on May 9, 2022

*6 Relocated to Yokohama City, Kanagawa Prefecture, in May 2022

Principal Overseas Subsidiaries and Affiliates

Company name	Location	Equity stake	Business
 Isuzu Motors Asia Ltd.	Republic of Singapore	100%	Management of businesses in ASEAN region and wholesaling of spare parts for production and repair
 Isuzu Motors International Operations (Thailand) Co., Ltd. ^{*1}	The Kingdom of Thailand	70%	Export of pickup trucks
 Isuzu Motors Co., (Thailand) Ltd. ^{*1}	The Kingdom of Thailand	71.15%	Manufacture of commercial vehicles and pickup trucks as well as export and wholesaling of vehicles, components, and parts
 Isuzu Engine Manufacturing Co., (Thailand) Ltd.	The Kingdom of Thailand	98.56%	Manufacture and sale of diesel engines
 ISUZU (CHINA) ENGINE CO., LTD.	The People's Republic of China	50.61%	Manufacture of engine parts and assembly of vehicles and engine parts
 Isuzu Motors India Private Limited	Republic of India	62%	Import, assembly, and wholesaling of pickup trucks and derivatives
 Isuzu North America Corporation	United States of America	100%	General management of subsidiaries in North America, import and wholesaling of commercial vehicles and spare parts, import and assembly of production parts, and provision of common indirect operations to subsidiaries
 Isuzu Motors America, LLC	United States of America	100%	Import and sale of industrial engines and spare parts
 Isuzu Commercial Truck of America, Inc.	United States of America	80%	General management of commercial vehicle business in North America, import and wholesaling of commercial vehicles and spare parts, and import and supply of components
 Isuzu Australia Limited	Commonwealth of Australia	100%	Import, sale, and servicing of commercial vehicles, parts, and engines
 Isuzu Motors International FZE	United Arab Emirates	100%	Promotion of new vehicle sales and life cycle business, sale of spare parts and after-sales training, and back-office support for Isuzu affiliates in the Middle East and Africa
 Isuzu Motors South Africa (Pty) Limited	Republic of South Africa	100%	Production and sale of commercial vehicles, buses, and light commercial vehicles for South Africa and neighboring countries
 Qingling Motors Co., Ltd.	The People's Republic of China	20%	Manufacture and sale of commercial vehicles, pickup trucks, and SUVs
 P.T. Isuzu Astra Motor Indonesia	Republic of Indonesia	50%	Assembly and sale of commercial vehicles
 DMAX, Ltd. ^{*2}	United States of America	40%	Manufacture and sale of diesel engines
 General Motors Egypt S.A.E.	Arab Republic of Egypt	21.84%	Assembly and sale of passenger vehicles and light commercial vehicles

*1 Sales (excluding inter-company sales among consolidated companies) account for more than 10% of consolidated sales.

*2 In May 2022, Isuzu sold its shares in DMAX, Ltd., thus meaning the company is no longer classified as an equity-method affiliate.

Corporate and Stock Information



Head Office



Fujisawa Plant



Tochigi Plant

Corporate Data

Company Name	Isuzu Motors Limited
Head Office	YOKOHAMA GATE TOWER 2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa 220-8720, Japan TEL: +81-45-299-9111 (General Affairs & HR Dept.)
President and Representative Director	Masanori Katayama
Date of Founding	April 9, 1937
Paid-in Capital	¥40.644 billion
No. of Employees	44,299 (consolidated) / 8,056 (non-consolidated)
Major Products	Heavy-, medium-, and light-duty trucks, buses, vehicle, and industrial diesel engines
Net Sales	Consolidated: ¥2,514,291 million Non-consolidated: ¥1,111,891 million
Operating Income (Consolidated)	¥187,197 million
Profit before Extraordinary Items (Consolidated)	¥208,406 million
Profit Attributable to Owners of Parent (Consolidated)	¥126,193 million
No. of Consolidated Subsidiaries	100

Note: The above information is as of the year ended March 31, 2022, unless otherwise stated.

Common Stock and Number of Shareholders (as of March 31, 2022)

Shares Authorized	1,700,000,000
Shares Issued	777,442,069
No. of Shareholders	39,009

Major Shareholders (as of March 31, 2022)

Name	Number of Shares Held (1,000 Shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	115,207	14.82
Mitsubishi Corporation	63,633	8.19
ITOCHU AUTOMOBILE INVESTMENT L.L.C.	52,938	6.81
Custody Bank of Japan, Ltd. (Trust Account)	46,586	5.99
Toyota Motor Corporation	39,000	5.02
Mizuho Bank, Ltd.	15,965	2.05
THE BANK OF NEW YORK MELLON 140044	11,570	1.49
SSBTC CLIENT OMNIBUS ACCOUNT	10,566	1.36
National Mutual Insurance Federation of Agricultural Cooperatives	10,000	1.29
JPMorgan Securities Japan Co., Ltd.	9,457	1.22

Notes: 1. The shareholding ratio is calculated excluding treasury stock (7,950 shares). Moreover, treasury stock does not include shares held by trusts whose beneficiaries are directors, etc.

2. The shareholding ratio by owner is calculated excluding treasury stock. In addition, the figures shown are rounded off to the nearest unit.

3. The number of shares held is rounded down to the nearest thousand.

Transfer Agent
Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

Building Relationships of Trust with Stakeholders

The Isuzu Group fulfills its corporate social responsibility while building relationships of trust through dialogue with stakeholders.

Key Stakeholders	Main Stakeholder Needs	Value Provided by the Isuzu Group	Main Opportunities for Dialogue and Information Disclosures
Customers	<ul style="list-style-type: none"> • Provision of valuable products and services that are safe, secure, and have low environmental impact • Accurate responses and support • Stable supply of products and services 	<ul style="list-style-type: none"> • Products and services that contribute to improving productivity and preventing traffic accidents • Products and services that contribute to decarbonization • Initiatives to increase service quality • Supply chain-integrated quality control and business continuity planning and business continuity management systems 	<ul style="list-style-type: none"> • Daily operational activities (sales and services) • Isuzu Customer Center • Customer satisfaction surveys • Customer notifications (Isuzu website)
Shareholders	<ul style="list-style-type: none"> • Appropriate return of profits • Timely and appropriate corporate information disclosure • Maintenance of and increases in corporate value 	<ul style="list-style-type: none"> • Provision of stable and continuous dividends • Strengthening of decision-making transparency and accountability • Management initiatives that contribute to the sustainable development of the environment and society 	<ul style="list-style-type: none"> • General Shareholders' Meeting • Various reports and information disclosures (financial results briefings and presentations, annual securities reports, quarterly financial reports, integrated reports, sustainability reports, etc.) • Plant tours for shareholders*1
Business partners	<ul style="list-style-type: none"> • Fair and equitable selection and trade • Support for corporate social responsibility (CSR) activities • Quality improvement and technological support 	<ul style="list-style-type: none"> • Procurement under fair and equitable competition both in Japan and overseas • Dissemination of Supplier CSR Guidelines • Supplier quality evaluation and improvement activities and promotion of joint research and development 	<ul style="list-style-type: none"> • Daily procurement activities • Production briefings • Procurement policy briefings • Evaluation and questionnaire for suppliers
Employees	<ul style="list-style-type: none"> • Fair and equitable evaluation and treatment • Respect for human rights • Promotion of diversity • Appointment, utilization, and development of appropriate human resources • Promotion of work-life balance • Consideration for occupational health and safety 	<ul style="list-style-type: none"> • Personnel evaluations based on each employee's work, roles, ability to develop, and performance level • Promotion of active participation of diverse human resources and creation of comfortable working environments • Promotion of skills acquisition and transfer of technological skills through training • Workstyle reforms to improve productivity • Safety activities based on the Three Safety Principles and other concepts 	<ul style="list-style-type: none"> • Employee satisfaction (ES) surveys • Labor-management council • Reporting and consultation channels • Helpline (suggestion box) • Occupational Health and Safety Committee • In-house newsletter
Local governments	<ul style="list-style-type: none"> • Compliance with laws • Payment of taxes • Cooperation with various measures and policies 	<ul style="list-style-type: none"> • Establishment of a Compliance Committee and other systems and promotion of awareness of said systems within the Company • Participation in public-private sector joint projects 	<ul style="list-style-type: none"> • Dialogue through organizations such as the Japan Automobile Manufacturers' Association • Dialogue through joint projects involving the public and private sectors
Local communities	<ul style="list-style-type: none"> • Protection of and respect for local cultures, customs, and natural environments • Contributions to community development • Prevention of accidents and disasters in and around business sites and responses to emergencies 	<ul style="list-style-type: none"> • Promotion of activities to protect local ecosystems • Creation of jobs and educational support for, as well as interactions with, local communities in areas where we conduct business activities • Prevention of violations of environmental laws and regulations and of accidents • Contribution to goods transportation during disasters • Implementation of social contribution activities aimed at coexisting with local communities 	<ul style="list-style-type: none"> • Participation in community events*2 • Invitations to events at business sites*2 • Isuzu Plaza*2 • Hosting of social studies excursions*2 • Recruitment activities

*1 Not implemented in fiscal 2022 due to the COVID-19 pandemic. Implementation for fiscal 2023 onward is yet to be decided.

*2 Not carried out or temporarily suspended in fiscal 2022 due to COVID-19. In fiscal 2023, implementation will be considered depending on the situation.