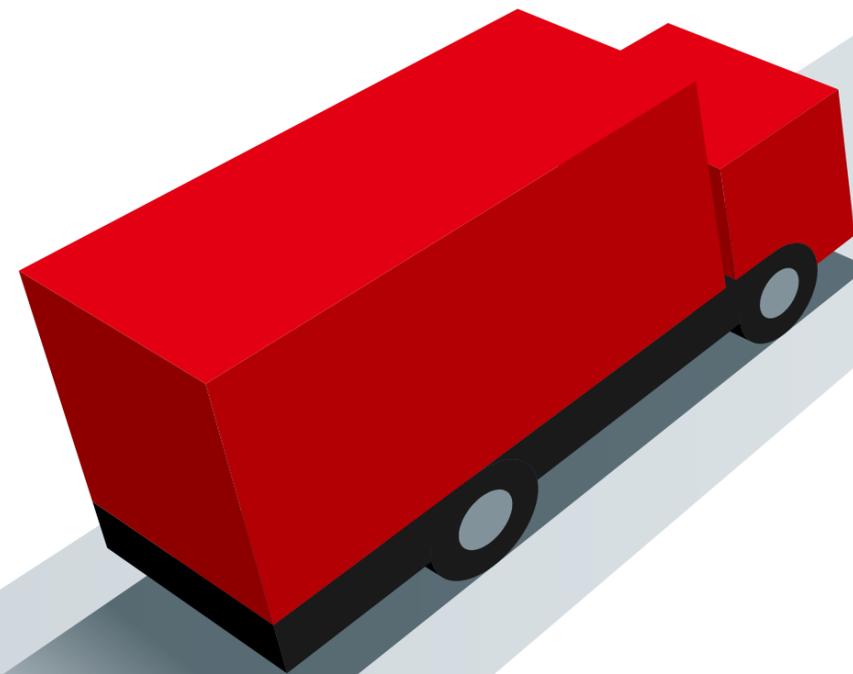


ISUZU

Mid-term Business Plan **2024** Progress Report

(FY2022 - FY2024)

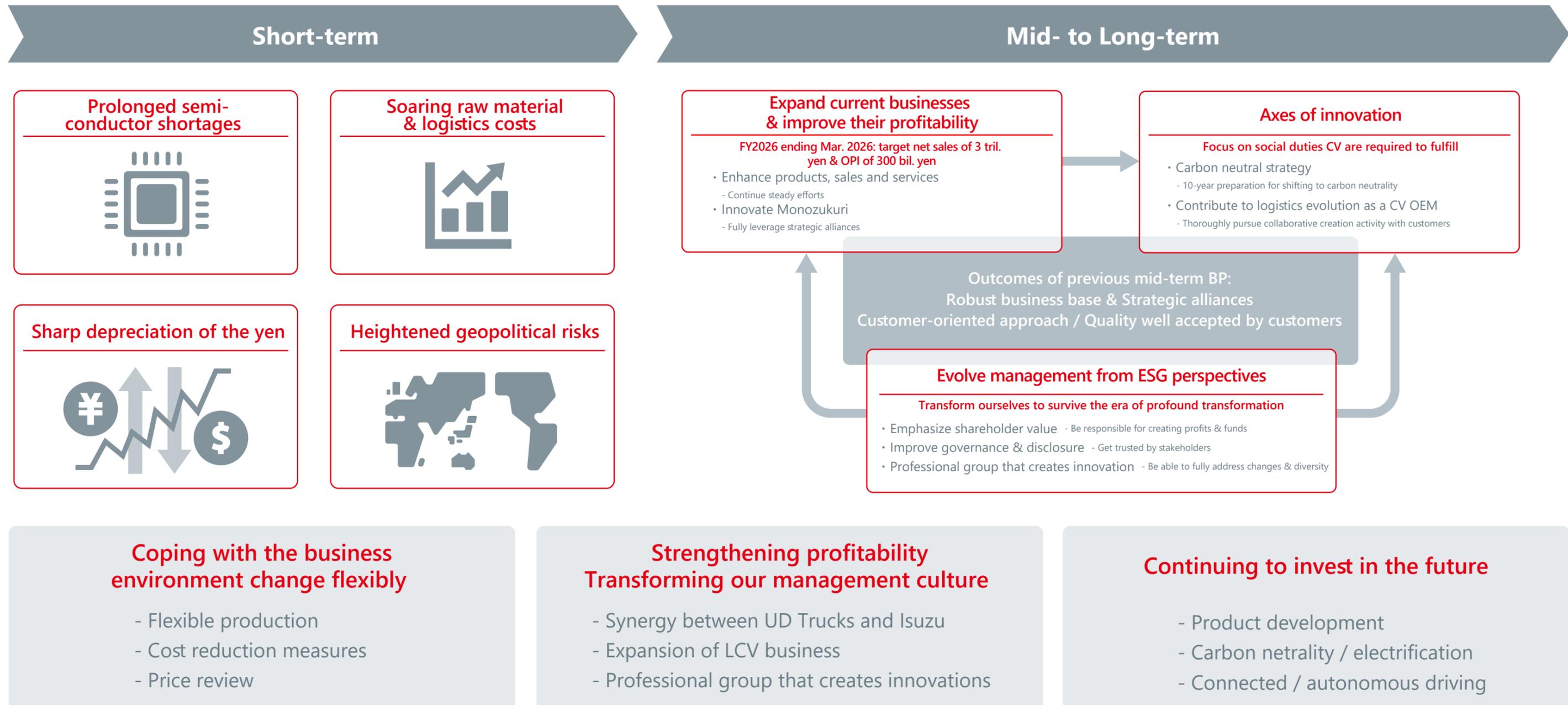


May 13, 2022

Isuzu Motors Limited

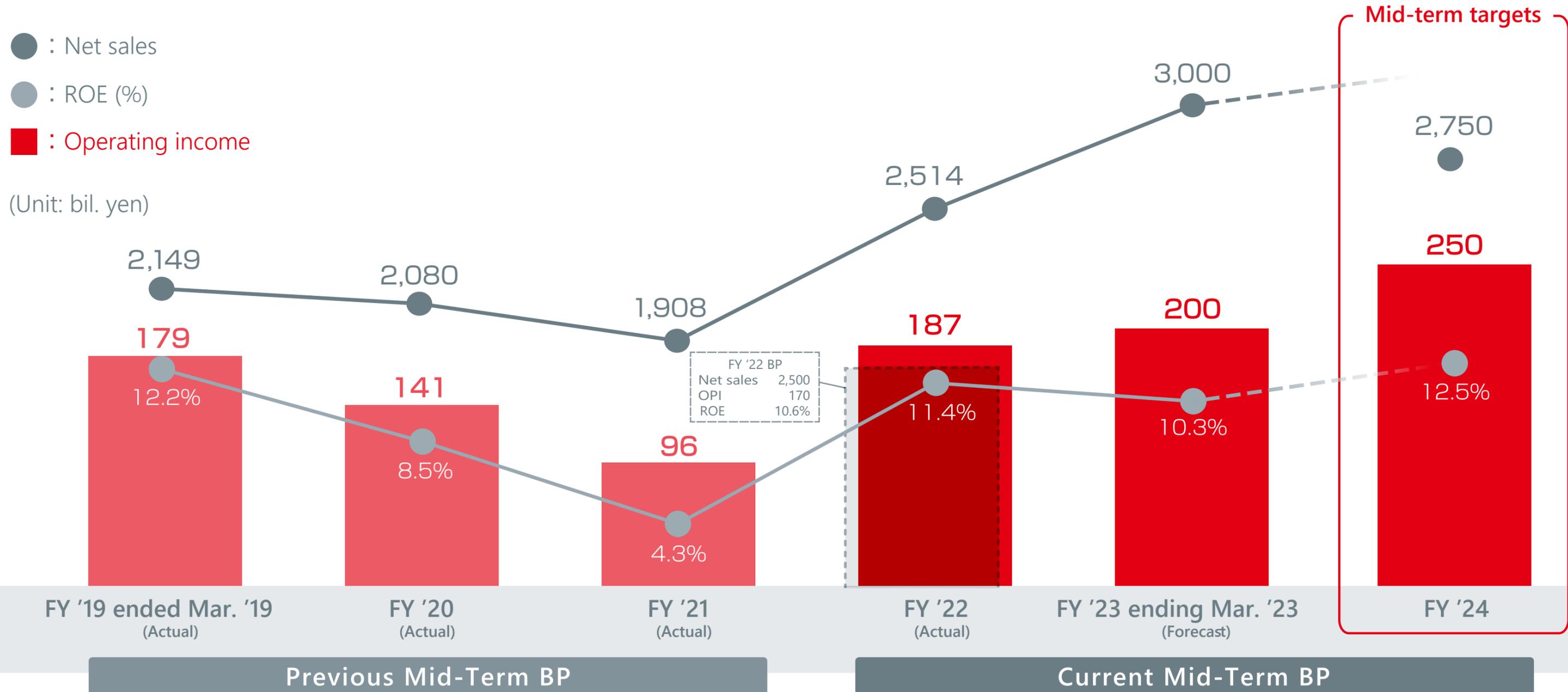
Overview

The business environment has changed largely from Isuzu's initial assumptions. Efforts are on-going to reduce the impact of the change. Despite such a circumstance, the current mid-term BP initiatives are in progress to build a foundation for mid- to long-term growth.



Mid-Term BP Financial Targets

While net sales is on an upward trend, operating income (OPI) shows little growth due to soaring material and logistics costs. The course of action to take during the current FY is under review to keep the mid-term financial targets feasible.



Measures to Expand Current Businesses & Improve Profitability (1)

Challenges	Measures contributing to this mid-term BP period	
<p>Reinforce products, sales and services</p>	<p>Leveraging synergy between UD Trucks and Isuzu</p> <p>Expanding HD truck sales under a multi-brand strategy.</p> <ul style="list-style-type: none"> - Introducing a new tractor unit via both channels (in '23); as the first collaboration with Volvo Group. - UD Trucks to expand their MD truck sales. - Joint work by the domestic/overseas sales divisions of both companies <p>Reinforcing UD Trucks' business.</p> <ul style="list-style-type: none"> - Cost reduction by joint transportation & common parts purchasing - Improvement of manufacturing/field qualities 	
<p>Innovate Monozukuri</p>	<p>Expanding LCV business</p> <p>Role sharing is in progress among Isuzu's three global production bases.</p> <ul style="list-style-type: none"> - Thailand: Mother plant (Production capacity: 340,000 units/year) - India: Workhorse model exporting base (Localization, in progress. /Started export to the Middle East. /Assumed production for Egypt.) - South Africa: Covers the entire African market. (Production capacity of 23,000 units /Started production of a new model./Produces the previous model in parallel.) 	 <p>Launch ceremony at Nelson Mandela Stadium</p> <p>Workhorse model</p>

Measures to Expand Current Businesses and Improve Profitability (2)

Challenges	Measures contributing to expansion post this mid-term BP
<p>Reinforce products, sales and services</p>	<p>HD truck full model change</p> <p>Started joint full model change development of the HD truck models by Isuzu and UD Trucks (one common heavy duty platform) for the Japanese- and other Asian markets, utilizing the alliance collaboration with the Volvo Group in the area of new technologies.</p> <div data-bbox="2325 559 3005 1071"> </div> <p>LD and MD truck full model change</p> <p>Launching the all-new models starting with Japan in FY2022 (including BEVs).</p> <ul style="list-style-type: none"> - Rich product variations to meet the needs of evolving logistics
<p>Innovate Monozukuri</p>	<p>Established a modular design concept, "I-MACS(*)" (for LD and MD trucks).</p> <ul style="list-style-type: none"> - To respond to a various needs and power source types in advanced/emerging nations. <p>Launching the all-new models in sequence all over the world (with the UD Trucks channel included).</p> <div data-bbox="1819 1159 3118 1639"> </div>

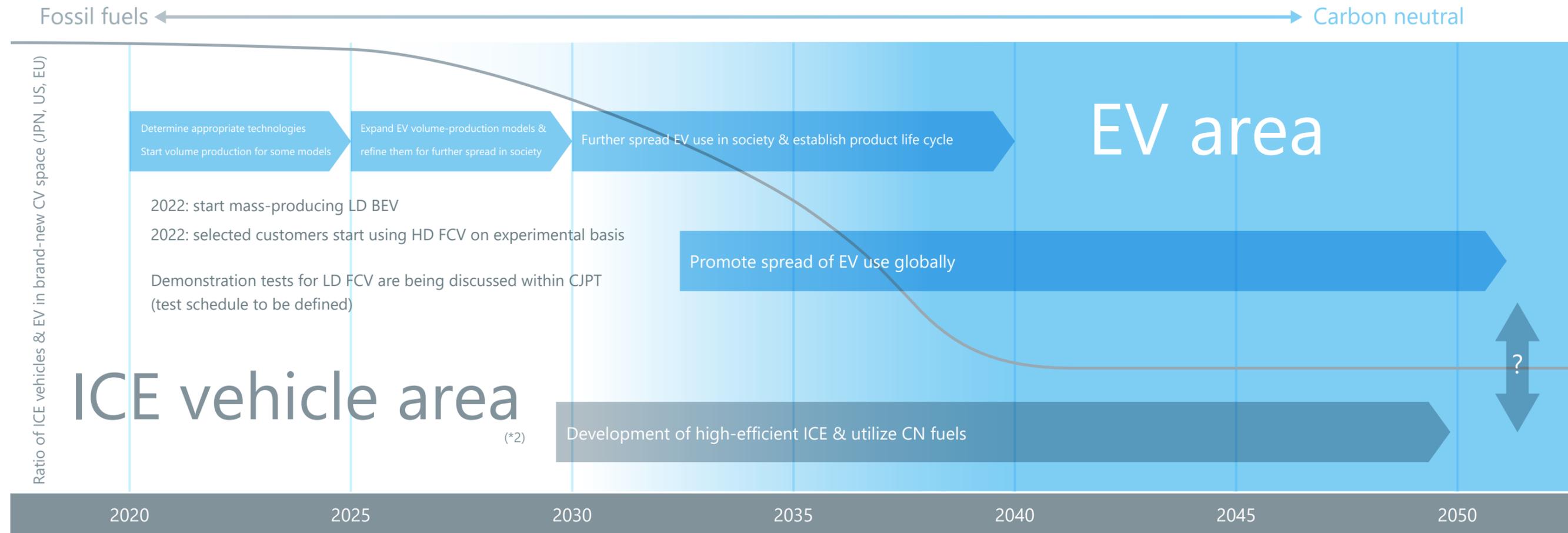
* I-MACS (Isuzu Modular Architecture and Component Standard): Rules for optimizing use/combination of components in vehicle development

Carbon Neutrality Strategy (1)

Our initiatives for carbon neutrality in CV industry are in progress based on our original assumptions. Working to achieve the targets given to Japanese CVs in the Japan's Green Growth Strategy as of June 2021.

Repeated

Establish a full product lineup by 2040 that is able to deal with carbon neutrality.
Expand sales of EV^(*1) models of our major products in the 2030s.



*1 EV: electrified vehicles, including battery EV (BEV), fuel cell vehicle (FCV) and hybrid EV (HEV), etc.

*2 ICE vehicles: vehicles powered by fuels such as diesel, gas and CN fuels.

Japanese Government's Goals for CVs	GVW 8t or less	Aiming for electric vehicles accounting for 20 - 30% of new LD truck sales by 2030, and electric vehicles and decarbonized fuel vehicles accounting for 100% by 2040.
	Over GVW 8t	Aiming for an advanced introduction of 5,000 electric vehicles in the 2020's, and setting a target for 2040 electric vehicle penetration by 2030 in light of the then prevailing circumstances of technology development / market penetration of hydrogen and synthetic fuels.

Carbon Neutrality Strategy (2)

Starting production of LD BEVs in 2022.
Examining the possibility of various technologies without narrowing the options for carbon neutrality.

Product Development	LD BEV truck To be launched.	HD BEV route bus Under development.	HD LNG truck Launched.	
	To be launched in Japan/ US/Europe. Variant that can be driven by regular driver's license holders, available. 	Isuzu/Hino product sold under Isuzu/Hino brands to be launched in 2024. 	LNG-powered GIGA 	
Advance Engineering Demonstration Test	LD & HD FCV truck Test vehicles being built.	HD FCV route bus Study began.	Electric pickups^(*) Study began.	MD BEV truck for US Demonstration test began.
	 	Joint study is underway at CJPT. 		

* Electric pickups: battery electric model (BEV), hybrid electric model (HEV) and others

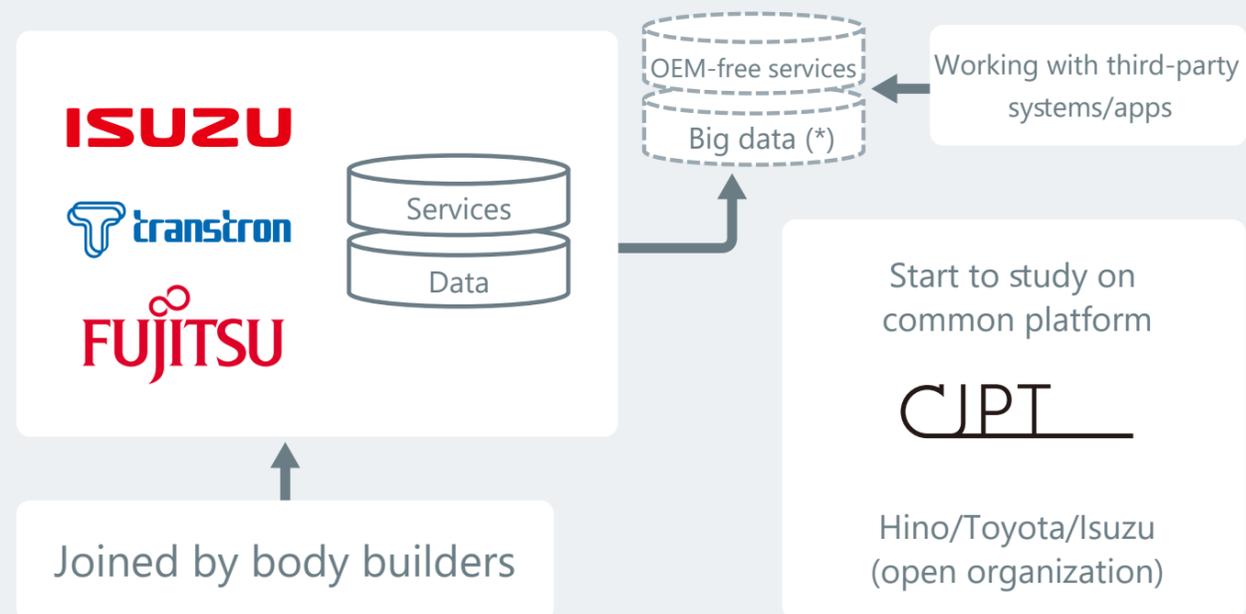
Contributing to Logistics Evolution as a CV OEM.

Connected

Meeting customers' needs in both aspects of quality (uptime support) and efficiency (operation management), and contributing to CO² reduction.

Connected service base

- Starts offering uniform services to approx. 500,000 trucks via "CV Connected Information Platform" that integrates services of Isuzu and Fujitsu. (starting in October 2022).
- UD Trucks starts a trial of MIMAMORI (operation management service) from January 2023.
- Promotes linkage with a wide range of data platforms based on the Toyota MSPF, via CJPT.



Autonomous driving

Starting demonstration tests prioritizing use cases with higher labor-saving effect, safety and feasibility, aiming for practical use as infrastructure.

Demonstration tests of an autonomous driving bus, started.
(Fukuoka Airport)



Joint demonstration tests of Level 4, being promoted.
(UD Trucks/ Kobe Steel)



* Big data: data we use as collective intelligence by anonymizing and statistically processing individual data (i.e. information on operation management, traffics, etc.) stored at each company's server.

Evolve Management from ESG Perspectives

Implementing various measures to change Isuzu's management culture. Promoting internal/external communication as sources of innovation.

Emphasize shareholder value

Returns to shareholders:

Dividend amount 66yen (record high)

Dividend payout ratio 40.5%

Improve governance and disclosure

Organizational change:

Transition to a company with an audit and supervisory committee, completed. (June 2021)

Board of Directors:

5 out of 13 directors are outside directors (including 2 female directors).

Disclosure:

Started disclosing climate-change-related information in line with the TCFD^(*1) framework.

Professional group that creates innovation

Strengthening our human resources.

Started reforming our HR platform based on the concept, "diversity".

Promoting communication in the automobile industry.

Exchanging engineers with the alliance partners (Volvo Group, Cummins, CJPT, and others). Harmonizing with the diversity of UD Trucks. Formed VOIS^(*2) together with Volvo Group.

Promoting communication with other industries, within Isuzu Group, and among Isuzu employees.

Moved our headquarters to Yokohama where many companies have their R & D bases. (The Group companies also moved to the same bldg. The function as the contact point for customers, improved.) Each office designed for the employees to work and interact easily. Enhancing communication with overseas markets and our overseas offices.



*1 TCFD: Task Force on Climate-related Financial Disclosures

*2 VOIS: Volvo-Isuzu Joint project by the two companies to promote diversity and inclusion (D&I) in the workplaces.



Notice to The Readers

This document is intended for informational purposes and includes, but not limited to, statements on future business performance and business plans. Information contained in the document, other than historical or current facts, constitutes forward-looking statements which are based on assumptions and judgments formed by the management of the Company in view of information currently available. By its nature, Isuzu does not guarantee or give any warranty as to the accuracy of all information contained in this document. Moreover, Isuzu undertakes no obligations to update such forward-looking statements such as statements on future business performance and business plans, based on future events or new information.

Such statements involve elements of risk and uncertainty contained in such assumptions and judgments, and/or various factors including but not limited to economic changes in future, changes in automotive market conditions, foreign currency exchange rate fluctuations, and changes of business environment surrounding the Company. Such elements and/or factors may therefore cause the actual results and performance to be materially different from any future results and performance expressed or implied by the predictive statements stated herein. If you actually have an intention to invest, you should not depend upon this document as your sole source of information, and should use your own discretion in making an investment decision.

Please be aware that Isuzu will not be responsible for any damages you may suffer as a result of making an investment decision based on the information contained in this document.

Copyrights

Isuzu Motors limited or the original rights holders retain copying and other rights associated with these materials. Copying and otherwise reusing these materials in any way without prior consent is prohibited.

Sales Volume & Financial Indicators

Sales volume (k units)	Mid-Term BP					
	FY'21 Ended Mar. '21	FY'22 Ending Mar. '22		FY'23 Ending Mar. '23		FY'24 Ending Mar. '24
	Actual	BP	Actual	BP	Forecast	BP
CV-Japan	70	86	65	81	70	78
CV-Overseas	190	253	278	243	294	281
LCV	295	395	378	443	438	448
Industrial engines	138	158	142	136	140	145

of which CV sold by UD Trucks (k units)

CV-Japan	-	9	8	8	8	8
CV-Overseas	-	7	10	8	9	9

Investment/financial forecast (B Yen)	FY'21 Ended Mar. '21	FY'22 Ending Mar. '22		FY'23 Ending Mar. '23		FY'24 Ending Mar. '24
	Actual	BP	Actual	BP	Forecast	BP
Development expenses	91	110	105	115	119	115
Capex	70	100	78	100	109	100

Interest-bearing liabilities (excl. lease-related ones)	112	380	317	320	260	260
Equity ratio	46%	43%	42%	46%	44%	48%