

**Q&A Summary of the Explanatory Session for Institutional Investors and Analysts**  
**for 1Q of FY ending March 2026**

**[Greetings from Yamaguchi EVP]**

Regarding the first-quarter performance, although unit sales varied depending on the market, both CV and LCV unit sales increased year on year as forecast. Profit and loss decreased from the same period of the prior year due to the negative FX impact arising from stronger Japanese Yen and Thai Baht, rising parts procurement costs and higher growth-related expenses, despite increased unit sales and steady progress made by voluntary initiatives, such as price realization and cost reductions.

Regarding the business environment, in the first quarter, since the yen stayed weaker than expected, we slightly exceeded the plan. Meanwhile, we are beginning to see anticipated changes in the environment. There are both risks and opportunities, as the Thai LCV market remains in a difficult situation with no signs of recovery, while there are positive signs for the economy, such as weakening yen and lower-than-expected US tariffs.

In particular, CV unit sales for North America and LCV unit sales for Thailand are important factors for assessing our financial standing not only for this fiscal year but also for the next one, and we are currently in the process of scrutinizing forecast assumptions. We will present the latest outlook for both CV and LCV businesses for the next fiscal year, when we make the announcement of the interim financial results in November.

Last but not least, I will discuss various initiatives in progress.

In May, a resolution was made to sell shares worth 60.0 billion yen. By communicating Isuzu's brand strength and mid to long-term growth strategies to investors, we were able to allocate all Isuzu shares held by banks and non-life insurance companies to shareholders who would understand and support us from a long-term perspective. At the same time, we began repurchasing up to 50.0 billion yen worth of treasury shares to improve our capital efficiency.

In July, we signed a new contract with the Volvo Group for technical assistance in engineering and quality areas and for the continuous supply of components. Through this agreement, we will further develop a common platform for heavy-duty trucks and strengthen our customer support structure to steadily supply the market.

In August, we have announced that we will open the Isuzu Group's first overseas leasing company in Australia. In addition to the existing uptime-guarantee structure, we aim to further contribute to our customers' businesses by supporting vehicle uptime across their entire life cycle through maintenance leasing, which forms part of new vehicle sales.

I have briefly reported on our financial results, the business environment and our main initiatives. We will continue to make steady efforts to maintain the trust our stakeholders have placed in us.

**[Q & A]**

**<Result of 1Q of FY ending March 2026>**

**- Profitability -**

Q: What is the internal evaluation of the financial results of the first quarter from April to June at ISUZU?

A: Operating profit was 1.0 billion yen higher than the company business plan. In terms of the unit sales, both CV and LCV were in line with our business plan, but the CV unit sales for Indonesia and the LCV unit sales for Saudi Arabia were slightly lower than expected, resulting in 1.0 billion yen lower than the business plan. The impact of the exchange rate contributed to 2.0 billion yen better than the business plan.

Q: Could you give us a breakdown of the segments in which your profits declined due to the worsening of the destination mix?

A: In the overseas CV business, the decline in the CV unit sales for North America, where profit per unit is high, was a major factor in the decline in profit. In addition, even among the regions where the unit sales increased, there are a considerable number of regions where knockdown shipments, which are less profitable than CBU (Complete Built-Up) shipments, are carried out. Hence, the destination mix worsened. The breakdown of the negative 6.5 billion yen change in sales and model mix in the overseas CV business included the decrease of 11.0 billion yen in North America and the increase of 4.5 billion yen in other destinations.

**< Forecast for FY ending March 2026 >**

**- Business in North America -**

Q: Please explain the impact of the US tariffs.

A: At the beginning of this fiscal year, we had expected a maximum tariff cost impact of about 20.0 billion yen. If the tariff rate is reduced to 15% from August onward, it is expected to decline to about 14.0 billion yen. On an operating profit basis, we had estimated a negative impact of 16.0 billion yen taking into account various measures, but we are still reviewing this figure due to uncertainties in the business environment in North America.

Q: Please explain about the progress of your price increase initiative and the business environment.

A: As for price realization, we have raised the wholesale prices by 5% on average from August 1st. While retail sales are currently in line with our business plan, dealers say they are still taking a wait-and-see stance due to concerns about the economic trends, and thus the outlook is starting to look uncertain. Some local automakers have yet to raise their prices, and we are currently examining to what extent the reduced impact of tariffs will translate into profits.

**- LCV business in Thailand-**

Q: How do you see the business environment for the fiscal year ending March 2026?

A: The Thai domestic LCV market continues to face challenging conditions, with no signs of recovery at

present, and there are concerns about delays in support measures due to political instability.

On the other hand, pickup trucks are also used for commercial purposes, and we estimate that replacement demand for previously sold units will reach several hundred thousand. As financing environment improves, this demand is expected to materialize with certainty. Although the timing of market recovery may be pushed back, we anticipate a clear recovery in either the next fiscal year or the following one, and our medium- to long-term outlook remains unchanged.

**Q: Is the PPV market robust in contrast to the pickup truck market?**

**A:** Many of our PPV customers are affluent individuals and have had relatively easy access to financing, however, the conditions are gradually tightening.

**- Other market conditions and volume-**

**Q:** Please comment on the business environment in the Japan CV market.

**A:** In Q1, a decline in volumes at other OEMs resulted in industry sales of heavy- and medium-duty trucks remaining flat year on year and light-duty trucks decreasing. However, demand has remained firm. Order intake is in line with our expectations, and we anticipate steady sales going forward.

**Q:** Please share risks and opportunities.

**A:** [Risks]

We had expected industry sales for CVs in Indonesia to remain at the same level as the previous year, however it has been showing signs of weakness, posing a risk in terms of unit sales.

For pickup trucks for Saudi Arabia, the negative impact of rising diesel fuel prices was factored in when we formulated the business plan, however, the impact on demand has been more significant than anticipated. There has also been a shift toward gasoline vehicles, which could create a risk to the sales volume.

[Opportunities]

Aftersales in both domestic and overseas markets have been steady, and we are aiming for further growth for the full year. In terms of unit sales, CVs for Africa, mainly for Egypt, have continued to perform steadily and we are targeting further increase in unit sales.

**- Profitability -**

**Q:** Given the recent changes in the business environment, how do you view the 210.0-billion-yen operating profit target for the fiscal year ending March 31, 2026?

**A:** So far, we have been managing at the level in line with the assumptions made at the start of the fiscal year. We will continue to closely examine various factors, including the current exchange rate trends, the impact of US tariffs, and Thai LCV market conditions, and make steady efforts to achieve our targets.

Q: Please provide an update on the progress of price realization.

A: The Q1 result of a positive contribution of 5.0 billion yen is in line with the plan and mainly came from overseas CV business. For the Japanese CV business, price realization is expected mainly in the second half of the fiscal year. As for the full-year forecast of a positive contribution of 45.0-billion yen, our progress is in line with expectations.

**<Mid-term Business Plan>**

**- Profitability -**

Q: What is your current view on the targets of 4.0 trillion yen in sales and 360.0 billion yen in operating profit for the fiscal year ending March 31, 2027?

A: Some businesses such as aftersales are making steady progress. However, as the recovery of uncertain Thai market conditions as well as the stabilization of the US economy are key factors, the achievement may be delayed by one or two years depending on market conditions. We are currently conducting a comprehensive review, and when we announce our Q2 financial results, we intend to provide a clear outlook through the fiscal year ending March 31, 2027. We consider that there is no need to change our medium- to long-term targets, and we will steadily implement various measures.

**- Cross-Shareholdings -**

Q: Please explain the current status of cross-shareholdings from both perspectives: shares held by the Company and its shares held by others.

A: First, regarding our shares held by others, the sales by banks and non-life insurance companies have been fully completed with the recent secondary offering. With that, we recognize that the reorganization of the shareholder structure, including shareholders other than banks and non-life insurance companies, has been completed for the time being. Next, regarding the shares we hold, we evaluate them individually, and if we determine that the significance of the shareholding has diminished, we proceed with selling accordingly. As for two of our major holdings in terms of carrying amount on the balance sheet, Toyota Motor Corporation and SG Holdings Co., Ltd., both have clear significance, and there is no change in our policy to continue holding them.

**- Others -**

Q: Please describe the new strategic alliance contract concluded with the Volvo Groups in detail and also explain the difference from the previous one.

A: We have been steadily advancing the development and launch of vehicles built with the Isuzu-UD Trucks' common platform according to a plan that leverages the Volvo Group's cutting-edge technology and cost competitiveness. Because this time we reached concrete agreements such as the scope of parts and components and further outline of continued partnership, we have released the announcement to share the progress of our collaboration.

While so far, the Volvo Group has taken the lead in UD Trucks' parts procurement, ISUZU will take over this role, with continued support from the Volvo Group, after the transition to build common-platform vehicles is made.

Q: Are there any updates since the February press release announcing that the production of light-duty trucks in the United States was under consideration?

A: We had a plan to open the production site in South Carolina in the US, regardless of the current tariff. We aim to promote local sourcing, including batteries and engines, and to establish a flexible production system. This concept remains unchanged.

Q: We understand that in certain industries, the uncertain situation in Thailand has led Cambodian workers to resign their jobs and return home. What is the situation in Isuzu?

A: At this point in time, our business, including operations, is not impacted by that.