

Annual Securities Report

(Report based on Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan)

122nd term

(from April 1, 2023
to March 31, 2024)

ISUZU MOTORS LIMITED

2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa

(E02143)

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Submitted document	Annual Securities Report
Applicable law	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Submitted to	Director-General of the Kanto Local Finance Bureau
Date of submission	June 26, 2024
Business term	The 122nd Term (from April 1, 2023 to March 31, 2024)
Company name	いすゞ自動車株式会社 (Isuzu Jidosha Kabushiki-Kaisha)
Company name in English	ISUZU MOTORS LIMITED
Title and name of representative	Shinsuke Minami, President and Representative Director, COO
Address of head office	2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa
Telephone number	045 (299) 9035
Name of contact person	Tatsuhiko Yoshiura, General Manager of Accounting Department
Nearest place of contact	2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa
Telephone number	045 (299) 9035
Name of contact person	Tatsuhiko Yoshiura, General Manager of Accounting Department
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

Part I. Company Information

I. Overview of the Company

1. Trend of key business indices, etc.

(1) Consolidated business indices, etc.

Term		118th	119th	120th	121st	122nd
Year Ended		March 2020	March 2021	March 2022	March 2023	March 2024
Net sales	(millions of yen)	2,079,936	1,908,150	2,514,291	3,195,537	3,386,676
Ordinary profit	(millions of yen)	150,876	104,265	208,406	269,872	313,039
Profit attributable to owners of parent	(millions of yen)	81,232	42,708	126,193	151,743	176,442
Comprehensive income	(millions of yen)	67,526	104,098	208,023	224,390	323,093
Net assets	(millions of yen)	1,133,381	1,205,013	1,394,425	1,510,232	1,659,029
Total assets	(millions of yen)	2,152,090	2,244,970	2,856,139	3,046,777	3,263,001
Net assets per share	(yen)	1,292.05	1,385.36	1,540.51	1,688.01	1,951.02
Net income per share	(yen)	110.14	57.91	162.87	195.75	229.92
Capital adequacy ratio	(%)	44.3	45.5	41.8	42.9	44.8
Return on equity	(%)	8.6	4.3	11.4	12.1	12.7
Price earnings ratio	(times)	6.49	20.53	9.75	8.07	8.94
Net cash provided by (used in) operating activities	(millions of yen)	123,701	222,918	172,056	227,085	298,568
Net cash provided by (used in) investing activities	(millions of yen)	(92,659)	(93,413)	(420,867)	(80,527)	(155,080)
Net cash provided by (used in) financing activities	(millions of yen)	(25,153)	(55,275)	186,145	(140,372)	(144,977)
Cash and cash equivalents at end of period	(millions of yen)	303,974	386,670	341,713	364,396	384,878
Number of employees		36,856	36,224	44,299	44,495	45,034
[Separately, average number of temporary workers]	(people)	[10,069]	[10,183]	[14,320]	[15,146]	[14,455]

(Notes) 1. The parenthesis appeared in cash flow represents an outflow.

2. Net income per share after dilution of potential stock is not presented because there are no dilutive shares.

3. In computing net assets per share and net income per share, treasury shares as well as the Company's shares held by the trust fund with Directors of the Board, etc. as beneficiaries are deducted.

4. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the 120th fiscal year (the fiscal year ended March 31, 2022). Accordingly, the key business indices, etc. for the 120th fiscal year onward to which the said accounting standard, etc. has been applied are used.

(2) Business indices, etc. of the reporting company

Term		118th	119th	120th	121st	122nd
Year Ended		March 2020	March 2021	March 2022	March 2023	March 2024
Net sales	(millions of yen)	1,074,968	922,628	1,111,891	1,306,768	1,318,030
Ordinary profit	(millions of yen)	89,796	60,425	96,297	194,923	157,726
Profit	(millions of yen)	70,964	49,275	88,928	186,650	152,383
Share capital	(millions of yen)	40,644	40,644	40,644	40,644	40,644
Shares issued	(shares)	848,422,669	777,442,069	777,442,069	777,442,069	777,442,069
Net assets	(millions of yen)	604,015	657,786	751,628	871,042	945,807
Total assets	(millions of yen)	1,030,852	1,117,071	1,444,294	1,528,953	1,621,544
Net assets per share	(yen)	818.89	891.79	969.62	1,123.60	1,263.22
Dividend per share		38.000	30.000	66.000	79.000	92.000
[Interim dividend per share, included in the above]	(yen)	[19.000]	[10.000]	[29.000]	[36.000]	[43.000]
Net income per share	(yen)	96.21	66.81	114.77	240.77	198.56
Capital adequacy ratio	(%)	58.6	58.9	52.0	57.0	58.3
Return on equity	(%)	12.1	7.8	12.6	23.0	16.8
Price earnings ratio	(times)	7.43	17.80	13.84	6.56	10.35
Dividend payout ratio	(%)	39.5	44.9	57.5	32.8	46.3
Number of employees		8,172	8,149	8,056	8,056	8,491
[Separately, average number of temporary workers]	(people)	[3,083]	[2,955]	[4,010]	[4,361]	[4,447]
Total shareholder return	(%)	51.8	86.5	118.4	123.2	162.3
[Comparison indicator: TOPIX (including dividends)]	(%)	[90.5]	[128.6]	[131.2]	[138.8]	[196.2]
Highest stock price	(yen)	1,611.5	1,259.0	1,693.0	1,857.0	2,187.0
Lowest stock price	(yen)	599.1	612.7	1,070.0	1,419.0	1,502.0

- (Notes)
1. Net income per share after dilution of potential stock is not presented because there are no dilutive shares.
 2. In computing net assets per share and net income per share, treasury shares as well as the Company's shares held by the trust fund with Directors of the Board, etc. as beneficiaries are deducted.
 3. The highest and lowest stock prices are based on the market quotation on the Tokyo Stock Exchange (Prime Market) from April 4, 2022 and on the Tokyo Stock Exchange (First Section) before that date.
 4. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the 120th fiscal year (the fiscal year ended March 31, 2022). Accordingly, the key business indices, etc. for the 120th fiscal year onward to which the said accounting standard, etc. has been applied are used.

2. History

Month/Year	Item
April 1937	Tokyo Automobile Industries Co., Ltd. (capitalization: 1 million yen, currently ISUZU MOTORS LIMITED) is established.
July 1938	The Kawasaki Plant begins operations.
April 1941	The Company's name is changed to Diesel Automobile Industry Co., Ltd.
March 1944	The Company's head office is relocated from Higashi-shinagawa, Shinagawa-ku to Minami-oi, Shinagawa-ku.
May 1949	The Company's shares are listed on the Tokyo Stock Exchange.
July 1949	The Company's name is changed to ISUZU MOTORS LIMITED.
February 1953	The Company signs a technical assistance agreement with Rootes, Ltd. of the UK for the Hillman passenger car.
January 1962	The Fujisawa Plant begins operations.
July 1971	The Company signs a basic agreement outlining an across-the-board alliance with General Motors Corporation (GM).
June 1972	The Tochigi Plant begins operations.
June 1984	The Hokkaido Plant begins operations.
May 1994	Shatai-Kogyo Co., Ltd. (capitalization: 1,000 million yen) merges with the Company.
September 1998	DMAX, Ltd. (DMAX) is established as a joint venture with GM (ownership ratio: 60:40).
November 2002	The Hokkaido Plant is demerged and Isuzu Engine Manufacturing Hokkaido Co., Ltd. is established. A 20% stake in DMAX is sold to GM.
May 2004	The Kawasaki Plant is closed and restructured to the existing Fujisawa and Tochigi plants.
July 2004	The Company increases its share of voting rights in Isuzu Motors Co., (Thailand) Ltd. to 70.9% from 47.9% and converts both that company and Isuzu Engine Manufacturing Co., (Thailand) Ltd. into consolidated subsidiaries.
April 2006	The Company and GM agree to dissolve their equity tie-up. GM sells all its shares of the Company to Mitsubishi Corporation, ITOCHU Corporation, and Mizuho Corporate Bank, Ltd.
April 2013	The Company establishes new auto-lease company Isuzu Leasing Service Co., Ltd.
October 2013	Three companies, which are the Company's subsidiary I Metal Technology Co., Ltd., and affiliates TDF Corporation and Jidosha Buhin Kogyo Co., Ltd., form a joint holding company IJT Technology Holdings Co., Ltd. as a subsidiary of the Company by means of a share transfer.
April 2016	Isuzu Motors India opens an assembly plant for pickup trucks.
February 2017	The Company acquires shares held by General Motors East Africa (GMEA) and converts that company into a consolidated subsidiary. Its name is changed to Isuzu East Africa.
May 2017	The Company acquires the shares of Isuzu Truck South Africa, held by General Motors South Africa, and converts that company into a wholly owned subsidiary. Its name is changed to Isuzu Motors South Africa.
April 2019	IJT Technology Holdings Co., Ltd. absorbs and merges its group companies TDF Corporation, I Metal Technology Co., Ltd., and Jidosha Buhin Kogyo Co., Ltd., and changes its name to IJTT Co., Ltd.
May 2019	The Company signs a comprehensive agreement with Cummins Inc. to develop powertrains.
October 2020	The Company signs the Collaboration Master Agreement and the Share Transfer Agreement with AB Volvo. The Company agrees to acquire the whole stake owned by AB Volvo in UD Trucks Corporation.
March 2021	The Company enters into a consortium agreement with Toyota Motor Corporation and Hino Motors, Ltd. on collaboration efforts for the CV business (agreement terminated in July 2021). The Company enters into a capital partnership with Toyota Motor Corporation.
April 2021	The Company acquires the shares of UD Trucks Corporation and converts that company into a wholly owned subsidiary.
April 2022	The Company is listed on the Prime Market section of the Tokyo Stock Exchange.
May 2022	A 40% stake in DMAX is sold to GM and the joint venture is dissolved.
June 2022	The head office is relocated to the current address (2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi).
March 2023	The Company launches the full-model changes of the ELF light-duty truck and Forward medium-duty truck.
May 2023	The Company formulates its new corporate philosophy, "ISUZU ID."
October 2023	The Company announces the world premiere of its "EVision Cycle Concept," a battery-swapping solution.
February 2024	The Company enters into a joint planning agreement with Toyota Motor Corporation, SUZUKI MOTOR CORPORATION, and Hino Motors, Ltd. on collaboration efforts for the CV business.
March 2024	Business alliance with TIER IV for the development of autonomous driving systems for route buses.
April 2024	IJTT, Co. Ltd. becomes a company accounted for under the equity method through the transfer of shares.
May 2024	Building a partnership with Gatik towards commercialization of Level 4 autonomous driving in 2027. Isuzu launches Japan's first BEV flat-floor route bus, ERGA EV.

3. Businesses

The Group is comprised of the Company, 124 subsidiaries, and 41 affiliates. It mainly manufactures and sells vehicles, parts, and industrial engines, and offers various services including logistics, etc. related to these products. The positions of the Company as well as its principal subsidiaries and affiliates are as follows:

The Group manufactures and sells CV and LCV, mainly heavy-duty trucks and buses and light-duty trucks, as well as powertrains ^(Note 1), and engages in related businesses; they are developed in Japan and overseas as its core businesses.

Its production system is comprised of manufacturing and assembling by the Company as well as local production by overseas group companies assembling components provided by the Company. In addition, engines, mainstay products other than vehicles, are manufactured through a three-pillar structure consisting of Japan, Asia, and the U.S.

In its domestic sales structure, the Company directly sells heavy-duty trucks and buses to government ministries and agencies as well as some large-lot consumers. To other consumers who buy heavy-duty trucks and buses as well as light-duty trucks, etc., sales companies are tasked with selling those products.

Its overseas sales are conducted through the sales networks of the Group companies and the GM Group companies, etc., as well as trading companies, etc.

Principal subsidiaries and affiliates

(Manufacturing)

UD Trucks Corporation, IJTT Co., Ltd. ^(Note 2), Shonan Unitec Co., Ltd., Nippon Fruehauf Co., Ltd., J-Bus Limited, Isuzu Motors Co., (Thailand) Ltd., ISUZU (CHINA) ENGINE CO., LTD., Isuzu Motors South Africa (Pty) Limited

(Sales)

Isuzu Motors Sales Co., Ltd., Isuzu Motors Tohoku Co., Ltd., Isuzu Motors Syutoken Co., Ltd., Isuzu Motors Kinki Co., Ltd., Isuzu Motors Chubu Co., Ltd., Isuzu Motors Chugoku Shikoku Co., Ltd., Isuzu Motors Kyusyu Co., Ltd., Isuzu Leasing Service Co., Ltd., Isuzu North America Corporation, Isuzu Motors America, LLC, Isuzu Commercial Truck of America, Inc., Isuzu Australia Limited, Isuzu Motors Asia Ltd., Isuzu Motors International Operations (Thailand) Co., Ltd., Isuzu Motors India Private Limited, ISUZU MOTORS INTERNATIONAL FZE

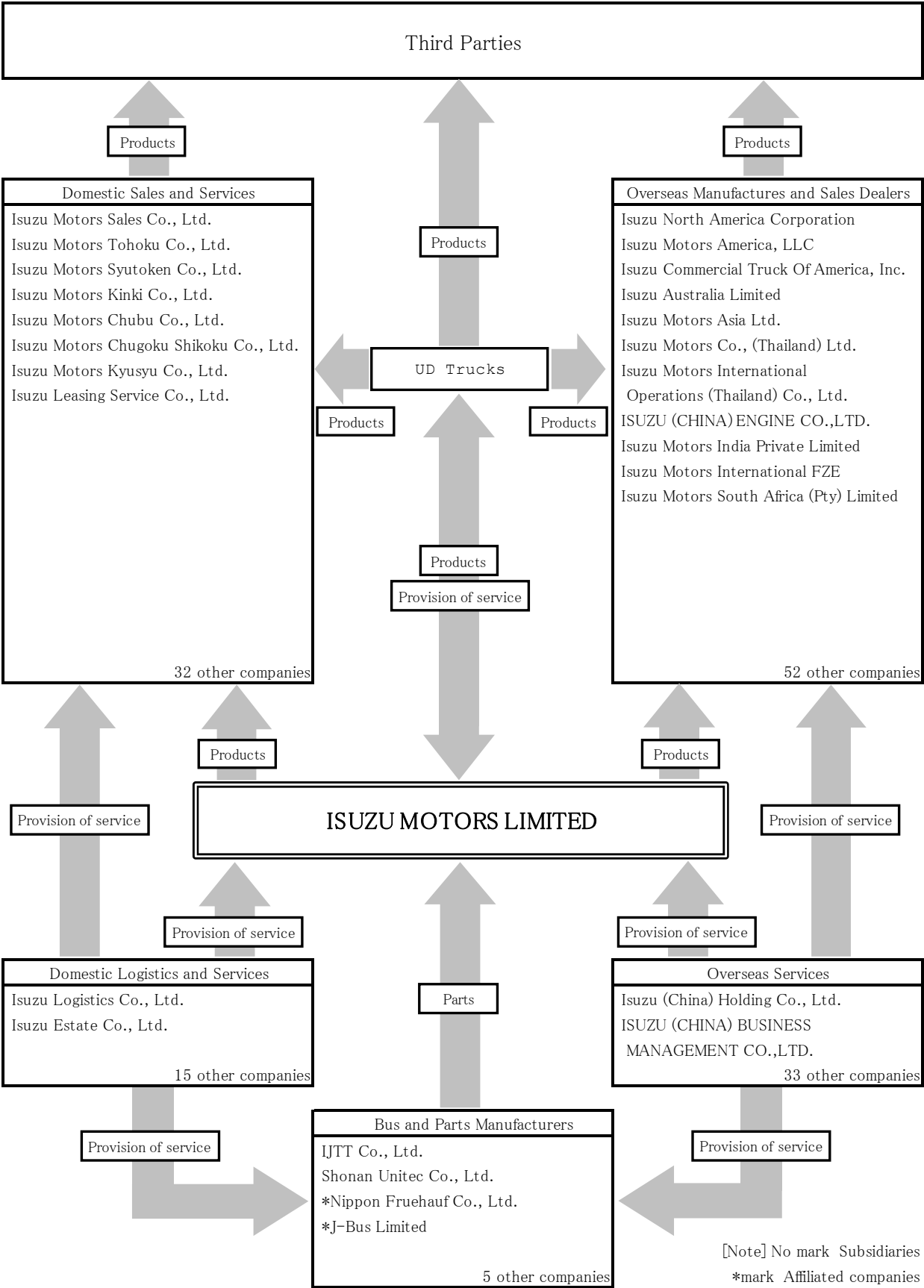
(Logistics, services, and others)

ISUZU LOGISTICS Co., Ltd., Isuzu Estate Co., Ltd., Isuzu (China) Holding Co., Ltd., ISUZU (CHINA) BUSINESS MANAGEMENT CO., LTD.

(Note 1) “CV,” “LCV,” and “powertrains” indicate “commercial vehicles,” “pickup trucks and derivatives,” and “engines, transmissions and driveline components,” respectively.

(Note 2) Regarding IJTT Co., Ltd., on April 26, 2024, all common shares of IJTT owned by the Company were transferred through a share repurchase, and IJTT became a company accounted for under the equity method of the Company.

Items stated above are indicated in a business flow chart as follows:



4. Status of principal subsidiaries and affiliates

Consolidated subsidiaries

Name	Address	Capital (millions of yen)	Main operations	Holding ratio of voting rights (%)	Concurrent positions, etc. of officers	Relationship
Isuzu Motors Tohoku Co., Ltd.	Miyagino-ku, Sendai, Miyagi	100	Selling and repairing vehicles	100.00 [100.00]	Yes	The Company supplies vehicles and parts under an exclusive agent agreement. It also leases sales facilities.
Isuzu Motors Syutoken Co., Ltd.	Koto-ku, Tokyo	100	Ditto	100.00 [100.00]	Yes	The Company supplies vehicles and parts under an exclusive agent agreement. It also leases sales facilities.
Isuzu Motors Kinki Co., Ltd.	Moriguchi-shi, Osaka	100	Ditto	100.00 [100.00]	Yes	The Company supplies vehicles and parts under an exclusive agent agreement. It also leases sales facilities.
Isuzu Motors Chubu Co., Ltd.	Minami-ku, Nagoya, Aichi	100	Ditto	100.00 [100.00]	Yes	The Company supplies vehicles and parts under an exclusive agent agreement. It also leases sales facilities.
Isuzu Motors Chugoku-Shikoku Co., Ltd.	Saeki-ku, Hiroshima, Hiroshima	100	Ditto	100.00 [100.00]	Yes	The Company supplies vehicles and parts under an exclusive agent agreement.
Isuzu Motors Kyusyu Co., Ltd.	Higashi-ku, Fukuoka, Fukuoka	100	Ditto	100.00 [100.00]	Yes	The Company supplies vehicles and parts under an exclusive agent agreement.
Isuzu Motors Sales Co., Ltd.* ¹	Nishi-ku, Yokohama-shi, Kanagawa	25,025	Selling vehicles	100.00	Yes	The Company supplies vehicles and parts under an exclusive agent agreement.
UD Trucks Corporation* ¹	Ageo-shi, Saitama	10,000	Producing and selling vehicles, and selling service parts	100.00	Yes	The Company works on joint development, reciprocal supply of vehicles and parts.
IJTT Co., Ltd.* ^{1, *2}	Kanagawa-ku, Yokohama-shi, Kanagawa	5,500	Producing parts	100.00	Yes	The Company receives parts supply.
Shonan Unitec Co., Ltd.	Samukawa-machi, Koza-gun, Kanagawa	940	Producing parts	100.00	Yes	The Company receives parts supply.
ISUZU LOGISTICS Co., Ltd.	Nishi-ku, Yokohama-shi, Kanagawa	800	Logistics Services	100.00	Yes	The Company receives services related to logistics.
Isuzu Estate Co., Ltd.	Nishi-ku, Yokohama-shi, Kanagawa	1,990	Real estate lease and sales	100.00	Yes	The Company receives services related to real estate management.
Isuzu Leasing Service Co., Ltd.* ¹	Nishi-ku, Yokohama-shi, Kanagawa	14,375	Lease sale	51.00 [51.00]	Yes	—
Isuzu North America Corporation* ¹	Anaheim, California, U.S.A.	millions of USD 232	Selling vehicles	100.00	Yes	The Company supplies vehicles and parts.
Isuzu Motors America, LLC* ¹	Anaheim, California, U.S.A.	millions of USD 50	Ditto	100.00 [100.00]	Yes	The Company supplies parts.
Isuzu Commercial Truck of America, Inc.	Anaheim, California, U.S.A.	thousands of USD 25	Ditto	80.00 [80.00]	Yes	The Company supplies parts.
Isuzu Australia Limited	Truganina, Victoria	millions of AUD 47	Ditto	100.00	Yes	The Company supplies vehicles and parts.
Isuzu Motors Asia Ltd.* ¹	Singapore	millions of USD 220	Selling parts	100.00	Yes	The Company supplies parts.
Isuzu Motors Co., (Thailand) Ltd.* ^{1, *3}	Phrapradaeng, Samutprakan, Thailand	millions of Thai baht 8,500	Producing vehicles	71.15 [71.15]	Yes	The Company supplies parts.
Isuzu Engine Manufacturing Co., (Thailand) Ltd.	Latkrabang, Bangkok, Thailand	millions of Thai baht 1,025	Manufacturing engines	100.00 [98.60]	Yes	The Company supplies parts.
Isuzu Motors International Operations (Thailand) Co., Ltd.* ^{1, *3}	Chatuchak, Bangkok, Thailand	millions of Thai baht 678	Selling vehicles	70.00 [70.00]	Yes	—
ISUZU (CHINA) ENGINE CO., LTD.* ¹	Chongqing, China	millions of RMB 2,110	Producing, assembling and selling engines: selling parts of vehicles and engines	50.61	Yes	—

Name	Address	Capital (millions of yen)	Main operations	Holding ratio of voting rights (%)	Concurrent positions, etc. of officers	Relationship
Isuzu Motors India Private Limited* ¹	Tamil Nadu, Republic of India	millions of INR 50,000	Producing and selling vehicles	62.00 [42.16]	Yes	—
ISUZU MOTORS INTERNATIONAL FZE	Dubai, United Arab Emirates	thousands of USD 7,434	Exporting and selling service parts and selling vehicles for the Middle and Near East	100.00	Yes	The Company supplies vehicles and parts.
Isuzu Motors South Africa (Pty) Limited* ¹	Port Elizabeth, East Cape, South Africa	millions of ZAR 2,708	Producing and selling vehicles	100.00	Yes	The Company supplies vehicles and parts.
72 other companies						

Affiliates accounted for under the equity method

Name	Address	Capital (millions of yen)	Main operations	Holding ratio of voting rights (%)	Concurrent positions, etc. of officers	Relationship
J-Bus Limited	Komatsu-shi, Ishikawa	1,900	Producing and selling buses	50.00	Yes	The Company receives the supply of rear bodies for vehicles.
Nippon Fruehauf Co., Ltd.	Atsugi-shi, Kanagawa	1,002	Producing parts	34.00	Yes	The Company receives the supply of rear bodies for vehicles.
General Motors Egypt S.A.E.	Cairo, Arab Republic of Egypt	millions of EGP 1,819	Producing and selling vehicles	21.84	Yes	The Company supplies parts.
Qingling Motors Co., Ltd.	Chongqing, China	millions of RMB 2,482	Producing and selling vehicles	20.00	Yes	The Company supplies parts.
32 other companies						

- (Notes) 1. *1: It is classified as specified subsidiary company.
2. *2: Regarding IJTT Co., Ltd., as a result of the share consolidation of IJTT Co., Ltd., which took effect on March 27, 2024, the Company's percentage of voting rights held in IJTT became 100%. Subsequently, on April 26, 2024, all common shares of IJTT owned by the Company were transferred through a share repurchase, and IJTT became a company accounted for under the equity method of the Company.
3. In the column of Holding ratio of voting rights, the number in parentheses indicates the indirect holding ratio, as part of the above.
4. *3: Regarding Isuzu Motors Co., (Thailand) Ltd. and Isuzu Motors International Operations (Thailand) Co., Ltd., the rate of their net sales (excluding internal sales between consolidated companies) to consolidated net sales exceeds 10%.
Main information on profits and losses, etc.

As of March 31, 2024

Name	Net sales (millions of yen)	Ordinary profit (millions of yen)	Profit (millions of yen)	Net assets (millions of yen)	Total assets (millions of yen)
Isuzu Motors Co., (Thailand) Ltd.	1,003,654	114,131	91,659	203,778	350,188
Isuzu Motors International Operations (Thailand) Co., Ltd.	560,714	15,612	12,536	35,815	131,453

5. Status of employees

(1) Status of consolidated companies

As of March 31, 2024

Number of employees (people)	45,034	(14,455)
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- (Notes) 1. “Number of employees” is the workforce (excluding employees seconded from the Group to outside organizations, but including employees seconded from outside the Group). The number of temporary workers (including seasonal workers, part-time workers, and temp employees dispatched by temp agencies) is indicated in parentheses, and is the average for the current fiscal year and not included in total.
2. The Group is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

(2) Status of reporting company

As of March 31, 2024

Number of employees (people)	Average age (years)	Average years of service (years)	Average annual salary (thousands of yen)
8,491 (4,447)	40.8	17.3	7,886

- (Notes) 1. “Number of employees” is the workforce (excluding employees seconded from the Company to outside organizations, but including employees seconded from outside the Company). The number of temporary workers (including part-time workers, temp employees dispatched by temp agencies, and seasonal workers) is indicated in parentheses and is the average for the current fiscal year and not included in total.
2. “Average annual salary” includes extra remuneration and bonus.
3. The Company is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

(3) Status of labor unions

As of March 31, 2024, the Isuzu Motors Workers’ Union at the reporting company and the majority of labor unions at the consolidated subsidiaries belong to the Federation of All Isuzu Automobile Workers’ Unions, their superior organization, and to the Japanese Trade Union Confederation through the Confederation of Japan Automobile Workers’ Unions. There are no particular items to be reported regarding labor relations.

(4) Percentage of female workers in management positions, percentage of male workers taking childcare leave, and difference in wages between male and female workers

(i) Reporting company

Current fiscal year				
Percentage of female workers in management positions (%) (Note) 1.	Percentage of male workers taking childcare leave (%) (Note) 2.	Difference in wages between male and female workers (%) (Note) 1.		
		All workers	Full-time employees	Part-time and fixed-term workers
3.7	88.0	84.7	81.3	109.5

- (Notes) 1. Calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015).
2. The percentage of workers taking childcare leave, etc. or leave for childcare purpose is calculated as per Article 71-4, Item 2 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).

(ii) Consolidated subsidiaries

Current fiscal year								
Name	Percentage of female workers in management positions (%) (Note) 1.	Percentage of male workers taking childcare leave (%)				Difference in wages between male and female workers (%) (Note) 1.		
		All workers	Full-time employees	Part-time and fixed-term workers		All workers	Full-time employees	Part-time and fixed-term workers
Isuzu Motors Tohoku Co., Ltd.	—	24.0	—	—	(Note) 2.	84.6	84.8	99.2
Isuzu Motors Syutoken Co., Ltd.	—	43.5	—	—	(Note) 2.	94.8	89.9	95.6
Isuzu Motors Chubu Co., Ltd.	—	76.2	—	—	(Note) 3.	74.1	73.9	68.3
Isuzu Motors Kinki Co., Ltd.	1.2	84.6	—	—	(Note) 3.	79.0	79.4	73.4
Isuzu Motors Chugoku Shikoku Co., Ltd.	4.2	—	—	—	—	78.1	74.3	86.1
Isuzu Motors Kyusyu Co., Ltd.	5.4	81.6	—	—	(Note) 3.	85.7	78.3	69.8
ISUZU A&S Co., Ltd.	9.2	—	—	—	—	—	—	—
IJTT Co., Ltd.	2.1	40.0	—	—	(Note) 2.	67.9	73.3	28.7
Shonan Unitec Co., Ltd.	0.0	—	75.0	—	(Note) 1.	67.7	70.8	61.1
Isuzu Engineering Co., Ltd.	3.0	—	77.8	—	(Note) 1.	80.2	86.1	73.2
Isuzu Techno Co., Ltd.	0.0	—	—	—	—	—	—	—
Isuzu System Service Co., Ltd.	—	—	31.0	—	(Note) 1.	—	—	—
ISUZU LOGISTICS Co., Ltd.	—	—	—	—	—	77.6	82.5	54.4
Isuzu Engine Manufacturing Hokkaido Co., Ltd.	—	—	—	—	—	73.1	67.7	75.2
UD Trucks Corporation	5.7	64.9	—	—	(Note) 3.	89.4	89.8	65.0
Isuzu Leasing Service Co., Ltd.	—	—	11.1	—	(Note) 1.	—	—	—

- (Notes)
1. Calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015).
 2. The percentage of workers taking childcare leave, etc. is calculated as per Article 71-4, Item 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).
 3. The percentage of workers taking childcare leave, etc. or leave for childcare purpose is calculated as per Article 71-4, Item 2 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).
 4. In relation to the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015) and the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers

Caring for Children or Other Family Members” (Act No. 76 of 1991), information on consolidated subsidiaries that are not subject to disclosure requirements is omitted.

II. Status of Business

1. Management policy, management environment, issues to be addressed, etc.

The Group's management policy, management environment, issues to be addressed, etc. are as follows.

The forward-looking statements within the following information reflect the judgment of the management as of the end of the current fiscal year.

(1) Management policy, corporate vision, and action policy

Changes in the business environment surrounding the Group are accelerating daily, and business is becoming increasingly complex. For the Group to solve various societal issues and lead the commercial vehicle industry amid these conditions, we must reevaluate our purpose and the value we provide to our customers and society.

Based on this understanding of these issues, the Group recognizes the need for each employee to have a high perspective, share the same values, and work together to solve societal issues, and therefore, we established a new corporate philosophy called ISUZU ID in May 2023.

An overview of ISUZU ID is as follows.

◆ PURPOSE: Moving the World – for You

This statement emphasizes transport solutions for all goods and people, creating value that enriches society, while addressing pressing issues such as our response to carbon neutrality and a changing logistics landscape.

◆ VISION: Advance the world as an innovation leader with “Reliability x Creativity”

In addressing the many challenges facing society today, Isuzu is committed to leading the way in innovation to bring positive change by combining the power of “Reliability” and “Creativity,” attributes that Isuzu has long cherished.

◆ MISSION: Creating a better life with better transport

Isuzu aims to be No.1 in the areas of “Satisfaction,” “Sustainability,” “Engagement,” and “Social Impact,” to move society forward together with all stakeholders.

◆ CORE VALUE: Mutual Growth

Each and every employee is encouraged to embrace challenges and change, with a willingness to contribute. This coupled with respect, trust, and empowerment will drive innovation and mutual growth.

The Group intends to use ISUZU ID as a springboard for contributing to addressing societal issues by further strengthening its current businesses while exploring new businesses, and establishing itself as an innovation leader that advances the world.

(2) Issues to be addressed

To address various societal issues involving transport as part of our purpose of Moving the World – for You, it is essential to respond resiliently to diversifying customer needs and a highly uncertain business environment, and to continually and flexibly adapt.

To realize this transformation, the Group announced its “ISUZU Transformation-Growth to 2030 (IX)” Mid-Term Business Plan in April 2024. IX embodies the vision and mission of ISUZU ID, from the perspective of the year 2030, incorporating a forecast based on our current position and backcast of ISUZU ID. In our vision for 2030, the Group will transform its business model by expanding the value we create and deliver from traditional products to new solutions. To achieve both revenue expansion and active investment for the future, the Group aims to become a commercial mobility solutions company that addresses challenges faced by customers, society, and various other stakeholders by leveraging “Reliability x Creativity” for transport.

The following challenges have been extracted on a mid- to long-term basis, not only for realizing ISUZU ID, but also for addressing customers' expectations and technical innovations in the automobile industry and the commercial vehicle industry.

Develop new businesses to drive innovative transport

The environment surrounding the logistics industry is facing challenges such as the urgent need to realize a carbon neutral society and a chronic driver shortage. To contribute to solving these issues facing customers and society and to nurture new revenue for the future, we are leveraging our cultivated strength of reliability and developing new businesses to offer solutions to customers and society through “Reliability x Creativity” based on the three areas of autonomous driving solutions, connected services, and carbon neutral solutions. To develop these new businesses, we are steadily investing in innovation totaling 1 trillion yen.

(Efforts during the previous Mid-Term Business Plan)

In autonomous driving solutions, the Group has promoted the development and demonstration of new technologies for autonomous driving. At the same time, the Group is expanding its alliance partners, and in March 2024, the Group formed a capital and business alliance with TIER IV, INC., a leader in the development of Autoware, the world's first open-source software for autonomous driving, with the aim of developing an autonomous driving system for route buses.

Regarding connected services, the Group has pioneered in the industry and already implemented advanced connected services such as fleet management and driver support service “MIMAMORI” and advanced genuine equipment “PREISM.” During the previous Mid-Term Business Plan, the Group teamed with Transtron Inc. and Fujitsu Limited to launch the GATEX commercial vehicle information platform. This platform provides management and operational support services for commercial vehicles and uses vast amounts of data to address challenges in the logistics industry.

In carbon neutral solutions, we launched battery electric vehicles (BEVs) and fuel cell vehicles (FCVs) in the light-duty vehicle market in anticipation of the carbon neutral era, and together with Honda Motor Co., Ltd., our fuel cell system development and supply partner, we began public road testing with monitor vehicles in FY2023 to prepare for the launch of FCVs in the heavy-duty vehicle market. In addition, the Group launched EVision, a total solution program that offers support for finding solutions to commercial BEV introduction issues and quantifies greenhouse gas emission reduction benefits. Thus, the Group is able to offer products as well as flexible solutions for introducing and operating EVs tailored to customer needs. Additionally, in June 2022, we formulated the 2030 Environmental Roadmap to guide us to the end of the decade on our way to steadily realizing efforts of Isuzu Environmental Vision 2050.

(Future plan)

In autonomous driving solutions, the Group will launch a truck and bus business by FY2027 using Level 4 autonomous driving technology starting in Japan and North America. To achieve this, the Group began fully acquiring autonomous driving technology and developing basic services in April 2024, and has plans to implement monitor demonstration in cooperation with alliance partners by FY2026. In addition, the Group has established an internal organization to explore businesses using autonomous driving technology, and this organization is expected to grow to several hundred employees over the mid to long term. By combining these efforts with our cultivated vehicle control in normal and emergency situations and our extensive knowledge of customer usage, the Group will sequentially offer autonomous driving solutions for highway-to-hub transportation as well as route buses including urban areas starting in FY2027.

Regarding connected services, in addition to providing domestic services to increase the transportation efficiency of transportation companies and shippers, the Group will create a new service linking various data in other industries with the aforementioned GATEX commercial vehicle information platform. The Group is also developing the advanced genuine equipment PREISM and EVision from North America and expanding its coverage to key areas outside North America by 2028.

In carbon neutral solutions, the Group is promoting the development of technology using a multi-pathway approach based on Isuzu Environmental Vision 2050 and is developing products suited for the usage, local conditions, and social trends of each country, thereby contributing to realizing a carbon neutral society. Specifically, the Group plans to add carbon neutral products to all vehicle categories by 2030. To accelerate the development of carbon neutral products, the Group aims to establish an EV development and testing facility within the Fujisawa Plant and begin operation by June 2026.

In anticipation of the growing popularity of EVs in the 2030s, the Group will actively promote the launch of cost-competitive BEVs and the development of related businesses including the EVision Cycle Concept, a battery swapping solution, to lead to a carbon neutral society.

Strengthen current businesses to support reliable transport

The Group has expanded its business to over 150 countries with top market share in over 37 countries and global sales of over 660,000 vehicles, thereby supporting transport of customers and society worldwide. To continue to support the transport of customers and society while leading the industry in the future, the Group needs to strengthen the product and sales capabilities of existing businesses and further solidify its business foundation. As a global leading company in the commercial vehicle market, the Group aims to achieve sales of over 850,000 new vehicles and net sales of over 5 trillion yen in FY2030.

(Efforts during the previous Mid-Term Business Plan)

To contribute to solving issues in the logistics industry, which is becoming increasingly sophisticated and complex, such as realizing an accident-free society and improving the working environment for drivers, the Group is developing products in anticipation of evolving market needs. Specifically, we have implemented full model changes of our mainstay ELF light-duty truck and Forward medium-duty truck, significantly improved the D-MAX pickup truck, launched a mass-produced BEV, and substantially enhanced comfort, safety, and driver-assist features.

Additionally, together with UD Trucks Corporation, a consolidated subsidiary acquired from the Volvo Group, we strengthened mutual collaboration in technology and business, pursued economies of scale, and strived to provide solutions to address issues faced by customers and society. Specifically, we launched new tractor units GIGA and Quon—our first jointly developed products with UD Trucks Corporation, mutually utilized our service network of over 400 locations, logistics and parts depots, and sales offices, and worked to increase the efficiency of the entire Group, using the joint exhibition of both brands at the Japan Mobility Show as an example. As a result, we created a synergy totaling 14 billion yen in the fiscal year ended March 31, 2024.

(Future plan)

In the commercial vehicle (CV) business, we aim to achieve thorough global expansion by further accelerating the creation of synergy through the sales and service channels as well as the mutual complementation of products between Isuzu and UD Trucks Corporation. Additionally, using the I-MACS component combination development platform, we are able to set specifications quickly and flexibly to meet the needs of each country and region with an impressive product lineup. Looking forward to a carbon neutral era, we aim to expand our traditionally cultivated maintenance leases and services to support operations with a total lifecycle, including EVision, to overseas markets according to local needs, and further strengthen after-sales service, a reliable source of revenue.

In the light commercial vehicle (LCV) business, in addition to expanding sales to the Global South, the Group aims for business growth for 2030 by providing diverse power sources (high-efficiency internal combustion engine (ICE) vehicles, PHEVs, and BEVs) based on various use cases and promoting the development of essential technology required for the next generation.

Establishing management foundation based on ISUZU ID

To realize a transformation to a commercial mobility solutions company through IX, which embodies the vision and mission of ISUZU ID, it is essential to establish a management foundation that supports human capital management and global group management. The Group aims to establish a foundation for

human capital management with global standards, accelerate investment in human capital that focuses on “Reliability x Creativity,” and further grow the business.

(Efforts during the previous Mid-Term Business Plan)

As part of its human capital management, the Group relocated its headquarters to Yokohama in May 2022. By utilizing the latest office equipment and IT environment of the new headquarters, to which Group companies have moved, the Company aims at activating communication within the Company and the Group including overseas offices. In addition, to encourage independent growth of the employees, the Group is part of the VOIS social network formed with the Volvo Group for promoting diversity and inclusion. In an effort to enhance the viability of the governance system, which supports global group management, the Group transitioned to a company with an Audit and Supervisory Committee in the fiscal year ended March 31, 2022 to further strengthen the supervisory functions of management. Also, to ensure diversity of the Board of Directors, the Company increased the number of Outside Directors of the Board to five (out of 13 Directors of the Board in total), with two female Outside Directors of the Board.

(Future plan)

The Group will strengthen its foundation for a function-based organization, human capital strategy, and personnel system based on ISUZU ID. Specific initiatives include developing the foundation for human capital management with global standards to support employees in strengthening their expertise and taking on new challenges. As the first step in the transformation, a new personnel system that replaces the conventional function-based system with a job-based system was implemented in April 2024. This will be expanded in phases with full group implementation by FY2026. By clarifying job roles, assigning the right person to the right job based on these roles, and ensuring fair evaluation and compensation, we will foster a culture of dialogue and development and support further growth of our employees.

Through initiatives to develop technologies and services for new businesses and to improve efficiency of current business operations, we will enhance DX capabilities necessary for promoting our business strategy. Specifically, through cooperation with partner companies, we are promoting the improvement of basic and specialized skills of all employees and the acquisition of new skills to respond to technological innovations. By acquiring specialized human capital and shifting resources, we aim to become a group that drives innovation using digital technologies and expand the value provided to the world.

Establishing a solid revenue base and financial base and balancing growth investment with shareholder returns

Aiming for sustainable growth of corporate value, the Group will prioritize investments essential for business continuity and future growth. By strengthening current businesses throughout the Group and aggressively promoting new businesses, we aim for net sales of 6 trillion yen and operating income ratio of 10% or more in FY2030.

(Efforts during the previous Mid-Term Business Plan)

Despite rising prices of raw materials and various fluctuations in the business environment, the Group achieved its net sales and operating profit targets and was able to expand its business.

In terms of profitability, net sales amounted to 3,386.7 billion yen, the operating income ratio was 8.7%, and ROE was 12.7% in the final year of the previous Mid-Term Business Plan. The cumulative amount of capital investment and R&D totaled 636.9 billion yen during the previous Mid-Term Business Plan. In terms of shareholder returns, we paid a cumulative dividend of 182.9 billion yen and repurchased 50 billion yen of treasury shares, maintaining an appropriate level of shareholders' equity and a flexible acquisition of treasury shares. In terms of financial soundness, the Group received an A rating in each rating.

(Future plan)

Aiming for sustainable growth of corporate value, the Group will prioritize investments essential for future growth based on revenue generated from aforementioned businesses, while balancing shareholder returns and financial soundness.

In terms of revenue, the Group aims for net sales totaling 6 trillion yen, an operating income ratio of 10% or higher, and an ROE of 15% or higher in FY2030. The Group will promote active innovation investments and utilize DX in current businesses to improve business efficiency and ensure profitability. In terms of shareholder returns, the Group aims to maintain an average dividend payout ratio of 40% with steady dividend growth. The Group will continue to acquire treasury shares while taking into consideration the balance between non-current assets and equity capital. In terms of financial soundness, the Group will maintain its A rating in each rating and utilize interest-bearing debt.

In terms of investment, the Group will make aggressive investments for the 2030s. As growth potential, the Group will invest a total of 1 trillion yen in the area of innovation to develop transport. Specifically, the Group will invest in promotion of basic research, technology development, and the environmental roadmap to realize a carbon neutral society, technology development for commercialization of autonomous driving, business and capital investment, connected services evolution and expansion, and next-generation and SDV-compliant products. To ensure business stability, the Group will invest a total of 1.6 trillion yen for current business areas that support reliable transport. Specifically, the Group will invest in strengthening group production bases, improving the sales and service infrastructure, and expanding the product lineup.

This investment will allow the Group to realize sustainable growth and added value.

2. Sustainability approach and efforts

The following information includes forward-looking statements that reflect the judgment of management as of the date of submission of the Annual Securities Report (June 26, 2024).

Under ISUZU ID, the new corporate philosophy established in May 2023, the Group aims to be No.1 in the areas of “Satisfaction,” “Sustainability,” “Engagement” and “Social Impact,” to fulfill the “MISSION: Creating a better life with better transport.” Furthermore, IX, which was formulated in the Mid-Term Business Plan in April 2024 clarifies the vision and path for 2030.

The Group will promote sustainability activities to realize ISUZU ID, including accelerating initiatives on management from ESG perspectives to date, creating and providing carbon neutral solutions, evolving and transforming to human capital management, and enhancing DX capabilities.

(1) Sustainability in general

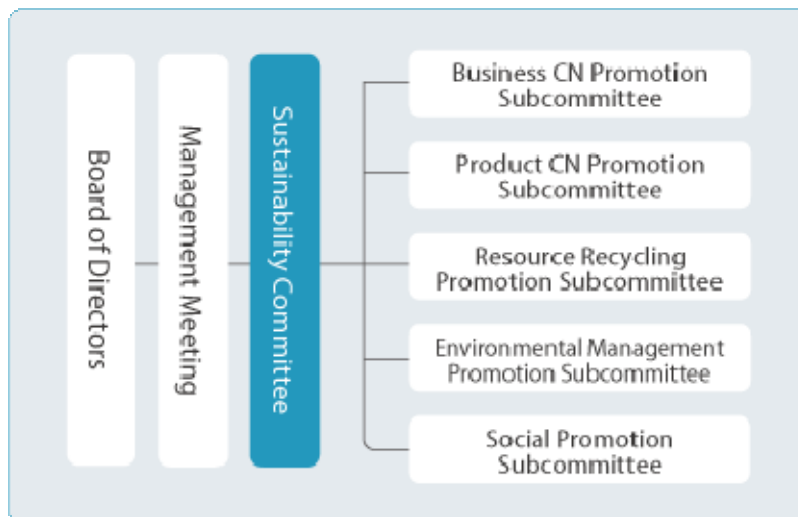
(i) Governance

To promote sustainability throughout the Group, the Company has established a Sustainability Committee chaired by the Executive Vice President and Director with standing members including officers in charge of individual domains.

The Sustainability Committee meets regularly (at least four times per year) to deliberate and make decisions on climate change risk, human rights, diversity, and other matters of sustainability, and, depending on the urgency and other factors, reports the matters they deliberate to attendees at the Management Meeting and the Board of Directors Meetings.

Additionally, subcommittees specializing in environmental and social matters and chaired by the associated standing members have been established under the Sustainability Committee. These subcommittees hold detailed discussions about individual issues.

(Structure of the Sustainability Committee)



CN: Carbon Neutrality

(Meetings of the Sustainability Committee)

	FY2022	FY2023
Number of meetings held	6	5
Major agenda items	<ul style="list-style-type: none"> • Efforts on human rights issues • Establishment of energy procurement promotion system to realize carbon neutrality in business activities • Diversity, equity, and inclusion (DEI) promotion activity plan • Participation in Green Transformation (GX) League • Report on activities for each subcommittee 	<ul style="list-style-type: none"> • Deliberation on review of sustainability policy, etc. • Deliberation and report on promotion of environmental roadmap • Human rights due diligence progress report • Report on activities for each subcommittee

(ii) Risk management

The Company has established a risk management system headed by a Group Chief Risk Management Officer (CRMO) who is responsible for the Group's risk management process. The Group CRMO regularly identifies and assesses management and operational risks in terms of the sustainability of society and the Company, and properly manages the risks with particular focus on mitigating them.

Specific risks identified to date are listed in "3. Business and other risks," and include "Recruitment and retention of a talented workforce and creation of results" and "Climate change." These and other risks are controlled and managed as Group-wide risks.

(2) Climate change

(i) Governance

The system for steadily promoting efforts to achieve carbon neutrality is headed by the aforementioned Sustainability Committee, which deliberates and makes decisions on matters involving climate change. Subcommittees include the Business CN Promotion Subcommittee, which promotes activities for achieving carbon neutrality in production and other business activities, and the Product CN Promotion Subcommittee, which promotes activities that contribute to the carbon neutrality of products through decarbonization technology, energy, etc. These subcommittees underpin the system for considering and institutionalizing specific policies and activities.

(ii) Strategy

The Group formulated the Isuzu Environmental Vision 2050 as a long-term environmental goal and 2030 Environmental Roadmap as the path and challenges to achieving that vision.

To formulate a mid- to long-term strategy in response to climate change, the Company conducted analysis based on environmental scenarios for 2050 in reference to long-term environmental scenarios of the Intergovernmental Panel on Climate Change (IPCC) and socioeconomic scenarios prepared by the IPCC and International Energy Agency (IEA). The analysis identified the following transition risks and opportunities associated with transitioning to a decarbonized society, and physical risks and opportunities stemming from the physical impact of augmented natural disasters, etc.

To realize the aforementioned ISUZU ID, the Group aims to lead to worldwide carbon neutrality by creating and promoting carbon neutral solutions through developing technology with a multi-pathway approach, improving the cost competitiveness of BEVs, and collaborating with various partners related to the utilization of EVs and batteries.

(Risks and opportunities)

Category	Risk	Opportunity	Measures	Impact on operations
Transition risks and opportunities (risks and opportunities associated with the transition to a decarbonized society)	<ul style="list-style-type: none"> Loss of share due to delayed response to further tightened environmental regulations 	<ul style="list-style-type: none"> Increase in demand for zero-emission vehicles 	<ul style="list-style-type: none"> Promote efforts to establish a full lineup to accommodate the transition to carbon neutrality 	Major
	<ul style="list-style-type: none"> Increase in development and production costs to accommodate a wider range of power trains (e.g. EV, FCV) 	<ul style="list-style-type: none"> Expansion of open innovation Wider availability of affordable clean energy 	<ul style="list-style-type: none"> Efficient, alliance-based joint development Implement lower-carbon operations and reduce costs by switching to affordable clean energy 	Major
	<ul style="list-style-type: none"> Contraction of market for internal combustion engine vehicles that run on fossil fuels 	—	<ul style="list-style-type: none"> Use next-generation (carbon-neutral) fuels to make use of existing internal combustion engine technology and infrastructure 	Major
	<ul style="list-style-type: none"> Deterioration of brand strength due to inability to meet diverse needs for logistics infrastructure 	<ul style="list-style-type: none"> Expansion of needs for autonomous driving, truck platooning, and full trailers 	<ul style="list-style-type: none"> Co-create with customers to create logistics innovation to achieve carbon neutrality 	Major
	<ul style="list-style-type: none"> Increase of energy costs and reputational risks due to delayed introduction of renewable energy and measures to reduce greenhouse gas (GHG) emissions in overall operations 	<ul style="list-style-type: none"> Reduction of costs and improvement of corporate image through early introduction of renewable energy 	<ul style="list-style-type: none"> Expand introduction of renewable energy Reduce energy cost by further promoting energy-saving activities 	Moderate
Physical risks and opportunities (physical risks and opportunities stemming from augmented natural disasters, water resource depletion, etc.)	<ul style="list-style-type: none"> Operational damage due to an increase in abnormal weather events (e.g. floods, typhoons) 	<ul style="list-style-type: none"> Increase in demand for disaster-ready vehicles Expansion of needs for natural disaster-resilient infrastructure and services 	<ul style="list-style-type: none"> Provide disaster-ready vehicles Provide services for recovering vehicles inundated in floods, etc. Bolster corporate character with enhanced BCP 	Major

For information about specific efforts to achieve carbon neutrality in the Group's products, services, and business activities, and long-term environmental scenarios, please see the sections on the environment section in Sustainability Report 2023.

(iii) Risk management

General risks associated with climate change are managed under the Group-wide risk management system as described in “(1) (ii) Risk management.” The Sustainability Committee identifies and assesses the specific climate change risks and opportunities listed in “(2) (ii) Strategy” and manages the progress of measures accounting for the impact on operations.

(iv) Indicators and targets

The Company formulated Isuzu Environmental Vision 2050, which describes the goal of zero GHG throughout the lifecycles of the Group's products by 2050. To achieve this goal, the Group set an intermediary goal to achieve a 50% reduction of CO₂ emissions (Scope 1 and 2) from 2013 levels by 2030 in the 2030 Environmental Roadmap.

Change in CO₂ emissions

In FY2022, as economic activity has recovered from stagnation accompanying the spread of COVID-19, production activity rebounded, increasing energy consumption. In keeping with efforts to reduce energy usage as part of the long-term environmental vision, the Company is promoting energy-saving activities throughout the Company to prevent unnecessary energy consumption. As part of the Company's efforts to create clean energy, a 1,156-kW solar power generation facility was installed in the Tochigi Plant in FY2022. To realize a transition to clean energy, the Company is converting to clean energy derived from renewable energy sources in stages, even for energy used at offices, and company-wide activities are being promoted to achieve our long-term environmental vision and environmental roadmap.

The FY2023 actual CO₂ emissions are expected to be published in the sustainability report (<https://www.isuzu.co.jp/company/sustainability/report.html>) to be released in August 2024.

(Reporting company FY2022 actual CO₂ emissions)

Item measured		FY2021	FY2022
Scope 1	Direct emissions	128,074	119,189
Scope 2	Indirect emissions	78,192	75,847
Scope 3	Total	94,477,471	102,480,724
	Category 1: Purchased goods and services	4,903,215	6,006,103
	Category 2: Capital goods*	0	21,510
	Category 3: Fuel- and energy-related activities outside of Scope 1 and 2	44,081	46,263
	Category 4: Upstream transportation and distribution	37,402	40,733
	Category 5: Waste generated in operations	5,312	1,533
	Category 6: Business travel	1,050	1,050
	Category 7: Employee commuting	3,486	3,476
	Category 10: Processing of sold products	166,537	184,204
	Category 11: Usage of sold products	89,314,699	96,174,036
	Category 12: Disposal of sold products	1,689	1,816
	No activities relevant to Categories 8, 9, 13, 14, or 15		

* In FY2022, emissions increased with the head office relocation.

(3) Human capital and diversity

(i) Governance

Human capital management

With the aim to realize top engagement throughout the Group as part of ISUZU ID, the Company is addressing issues and initiatives in terms of both a rewarding and comfortable workplace and has promoted these with the following system.

- Rewarding workplace: Monthly discussions on a new personnel system are held in project meetings to reform the personnel system
- Comfortable workplace: Monthly discussions on work systems including remote work and non-core flex time are held in meetings to study how to reform the work style

The result of discussions in these cross-departmental meetings are referred to management meetings as needed for determining systems, measures, and responses.

Occupational safety and health

In terms of occupational safety and health, the Company established the Safety Promotion Special Committee chaired by the President and Representative Director. The status of the committee's activities is submitted and reported to the management meeting and Board of Directors based on the Company's bylaws.

Additionally, monthly meetings of Health and Safety Committee are held at each operating base. These meetings offer opportunities for labor and management to discuss employees' occupational and traffic safety and health management, improvements for work environments, and more. The details of discussions at Health and Safety Committee meetings are reported to an officer in charge of Health and Safety Department as needed.

(ii) Strategy

Efforts are being made to overhaul the personnel system to realize an evolution to human capital management and group management from a global perspective starting with ISUZU ID.

Approach to human resource development

As part of the Group's vision to realize ISUZU ID, we are advancing the world as an innovation leader with "Reliability x Creativity." To pursue this vision, it is essential for each employee to have a growth mindset by embracing change, challenges, and a willingness to contribute, and for the Group to become a collective in which each individual demonstrates their abilities and individuality. With that in mind, we launched a new personnel system in April 2024. The concept for this system is as follows.

- The new human resource growth cycle includes (1) identifying growth opportunities, (2) growing through work, and (3) being rewarded for growth.
- Through this cycle, the Company will maximize the growth potential of each employee while encouraging employees to grow in their own way, thereby helping to realize ISUZU ID. This system is expected to be implemented to the entire Group by FY2026.

(Concept of new human resource system: Human resource growth cycle)



Internal environment development policy

The Company's basic approach of respecting employees entails developing environments in which employees can maximize their talents and work in safety and comfort so that both they and the Company exhibit visible growth.

In terms of working comfort, backed by our basic approach of pursuing the best work style for the job and improving productivity, the Company develops environments and operates programs to

maintain and promote physical and mental health, prevent and mitigate infectious diseases, facilitate work-life balance, and more with the aim of improving employee productivity and motivation.

In terms of employee safety, the Company's Policy for Safety and Health Activities requires each and every employee to think and act while prioritizing safety and referring back to Isuzu Health and Safety Philosophy in addition to engaging in activities that maintain everyone's safety and improve their awareness of safety and health. Everyone at every Company workplace makes these proactive efforts on a daily basis to achieve the safety management goals.

(iii) Risk management

As described in “(1) (ii) Risk management,” “Recruitment and retention of a talented workforce and creation of results” has been identified as a risk associated with human capital and diversity. This risk is managed under the Group-wide system. Management of this risk also entails the opportunity to realize expansion and transformation of the value provided by the Group.

As a measure to address this risk and opportunity, the Company is driving the aforementioned human resource growth cycle, allowing each employee to grow in their own way, contributing to realizing ISUZU ID, and this will be developed into a system where individual growth is recognized and rewarded in various ways.

Additionally, in accordance with the Isuzu Group's Human Rights Policy, officers and employees are trained and educated to raise their awareness of and respect for human rights, a prerequisite for measures to counter this risk.

(iv) Indicators and targets

The Company has set the following indicators to measure the status of efforts related to human resource development policy and internal environment development policy.

To effectively implement the human resource growth cycle, which is at the core of the new personnel system, managers (supervisors) are given one-on-one training and team members are provided with career training, and these are used as indicators. Additional indicators to confirm the implementation of the human resource growth cycle will be considered and established.

The new personnel system is expected to be deployed throughout the Group in FY2026, and the figures below are based on non-consolidated figures.

Indicators for human resource development

Indicator	Result (current fiscal year)
Number of people trained for managerial positions	576 people
Number of people trained as team members	2,611 people

Indicators for internal environment development

Indicator		Result (current fiscal year)
Number of people who used the family care support program	Child care leave	128 people
	Nursing care leave	5 people
	Reduced working hours (nursing/child care)	36 people
Number of work-related accidents	Total number of accidents (Target: 6 accidents)	31 accidents

3. Business and other risks

Amid significant changes in the management and business environment as uncertainty increases, we have established a risk management system led by a Group Chief Risk Management Officer (CRMO), who oversees the group-wide risk management process. To ensure independence and enhance the specialization of risk management promotion organizations, we have established a Risk Management Dept. under the Group CRMO.

The Group CRMO assesses various risks that each department and group company deems important, identifies group material risks that could significantly impact management, and instructs each department and group company to formulate and implement preventative measures (risk response plans) to mitigate these risks. The Group CRMO then monitors the progress of preventative measures, offers advice as necessary, and regularly reports their status to the management meetings and Board of Directors.

In the event of an incident, the Group CRMO instructs the affected department or group company to take swift action to resolve it, and if there is a risk of a major crisis, a response team with members appointed by the Group CRMO is formed, and various response policies are determined and implemented to ensure thorough crisis management.

If there is a risk of it becoming a serious incident that could affect business, the Group CRMO promptly reports it to management, and a response policy is discussed and determined.

The information related to the operational and financial information as well as other information provided in this Annual Securities Report includes the following risk factors that may have a significant impact on investors' decisions.

The following information includes forward-looking statements that reflect the judgment of the management as of the date of submission of the Annual Securities Report (June 26, 2024).

1. Risks arising from global economic conditions, financial markets, and automotive markets

(1) Fluctuations in economic conditions and aggregate demand in major markets

Demand for automobiles, from which a major portion of our worldwide sales are generated, is affected by economic conditions in the countries and regions where we sell our products, especially in major markets such as Japan, Thailand, and the United States.

We have designated some emerging markets as strategic regions and are working to expand sales since demand for logistics services is expected to increase in emerging economies while the commercial vehicle market is expected to gradually decline in Japan. For this reason, economic conditions of some emerging markets could also affect our performance and financial position.

Although we strive to accurately assess economic conditions and demand trends while diversifying the markets in which we sell our products in order to minimize their impact, an economic recession in our major markets and the resulting shrinkage in demand could have a material adverse effect on our performance and financial position.

Additionally, production constraints materializing again due to shortages of semiconductors or other external goods, or increases in the cost of materials, energy, logistics, etc. could have a material adverse effect on our business activities, performance, and financial position.

(2) Competition in the automotive market

The automotive market, where a major portion of our worldwide sales is generated, is fiercely competitive. Such an increasingly competitive environment could affect the competitiveness of our products and cause price and market share fluctuations. There are a wide variety of factors that affect competition including those attributable to our products, such as product performance, safety, fuel efficiency, environmental impact, pricing, and after-sales service, as well as external factors such as a country's subsidy policies for electric vehicles (EVs), and conditions vary from one market to another in each country.

In order to maintain or boost our competitive edge in key markets, we continuously develop, produce, and sell highly competitive products, and provide after-sales services for them while working to improve factors as a result of our products. However, if we fall behind the competition in

our major markets or emerging markets, or in the event of unexpected industry restructuring, or if subsidy policies of individual countries become unfavorable to the Group, our performance and financial position could be materially adversely affected.

(3) Fluctuations in exchange rates and interest rates

Our operations include the production and sale of products worldwide. Local currency-denominated accounting items, including sales, expenses, assets, and liabilities, in each region are translated into yen for the purpose of preparing the consolidated financial statements. Exchange rates at the time of conversion, particularly for the U.S. dollar and Thai baht, may affect the yen value of these items, even if the value in the original local currency remains unchanged. Furthermore, exchange rate fluctuations affect the pricing of the raw materials we purchase and the products we sell, and since 2022, the yen has depreciated against multiple currencies, creating fluctuations in raw material and product prices.

Although we make daily efforts to manage our cash flows, the costs associated with financing could have an adverse effect on our performance and financial position, such as an increase in interest expenses, if market interest rates rise sharply.

In addition to local production, we utilize derivative financial instruments, including forward exchange contracts, to minimize the impact of exchange and interest rate fluctuations.

However, major fluctuations in foreign exchange and interest rates could have a material adverse effect on our performance and financial position.

(4) Fluctuations in raw material prices

The Group uses raw materials, such as iron, non-ferrous metal, and resin, in automobile production, and the usage of rare metals and other materials is expected to increase with the R&D of xEVs and introduction of BEVs.

As the pricing of these raw materials and energy increases due to tight global supply and demand, production costs of the Group may also increase. If this occurs and the increased costs cannot be absorbed through internal efforts, such as improving productivity or by passing the product cost on to the consumer, it could have an adverse effect on our performance and financial position.

2. Business risks

(5) Response to new technological innovations, changes in business models, etc.

The external environment related to our Group's operations is drastically changing. Technological and social changes, including diversification of customer needs in the commercial vehicle market, changes in business models using commercial vehicles, technological innovations such as CASE, promotion of digital innovation in production, sales, after-sales service, and back-office operations, as well as a growing interest in ESG investing and achievement of the SDGs, are opportunities for us to expand and further develop our business.

In order to quickly respond to such technological and social changes, we have established a permanent department dedicated to implementing multiple organization-wide projects. In addition, the Group aims to create and expand new businesses to drive innovative transport in autonomous driving solutions, connected services, and carbon neutral solutions as it evolves to a commercial mobility solutions company. However, in the unlikely event that we are unable to respond quickly and sufficiently to these technological and social changes, our performance and financial position may be materially adversely affected.

(6) Research and development

The business environment in which our Group operates is expected to see intensifying competition and diversifying product needs that differ from market to market.

In order to adopt to this business environment and focus on the manufacturing of products that support customers' transportation needs, we must possess advanced technologies and engage in

research and development that will enable us to provide products that meet the exact needs of the market.

We develop new technologies and products by forecasting future market needs and prioritizing areas for research and development. However, if we fail or are delayed in reaching the required level of technology or accurately identifying market needs, our performance and financial position could be adversely affected.

We also obtain new technologies and products through alliances and cooperation with component manufacturers. However, if we fail or are delayed in reaching the level of technology required by alliance partners or component manufacturers, our performance and financial position could be adversely affected.

(7) Joint ventures and other alliances

Our Group participates in joint ventures in several countries according to laws or other requirements of the countries in which they operate. We also partner with dealers and distributors for domestic and overseas sales, and form joint ventures and business alliances for research and development.

We consider whether or not to enter into business alliances based on a variety of information, including the operational status, governance, and other important non-financial information of joint venture partners and alliance partners.

However, factors beyond our control, such as changes in the management policies or business environment of joint venture partners or alliance partners, could have a significant adverse effect on our performance and financial position.

(8) Dependence on specific channels for sales and supply

We sell and supply our products, such as automobiles and their component parts, through specific internal and external channels, including Tri Petch Isuzu Sales Co., Ltd. (Bangkok, Thailand) and General Motors Corporation (Detroit, Michigan, United States). Due to our dependence on specific sales and supply channels, if the volume of supply or distribution to the market decreases due to the deterioration of our business partner's business performance, or if bad debts occur due to credit concerns of our business partner, our business performance and financial position may be adversely affected.

We maintain relationships with large corporate clients and diversify risk by cultivating new customers. However, sales to these client companies are affected by factors beyond our control, such as fluctuations in their production and sales volumes, and they could adversely affect our performance and financial position.

(9) Delays or shortfalls in the procurement of materials, parts, and other supplies

Our Group procures raw materials, parts, and products necessary for production from external suppliers. If the following circumstances occur for our group suppliers or the procurement network, there may be a reduction in supply or transportation capacity or an interruption in supply or transportation, and we may not be able to secure raw materials, parts, and products in the quantities required for production or experience delays in securing them.

- If suppliers or the logistics network suffers a natural disaster, large-scale accident, or other unforeseen circumstances
- If suppliers or the logistics network suffers a large-scale systems failure
- If supply and demand greatly exceed the supply capacity of suppliers
- If product shipments from suppliers are suspended due to license revocation, etc.
- If issues other than quality, cost, or delivery time, such as human rights issues in the supply chain, become apparent
- If incidents or accidents at key maritime transportation locations create disruptions in the logistics network

We regularly monitor our suppliers' production capacity, credit risk, product quality, costs, and other factors directly related to product supply and check that suppliers are in compliance with laws and regulations and addressing climate change issues, to ensure that there are no procurement obstacles. However, if events other than those above occur, it could adversely affect our performance and financial position.

(10) Compliance and reputation

We are committed to compliance not only to ensure that all relevant laws and regulations are followed but also to meet the expectations of our stakeholders.

We have a system in place to prevent any legal violation as well as a system to promptly respond to compliance issues should they be detected.

We have also set up a Compliance Committee, an advisory body to the president that includes outside members and provides objective advice, oversight, and evaluation on the promotion of compliance and the establishment of compliance systems.

However, despite our thorough compliance, we cannot completely eliminate the possibility that a legal violation will occur in the future, and if the severity of such legal violation, our response, or the promptness of our actions are inadequate, it may have a material adverse effect on our Group's public credibility. In such an event, our performance and financial position could be adversely affected. In particular, if production is suspended due to a violation of the Road Transport Vehicle Act or we are found to be in serious violation of privacy, anti-bribery, or antitrust/competition laws or regulations in countries in which we operate and are subject to significant fines, our performance and financial position could be materially adversely affected.

(11) Product defects

We develop and produce a variety of products in accordance with strict quality control standards. To maintain and improve quality, the Group strives for early detection and sharing of information on defects, conducts assessment for quality improvement throughout the organization, and monitors the operational status of company-wide quality management through the Quality Assurance & Customer Satisfaction Improvement Committee. We also have product liability insurance in case we need to be compensated for damages caused by product defects, etc.

However, in the unlikely event of a large-scale recall, our performance and financial position may be materially adversely affected. In addition, if actual costs incurred significantly exceed the accrued expenses recorded in advance, or if product liability insurance does not cover the costs of product liability claims, our performance and financial position could be materially adversely affected.

(12) Cybersecurity risks in a digital society

Our Group's operations rely on numerous systems, and we have advanced systems to maintain the confidentiality, integrity, and availability of information at a certain level or higher. Specifically, we implement various risk measures to maintain and improve information security, such as protecting personal and confidential information, maintaining data and system availability, and preventing falsification of information. Additionally, we comply with product cybersecurity regulations (UN R155 CSMS certification and UN R156 SUMS certification) to ensure our customers can use our products safely and securely.

However, if an information leak or other security breach occurs due to an unforeseen event, or an event that affects the safety and security of our products occurs, this could have a material adverse effect on our performance and financial position. In addition, system failures, computer virus infections, cyberattacks, etc. may cause business interruptions and data corruption or loss. As a result, our performance and financial position may be materially adversely affected.

We also sign information security agreements with our alliance partners and implement various risk measures to maintain and improve information security, such as protecting personal and confidential information, maintaining data and system availability, and preventing falsification of information. However, if an information leak or other security breach occurs due to an unforeseen event, we may

lose credibility as a company, become liable for damages to customers or alliance partners, etc., which could have a material adverse effect on our performance and financial position.

(13) Risks related to intellectual property protection

We have accumulated technologies and know-how that set our products apart from our competitors' products. Some of our proprietary technologies and know-how cannot be fully protected or can only be protected to a limited extent by intellectual property rights in certain countries and regions due to legal restrictions.

We are making efforts to protect our intellectual property. However, if we are unable to effectively prevent third parties from using our intellectual property to manufacture similar products, or if an intellectual property infringement lawsuit against our Group were to result in the suspension of manufacturing and sales or a claim for damages, our performance and financial position could be adversely affected.

(14) Recruitment and retention of a talented workforce and creation of results

Believing that human capital is our most important business asset, we are working to secure a diverse workforce with the skills and abilities needed to carry out our Group's operations, and are working to increase the motivation, enthusiasm, skills, abilities, and performance of each employee and retain them within the Group. However, if the job market becomes more competitive in the future, it may become more difficult to secure and retain excellent human capital.

On top of that, a large portion of our Group's workforce is older as is the case with many Japanese companies. This may make it difficult to seamlessly pass on skills and appropriately assign personnel in the future.

In view of these circumstances, the Group aims to realize top engagement as part of ISUZU ID and is evolving toward human capital management, one of the visions set forth by IX for 2030. We started a new personnel system in April 2024 to establish a foundation for human capital management with global standards to support employees in strengthening their expertise and taking on new challenges. The system will be implemented to the entire Group by FY2026. (For details, see "(3) Human capital and diversity" in "2. Sustainability approach and efforts.")

Regarding respect for human rights—a prerequisite for human capital management and top engagement—and in accordance with the Isuzu Group's Human Rights Policy, the Group provides training and education to officers and employees to raise their awareness of human rights, implements human rights due diligence, and more. Recognizing the importance of respecting human rights in business, we also engage in dialogue with our stakeholders and strive to promote a better understanding of human rights issues among our business partners and suppliers.

However, if these measures are not sufficient, our performance and financial position could be adversely affected by employee turnover, a decline in employee motivation, failure to meet quantitative expectations, a failure to pass on skills, and reduced competitiveness.

(15) Geopolitical risks

The Group's production and sales activities for our products are implemented not only within Japan but also worldwide and are influenced by various policies including permits and authorization in each country and region where we operate. Changes in political situations, such as with conflicts and regime changes, economic conditions, and social conditions can affect the management and business activities of the Group as well as the supply chain. The Group recognizes such uncertainties as geopolitical risks, and if any of the following unforeseen events (not limited to this list) occur, it could adversely affect the performance and financial position of the Group.

- Business and investment permits
- Restrictions on imports and exports as well as technology transfers
- Changes in potentially adverse tax policies
- Regulations on emissions and fuel consumption/CO₂
- Direct or indirect expropriation of the Group's assets

- Restrictions on information and data management and transfer
- Restrictions on the use and procurement of facilities, software, cloud services, and contractors that pose security risks
- Regulation of remittance and exchange
- Foreign exchange policy
- Other policies derived from economic security and national security
- Interstate conflicts, civil wars, revolutions, coups, riots, and terrorism
- Disruption of key maritime trade routes

We gather information on geopolitical risks in various countries and regions, especially in Japan, the U.S., ASEAN region, China, and Europe, invest and develop new technologies and products to prepare for changes in laws and regulations, and implement various measures. However, if these risks become apparent, it could adversely affect our performance and financial position.

(16) Disasters

Operating around the world, our Group is exposed to various disaster risks. In the event there is a large-scale earthquake, windstorm, flood, volcanic eruption, or other natural disaster; power outage or other disruptive event; epidemic or infectious disease outbreak then our production, sales, and other business activities may be affected. In particular, in the event that a major disaster occurs in Japan's southern Kanto region, where our key business locations are concentrated, our performance and financial position may be adversely affected. Additionally, man-made disasters such as equipment malfunctions, accidents due to operational errors, and fires, etc. may adversely affect the performance and financial position of the Group. The Group formulates action plans in the event of a disaster, etc. and conducts drills based on these plans. We have also established prevention and response plans for new strains of influenza and other unknown infectious diseases and conduct drills based on these plans.

Furthermore, the Group prioritizes occupational safety and health to prevent occupational accidents involving employees and related parties. Specifically, our Policy for Safety and Health Activities requires each and every employee to think and act while prioritizing safety based on the Isuzu Health and Safety Philosophy in addition to engaging in activities that maintain everyone's safety and improve their awareness of safety and health. Everyone at every Company workplace makes these proactive efforts on a daily basis to achieve the safety management goals.

However, in the event we are not able to completely prevent or mitigate the impact of a disaster, etc. despite these efforts, this could have a material adverse effect on our performance and financial position.

(17) Climate change

The Group considers climate change measures to be one of the most pressing managerial challenges, and it is working to respond to tightened regulations on climate change and more frequent, severe natural disasters. Meanwhile, in order to realize opportunities for further growth, we are creating innovation to contribute to a decarbonized society.

General risks associated with climate change are managed under the Group's risk management system. The Sustainability Committee identifies and assesses the specific climate change risks and manages the progress of measures accounting for the impact on operations. Regarding appropriately assessed risk, we disclose information in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework. For details, see "(2) Climate change" in "2. Sustainability approach and efforts."

In March 2020, the Group established the "Isuzu Environmental Vision 2050" as a roadmap for addressing global environmental issues over the long term. As part of "Isuzu Environmental Vision 2050," we are working to reduce greenhouse gas (GHG) emissions with the aim to achieve zero GHG emissions throughout the life cycle of our products and zero GHG emissions coming directly from our operations by 2050.

In IX, formulated in April 2024 as a Mid-Term Business Plan, we are developing carbon neutral solutions as new businesses to drive innovative transport. Specifically, the Group is promoting the development of technology using a multi-pathway approach based on Isuzu Environmental Vision 2050 and is developing products suited for local conditions and social trends, thereby contributing to realizing a carbon neutral society. We will also introduce BEVs that are competitive in terms of total cost of ownership (TCO), including fuel and electricity costs, and promote the expansion of related businesses.

However, if efforts to mitigate climate change itself or to address the impacts of climate change are not sufficient, our performance and financial position may be materially adversely affected.

4. Management's discussion and analysis of financial condition and results of operations and cash flows

(1) Overview of results of operations

(i) Results of operations

Total unit sales in Japan and overseas markets in the current fiscal year decreased by 84,835 units (-11.3%) year on year to 666,809 units.

Due to the improvement of the parts shortage, vehicle unit sales in Japan increased by 5,084 units (+8.8%) year on year to 62,932 units in the current fiscal year. As for the unit sales abroad, as a result of the impact of inflation and rising interest rates, CVs (commercial vehicles: trucks and buses) decreased by 39,032 units (-13.8%) year on year to 244,305 units, and LCVs (pickup trucks and variants) fell by 50,887 units (-12.4%) mainly in Thailand to 359,572 units.

Industrial engine sales decreased by 5.1 billion yen (-4.3%) year on year to 114.6 billion yen, while other sales increased by 33.0 billion yen (+4.7%) year on year to 742.0 billion yen, mainly due to growth in the vehicle life-cycle management business.

Consequently, net sales totaled 3,386.7 billion yen, increased by 191.1 billion yen (+6.0%) year on year. This includes 1,108.9 billion yen of net sales in Japan (an increase of 12.0% year on year) and 2,277.8 billion yen of net sales in the rest of the world (an increase of 3.3% year on year).

Consolidated financial results for the current fiscal year are as follows.

		(Billions of yen)	
	Current fiscal year	Year on year	
Net sales	3,386.7	191.1	6.0%
Operating profit	293.1	39.5	15.6%
Ordinary profit	313.0	43.2	16.0%
Profit attributable to owners of parent	176.4	24.7	16.3%
(Exchange rates)			
	(yen)		
USD/JPY	144.6 (135.5)		
AUD/JPY	95.1 (92.6)		
EUR/JPY	156.8 (140.9)		
THB/JPY	4.10 (3.84)		

Note: Figures in parentheses indicate exchange rates for the previous fiscal year

On the profit and loss front, operating profit increased by 15.6% year on year to 293.1 billion yen, thanks to the price realization, cost reduction activities, and weaker Japanese yen, despite a profit decreasing impact due to severe market conditions mainly in emerging countries and fluctuations in such things as material costs. Ordinary profit reached 313.0 billion yen, up 16.0% year on year, and profit attributable to owners of the parent stood at 176.4 billion yen, up 16.3% year on year.

The Group is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

(ii) Financial position

Total assets as of the end of the current fiscal year rose 216.2 billion yen from the previous fiscal year to 3,263.0 billion yen.

Liabilities grew 67.4 billion yen from the previous fiscal year to 1,604.0 billion yen.

Net assets increased 148.8 billion yen from the previous fiscal year to 1,659.0 billion yen.

The capital adequacy ratio stood at 44.8%, compared with 42.9% as of the end of the previous fiscal year.

Interest-bearing liabilities grew 43.7 billion yen from the previous fiscal year, to 556.8 billion yen.

(iii) Cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) as of the end of the current fiscal year rose 20.5 billion yen from the end of the previous fiscal year to 384.9 billion yen; more specifically, out of the funds from operating activities of 298.6 billion yen, 155.1 billion yen was used for investing activities and 145.0 billion yen was used for financing activities.

Free cash flows, calculated by deducting investing cash flows from operating cash flows, recorded an inflow of funds of 143.5 billion yen, against an outflow of funds of 146.6 billion yen as of the end of the previous fiscal year.

Cash flow from operating activities

Funds provided by operating activities amounted to 298.6 billion yen, up 31.5% from the previous fiscal year.

This was mainly due to inflows of funds of 305.6 billion yen and 115.0 billion yen recorded for profit before income taxes and depreciation, respectively, and 9.5 billion yen derived from a decrease in trade receivables, partially offset by outflows of funds of 50.4 billion yen from a decrease in notes and accounts payable, 23.6 billion yen from an increase in inventories, and 74.5 billion yen from income taxes paid.

Cash flow from investing activities

Funds used in investing activities reached 155.1 billion yen, up 92.6% from the previous fiscal year.

This was mainly due to outflows of funds of 161.4 billion yen from acquisition of non-current assets.

Cash flow from financing activities

Funds used in financing activities reached 145.0 billion yen, up 3.3% from the previous fiscal year.

This was mainly due to outflows of funds of 110.1 billion yen from repayment of long-term borrowings, 66.8 billion yen from dividend payment, 52.9 billion yen from dividend payment to non-controlling interests, and 50.0 billion yen from purchase of treasury shares, partially offset by an inflow of 59.0 billion yen from an increase in short-term borrowings and 92.1 billion yen from execution of long-term borrowings.

(iv) Production results, orders received, and sales

a. Production results

Consolidated production results for the current fiscal year are as follows.

	Current fiscal year (From April 1, 2023 to March 31, 2024)		Year on year	
	Volume (units)	Amount (millions of yen)	Volume (%)	Amount (%)
Heavy-duty (and medium-duty) CVs	91,844	—	(4.4)	—
Light-duty CVs	196,485	—	(18.0)	—
LCVs	411,535	—	(10.2)	—
Total	699,864	—	(11.8)	—
Industrial engines	—	97,565	—	(1.3)
Others	—	203,609	—	(7.2)

(Notes) 1. Starting from the current fiscal year, the names of the categories previously listed as “Heavy-duty (and medium-duty) vehicles” and “Light-duty vehicles” have been renamed to “Heavy-duty (and medium-duty) CVs” and “Light-duty CVs,” respectively. Pickup trucks, which were included in

“Light-duty vehicles” have been reclassified into “LCVs.” “CVs” and “LCVs” refer to “commercial vehicles (trucks and buses)” and “pickup trucks and variants,” respectively.

2. Starting from the current fiscal year, “Parts for overseas production” has been reclassified into “Heavy-duty (and medium-duty) CVs,” “Light-duty CVs,” and “LCVs,” respectively, according to the vehicle model.
3. Starting from the current fiscal year, “Engines and components” has been renamed as “Industrial engines,” and components included in “Engines and components” have been reclassified into “Others.”
4. Year on year is calculated based on the revised classification method.
5. Industrial engines and others amounts depend on the sales price.
6. The above table does not include production results of affiliates.

b. Orders received

We build products to stock based on past sales data and sales forecasts.

c. Sales

Consolidated sales for the current fiscal year are as follows.

		Current fiscal year (From April 1, 2023 to March 31, 2024)	Year on year
		Amount (millions of yen)	Change (%)
	Japan	389,900	17.4
	Overseas	416,237	3.6
	Total heavy-duty (and medium-duty) CVs	806,137	9.9
	Japan	133,830	15.2
	Overseas	594,800	12.9
	Total light-duty CVs	728,630	13.3
	Overseas	995,310	0.5
	Total LCVs	995,310	0.5
	Japan	523,730	16.8
	Overseas	2,006,347	4.6
	Total vehicles	2,530,077	6.9
	Japan	64,840	17.1
	Overseas	49,720	(22.7)
	Industrial engines	114,561	(4.3)
	Japan	520,332	7.0
	Overseas	221,705	(0.5)
	Others	742,038	4.7
	Japan	1,108,903	12.0
	Overseas	2,277,773	3.3
	Total net sales	3,386,676	6.0

- (Notes)
1. Starting from the current fiscal year, the names of the categories previously listed as “Heavy-duty (and medium-duty) vehicles” and “Light-duty vehicles” have been renamed to “Heavy-duty (and medium-duty) CVs” and “Light-duty CVs,” respectively. Pickup trucks, which were included in “Light-duty vehicles” have been reclassified into “LCVs.” “CVs” and “LCVs” refer to “commercial vehicles (trucks and buses)” and “pickup trucks and variants,” respectively.
 2. Starting from the current fiscal year, “Parts for overseas production” has been reclassified into “Heavy-duty (and medium-duty) CVs,” “Light-duty CVs,” and “LCVs,” respectively, according to the vehicle model.
 3. Starting from the current fiscal year, “Engines and components” has been renamed as “Industrial engines,” and components included in “Engines and components” have been reclassified into “Others.”
 4. Year on year is calculated based on the revised classification method.

Sales by major buyer and percentage of total sales are as follows.

Buyer	Previous fiscal year (From April 1, 2022 to March 31, 2023)		Current fiscal year (From April 1, 2023 to March 31, 2024)	
	Amount (millions of yen)	Percentage (%)	Amount (millions of yen)	Percentage (%)
Tri Petch Isuzu Sales Co., Ltd.	559,810	17.5	433,384	13.0

(2) Analysis of financial condition and results of operations in the view of management

The following provides an analysis of the Isuzu Group's financial condition and results of operations in the view of management.

The following information includes forward-looking statements that reflect the judgment of the management as of the date of submission of the Annual Securities Report (June 26, 2024).

(i) Recognition, analysis, and discussion of financial condition and results of operations

a. Overview

CVs

Total CV unit sales for the current fiscal year were down 33,498 units (-10.0%) year on year to total 307,237 units.

Due to the improvement of the parts shortage, vehicle unit sales in Japan increased by 5,084 units (+8.8%) year on year to 62,932 units in the current fiscal year. Overseas, despite the increase due to the improvement of the parts shortage in North America, due to the effects of inflation and rising interest rates mainly in Asia, sales decreased by 39,032 units (-13.8%) year on year to 244,305 units.

Notably, our market share for heavy-duty and medium-duty trucks in Japan increased 0.7% from the previous fiscal year to 40.6% (or 55.1% when we include UD Trucks). Also, our market share for light-duty trucks increased 5.4% year on year to 42.4% due to the improvement of the parts shortage.

- Sales units of CV

		Previous fiscal year (units)	Current fiscal year (units)	Change (units)	Change (%)
Japan	Heavy-duty/medium-duty	30,157	33,931	3,774	12.5
	Light-duty	27,691	29,001	1,310	4.7
	Total	57,848	62,932	5,084	8.8
North America	Heavy-duty/medium-duty	4,568	5,289	721	15.8
	Light-duty	27,042	38,299	11,257	41.6
	Total	31,610	43,588	11,978	37.9
Asia	Heavy-duty/medium-duty	28,441	25,694	(2,747)	(9.7)
	Light-duty	104,883	70,089	(34,794)	(33.2)
	Total	133,324	95,783	(37,541)	(28.2)
Other	Heavy-duty/medium-duty	30,043	27,579	(2,464)	(8.2)
	Light-duty	88,360	77,355	(11,005)	(12.5)
	Total	118,403	104,934	(13,469)	(11.4)
Total	Heavy-duty/medium-duty	93,209	92,493	(716)	(0.8)
	Light-duty	247,976	214,744	(33,232)	(13.4)
	Total	341,185	307,237	(33,948)	(10.0)

LCVs

Total LCV unit sales for the current fiscal year were down 50,887 units (-12.4%) year on year to total 359,572 units.

In Asia, the domestic finance environment in Thailand deteriorated, creating a significant decrease from the previous year. As a result, sales were down 82,099 units (-34.2%) year on year to reach 157,829 units. In other regions, the clearing of backorders that accumulated as a result of the parts shortage in the previous year, mainly in Australia, resulted in an increase of 31,212 units (+18.3%) year on year to total 201,743 units.

- Sales units of LCV

	Previous fiscal year (units)	Current fiscal year (units)	Change (units)	Change (%)
Asia	239,928	157,829	(82,099)	(34.2)
Other	170,531	201,743	31,212	18.3
Total	410,459	359,572	(50,887)	(12.4)

Powertrains

The shipment volume of industrial engines for the current fiscal year decreased 21,077 units (-15.5%) year on year to total 115,085 units due to continued challenging market conditions in China.

- Shipment units of industrial engines

	Previous fiscal year (units)	Current fiscal year (units)	Change (units)	Change (%)
Total	136,162	115,085	(21,077)	(15.5)

b. Analysis of results of operations for the current fiscal year

Net sales

Despite vehicle sales decreasing overseas due to the impact of inflation and rising interest rates, revenue increased with the further weakening of the yen and price revisions as well as an improvement of the parts shortage and an increase in sales units in Japan. As a result, net sales rose 3,386.7 billion yen (+6.0%) year on year to 191.1 billion yen. This includes 1,108.9 billion yen of net sales in Japan (an increase of 12.0% year on year) and 2,277.8 billion yen of net sales in the rest of the world (an increase of 3.3% year on year).

Operating profit

Operating profit for the current fiscal year came to 293.1 billion yen (up 15.6% from the previous fiscal year).

The impact of fluctuations in the price of raw materials in the current fiscal year put a big dent in our bottom line, leading to a 42.0-billion-yen year-on-year decrease in operating profit. Meanwhile, the impact of price accommodations resulted in a 74.5-billion yen year-on-year increase, cost-reduction activities resulted in a 20.5-billion yen increase, and exchange rate fluctuations resulted in a 17.0-billion yen increase due to the further weakening of the yen.

As a result, the operating margin for the current fiscal year came to 8.7% (compared with 7.9% for the previous fiscal year).

Major factors for year-on-year changes in operating profit are as shown below.

• Analysis of fluctuations of operating profit (year on year)

	(Billions of yen)
Price accommodations	74.5
Cost-reduction activities	20.5
Exchange rate fluctuations	17.0
Sales and model mix fluctuations	(8.5)
Changes in expenses	(21.9)
Fluctuations in the price of raw materials and other commodities	(42.0)
Total	39.6

Non-operating income/losses

A net non-operating income of 20.0 billion yen was recognized in the current fiscal year, up 3.6 billion yen compared to the previous fiscal year.

There was a year-on-year increase of 2.9 billion yen in net interest (interest and dividend income minus interest expenses), which totaled 11.8 billion yen, resulting in the increase in income.

Extraordinary income/losses

Extraordinary income of 5.5 billion yen and extraordinary losses of 13.0 billion yen in the current fiscal year contributed to a 7.4 billion-yen income decrease from to the previous fiscal year. Principal factors for the current fiscal year were extraordinary losses, including impairment losses, loss on sale of shares of subsidiaries, and loss related to subsidiaries, and extraordinary income, including a gain on sale of non-current assets.

Taxes

Taxes in the current fiscal year including income taxes - current and income taxes - deferred were 84.2 billion yen while taxes for the previous fiscal year were 73.2 billion yen.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests consists primarily of profits returned to the non-controlling shareholders of Isuzu's locally incorporated subsidiaries in the ASEAN region and North America as well as parts manufacturers in Japan. Profit attributable to non-controlling interests for the current fiscal year totaled 44.9 billion yen, the same amount in the previous fiscal year.

Profit attributable to owners of parent

Profit attributable to owners of parent for the current fiscal year was 176.4 billion yen, up 24.7 billion yen from the previous fiscal year. Net income per share came to 229.92 yen.

c. Analysis of financial condition for the current fiscal year

Assets

Total assets as of the end of the current fiscal year rose 216.2 billion yen from the previous fiscal year to 3,263.0 billion yen.

Primary factors included increases in investment securities of 64.7 billion yen, inventories of 58.3 billion yen, and property, plant, and equipment of 40.0 billion yen.

Liabilities

Liabilities grew 67.4 billion yen from the previous fiscal year to 1,604.0 billion yen.

Primary factors included increases in interest-bearing liabilities of 43.7 billion yen, notes and accrued expenses of 24.8 billion yen, partially offset by a decrease in accounts payable of 11.6 billion yen.

Net assets

Net assets increased 148.8 billion yen from the previous fiscal year to 1,659.0 billion yen.

Primary factors included 176.4 billion yen posted as profit attributable to owners of parent, a valuation difference on available-for-sale securities of 40.1 billion yen, and an increase in foreign currency translation adjustment of 44.6 billion yen, partially offset by a decrease in retained earnings including 66.9 billion yen in dividend payments and 50.0 billion yen in purchase of treasury shares.

d. Analysis of progress on business objectives

The Group's business objectives in Mid-Term Business Plan 2024 (running from the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024) and progress toward achieving them are as follows.

	Current fiscal year (Fiscal year ended March 31, 2024)	Mid-Term target (Fiscal year ended March 31, 2024)
Net sales	3,386.7 billion yen	2,750.0 billion yen
Operating profit	293.1 billion yen	250.0 billion yen
ROE	12.7 %	12.5 %
Dividend payout ratio	40.0 %	Average for the period 40.0 %

During the current fiscal year, the final year of the Mid-Term Business Plan 2024, the business environment of the Group saw deteriorating market conditions, particularly in emerging markets, and soaring raw material prices, logistics, and energy costs among other factors, creating a negative impact. However, due to the implementation of price revisions and cost-reduction activities as well as the further weakening of the yen and strong after-sales services, the Group posted record highs in net sales and all profit categories.

ROE for the current fiscal year reached 12.7%, exceeding the mid-term target of 12.5%, as a result of our efforts to improve capital efficiency.

The annual dividend increased by 13 yen compared to the previous year to a total of 92 yen per share, and the dividend payout ratio reached the target of 40.0% as a result of taking into full consideration the balance between various factors, such as returning profits to shareholders, strengthening our operational foundation, and enhancing our internal reserves to prepare for future business developments.

e. Information on capital resources and fund liquidity

Cash flows

Information on cash flows is provided in “(1) Overview of results of operations” in “4. Management’s discussion and analysis of financial condition and results of operations and cash flows” in “II. Status of Business.”

Demand for funds

At Isuzu, funds are mainly needed to cover the purchase of materials and parts used in manufacturing products, manufacturing expenses, purchases of merchandise and finished goods, selling, general and administrative expenses, working capital, and capital investments.

Information on capital investments is provided in “1. Overview of capital investment, etc.” in “III. Status of Facilities.”

Financing

Working capital is basically financed by each company in their local currency through short-term borrowings with a repayment period of one year or less. As a general rule, capital investments are funded by internal sources, such as share capital and internal reserves. Going forward, we may consider raising funds through borrowings, bonds, etc. when making an investment or taking out a loan.

The annual repayment amount on interest-bearing liabilities as of the end of the current fiscal year is shown in “Schedule of corporate bonds” and “Schedule of borrowings” of “(v) Consolidated supplementary schedules” in “1. Consolidated financial statements, etc.” in “V. Financial Information.”

Fund liquidity

The Company formulated the IX Mid-Term Business Plan to transform into a commercial mobility solutions company in the global market by 2030. The new financial targets of our Mid-Term Business Plan include net sales of 6 trillion yen and an operating income ratio of 10% or higher in FY2030, and to achieve these, we will invest 1 trillion yen in innovation focused on the three new technology areas of autonomous driving solutions, connected services, and carbon-neutral solutions, and 1.6 trillion yen in current business investment to strengthen current group-wide businesses. To ensure our financial soundness, in terms of shareholder returns, we will maintain an average dividend payout ratio of 40% and continue share repurchases proactively while maintaining an appropriate equity ratio.

As we work to achieve the new Mid-Term Business Plan, we will use operating cash flow generated through our business operations to fund growth investments, pay out dividends to shareholders, and repay debts, while mainly using borrowings and corporate bonds to finance M&As and other activities.

While we should always keep a close eye on the liquidity of available funds, we believe that we are maintaining the kind of liquidity needed to respond to sudden changes in the financial markets since we have commitment line agreements with major banks in addition to cash and cash equivalents.

(ii) Significant accounting estimates and assumptions

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in Japan. The preparation of consolidated financial statements requires management to use accounting policies and make judgments, estimates, and assumptions that affect the amounts of assets, liabilities, revenues, and expenses. Due to the uncertainties inherent in estimates, actual results could differ from our initial estimates, which could adversely affect the results of our operations.

Significant accounting policies which we believe to have a material effect on our critical estimates and judgments used in the preparation of our consolidated financial statements include the following.

Those that could have a particularly material effect on our consolidated and non-consolidated financial statements for the next fiscal year are noted in “(Significant accounting estimates)” in “1. Consolidated financial statements, etc.” in “V. Financial Information” and “(Significant accounting estimates)” in “2. Financial statements, etc.” in “V. Financial Information.”

Allowance for doubtful accounts

The majority of receivables held by us consist of accounts receivable from distributors and sales companies. Of these receivables, we record an estimated amount of uncollectible accounts based on the historical default rate, etc. for general receivables, and based on the assessment of the collectability of specific accounts, such as doubtful accounts.

Therefore, an additional allowance may be required in the event that the default rate increases due to economic trends or in the event that the financial condition of the debtor of a specific account, such as a doubtful account, deteriorates or that the debtor’s ability to pay their debt declines.

Inventories

We hold inventories of raw materials, parts, etc., in addition to finished products and work in process, such as vehicles and engines. When the profitability of these inventories declines due to deterioration of market conditions, etc., we estimate the extent of the decline in profitability based on projected future supply and demand, etc. and record write-downs.

Therefore, if actual demand or supply is worse than estimated, additional write-downs may be required.

Deferred tax assets

We record deferred tax assets up to the amount deemed recoverable based on tax planning strategies that allow for the realization of deferred tax assets in the future.

Therefore, in the event that our business performance declines due to the deterioration of market or economic conditions, decline in our competitiveness, or other factors, and that we deem all or part of the deferred tax assets to be unrecoverable in the future, the deferred tax assets may be adjusted during the period in which such judgement is made, resulting in an increase in costs.

Retirement benefit costs and liabilities

Calculations of retirement benefit expenses and obligations are based on actuarial assumptions. These assumptions include discount rates, future compensation levels, retirement rates, mortality rates, and long-term rates of return on pension assets.

Although each of the assumptions is calculated using a method that is deemed fully reasonable at present, a decline in the discount rate due to changes in the economic environment, a decline in the expected long-term rate of return on pension assets due to a deterioration in market conditions, or any change in the retirement and mortality rates could adversely affect retirement benefit expenses and liability and increase expenses and liability.

Provision for product warranties

We provide for product warranties to cover the cost of after-sales services of our products. The provision for product warranties is the cost that could be incurred over the warranty period of our products, which is estimated on the basis of historical warranty rates in accordance with the contract terms specified in the warranty documents for each product and region.

Therefore, if the actual cost incurred is higher than the estimated amount, it may be necessary to revise the estimated amount.

5. Important business agreements

Time agreement was signed	The other party (parties) to agreement		Type of agreement	Overview of agreement
	Country	Name		
August 2004	Japan	Hino Motors, Ltd.	Shareholders' agreement	Isuzu and Hino Motors agreed to integrate their bus production operations and part of their bus development operations into J-Bus Limited to merge three companies, J-Bus Limited, a company established jointly by both companies, its wholly-owned subsidiaries, Hino Auto Body, Ltd. and Isuzu Bus Manufacturing Co., Ltd.
October 2014	Japan	Mitsubishi Corporation	Basic memorandum of understanding	Isuzu and Mitsubishi Corporation agreed to change the partnership framework, which included increasing Isuzu's stake in Isuzu Engine Manufacturing Co., (Thailand) Ltd., Isuzu Motors International Operations (Thailand) Co., Ltd., and other local affiliates in Thailand, with an eye to optimizing collaboration between the two companies in Thailand.
October 2020	Sweden	Aktiebolaget Volvo (AB Volvo)	Basic alliance agreement	Isuzu and AB Volvo agreed on areas of collaboration and the decision-making framework for collaboration.
Same as the above	Same as the above	Volvo Technology Aktiebolaget (VTEC)	Basic agreement on technology alliance	Isuzu and VTEC, a development management company wholly owned by AB Volvo, agreed on a decision-making framework for technological collaboration, cost-sharing principles, and the handling of intellectual property rights.
March 2021	Japan	Toyota Motor Corporation	Capital alliance agreement	Isuzu and Toyota agreed to a capital alliance under which they hold each other's shares.
February 2024	Japan	Toyota Motor Corporation SUZUKI MOTOR CORPORATION Hino Motors, Ltd.	Joint planning agreement	Isuzu, Toyota Motor Corporation, SUZUKI MOTOR CORPORATION, and Hino Motors, Ltd. agreed to collaborate on CASE technologies for commercial vehicles. (The joint project agreement between Isuzu, Toyota Motor Corporation, SUZUKI MOTOR CORPORATION, Hino Motors, and DAIHATSU MOTOR CO., LTD. entered into in October 2023 was terminated with the above agreement.)

6. Research and development

In order to provide products and services that will satisfy customers around the world, we conduct research and development on the latest technologies for trucks, buses, pickup trucks, diesel engines, etc., and use these technologies to develop optimal products that meet the needs of customers in various countries and regions.

Operating in a constantly changing business environment, we believe the most significant changes in the commercial vehicle industry are the accelerated trends toward electrification and decarbonization as well as growing expectations for an uninterrupted logistics infrastructure. We recognize that it is our social mission and responsibility to respond to these changes and help usher in a new era in logistics that will pave the way to a decarbonized society.

Under Mid-Term Business Plan 2024 (running from the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024), we focused on implementing a carbon neutral strategy as we helped drive the logistics evolution forward as a commercial vehicle manufacturer. These two axes of innovation form the basis of our ongoing research and development efforts. In May 2023, the Company formulated its new corporate philosophy, “ISUZU ID.” To achieve the purpose of ISUZU ID (“Moving the World – for You”), we will conduct research and development and invest in capital and business on the order of 1 trillion yen to make progress in carbon neutrality, DX for logistics, and other areas by 2030.

Our research and development activities during the current fiscal year resulted in the addition of the ELF mio EV, which has a gross vehicle weight of less than 3.5 tons, to the ELF light-duty truck lineup in response to the continuing driver shortage and to comply with the standard driver’s license revised in 2017. To improve the working environment for drivers, the Space Cab, a light-duty truck with expanded space behind the cab—the first of its kind in Japan—was added to the ELF lineup offering improved comfort, convenience, and amenities.

We began sales of the F-Series medium-duty truck, which received its first full model change in 16 years. We kept the extensive lineup of the F-Series, which is one of its strengths, while further expanding its advanced safety feature options, providing both safety and comfort to drivers. Improvements include the addition of short-range millimeter-wave radar and driver status monitors to actively support drivers and reduce accidents. The interior design of the cabin has been redesigned with a distinctive, spacious style and improved comfort. Additionally, this line uses the highly functional seats used in the GIGA heavy-duty truck, going beyond its class to provide comfort even on long drives.

To increase transportation efficiency, the GIGA heavy-duty truck has been redesigned as a low-floor 3-axle truck with a gross vehicle weight of 25 tons—the first heavy-duty truck of its kind in Japan. Furthermore, we have expanded the lineup of full tractor trucks by launching a model with full air suspension that can be used for double-linked trucks as well as a new specification model that meets the JR freight container transport standards. In terms of safety, we have improved performance of blind spot monitors (BSM) and have developed lane-keep assist (LKA) options.

Regarding buses, we made partial improvements and released the ERGA HYBRID large mass-transit buses and GALA large sightseeing buses. The ERGA HYBRID now comes standard equipped with the Emergency Driving Stop System (EDSS), automatic lights, and a rear camera and monitor for safe driving. Interior cabin ventilation has also been upgraded to help prevent the spread of viruses. In addition, this model has achieved FY2025 fuel consumption standards. Meanwhile, the GALA is newly equipped with LKA, a lane-stop function has been added to EDSS, and the operating conditions of the Advanced Emergency Braking System (AEBS) have been expanded, enhancing the advanced safety features of the model. The ERGA EV, a fully flat-floor BEV mass-transit bus, made its worldwide debut at the Japan Mobility Show 2023. The BEV design provides for a flexible layout, enabling a fully flat floor and the elimination of rear interior steps for complete mobility within the vehicle. Safety and comfort have been greatly improved, with smooth acceleration and deceleration as well as lower vibration and noise. The ERGA EV is expected to launch in FY2024 as a vehicle that is not only environmentally friendly but also embodies public transportation for the future.

Regarding LCVs, the D-MAX was significantly improved and released in Thailand. This new improved model aims to be a pickup truck that is better suited to the market by refining the popular interior and exterior designs and meeting the broad needs of drivers. In terms of safety, it employs a next-generation stereo camera to detect pedestrians entering crosswalks and brakes automatically. Isuzu’s first BEV version of the D-MAX 1-ton pickup truck made its debut at the 45th Bangkok International Motor Show in Thailand as a concept vehicle. To meet the wide range of commercial and passenger needs while maintaining the tough basic performance of a pickup truck, this full-time 4WD system is equipped with newly developed E-Axles on the front and rear for responsive driving on rough terrain, linear acceleration unique to BEVs, and both low vibration and noise.

Regarding the development of autonomous driving technology, we agreed to enter a capital and business alliance with TIER IV, INC. to develop an autonomous driving system for transit buses. Based on this alliance, together we will build a strong partnership and accelerate the development and establishment of an autonomous driving system for transit buses with the aim of realizing a society of mobility services with Level 4 autonomous driving. Regarding the development of carbon neutral technologies, we unveiled the EVision Cycle Concept, a battery swapping solution, at the Japan Mobility Show 2023. This solution enables quick replacement with charged batteries in BEVs, whose downtime due to charging is an issue, resulting in significantly reduced waiting times and more efficient operations. Furthermore, by separating vehicle and battery operations, battery sharing between trucks enables effective utilization of resources and renewable energy, which will help solve various societal issues. Regarding heavy-duty fuel cell-powered trucks, in May 2023, we entered into an agreement with Honda Motor Co., Ltd. to be a development and supply partner for a fuel cell system to be installed in heavy-duty trucks to be introduced in 2027, and we began demonstration testing of the jointly researched GIGA FUEL CELL truck on public roads in December of the same year. This demonstration testing will help us gather data for the market launch, accumulate insights, and identify technical issues.

Finally, we will establish an electric vehicle development and testing facility within the Fujisawa plant to accelerate the development of a full lineup of carbon-neutral compliant vehicles by 2030. The plan involves introducing testing and evaluation equipment to develop systems and components optimized for commercial electric vehicles, and operations are scheduled to commence in 2026.

The total amount of research and development expenditures for the current fiscal year amounted to 123.9 billion yen.

III. Status of Facilities

1. Overview of capital investment, etc.

Isuzu Group made a total of 128.6 billion yen in capital investment for the current fiscal year. Ongoing capital investment is typified by enhancement of the supply chain and sales functions as well as investment in the service infrastructure network. There was no retirement or sale of important facilities in the current fiscal year.

2. Status of major facilities

The main facilities of the Group are as follows:

(1) Company submitting the Annual Securities Report

Name of operating base (Location)	Details of facilities	Book value (millions of yen)					Number of employees (people)
		Buildings and structures	Machinery, equipment, and vehicles	Land (area in 1,000 m ²)	Other	Total	
Tochigi Plant (Tochigi-shi, Tochigi)	Manufacturing engines and parts	16,890	23,581	33,695 (1,120)	1,804	75,972	1,263
Fujisawa Plant (Fujisawa-shi, Kanagawa)	Total assembly of trucks and manufacturing parts	33,484	33,841	[2] 108,531 (816)	28,064	203,920	5,894
Engine manufacturing facility (Tomakomai-shi, Hokkaido)	Manufacturing engines (Loaned to Isuzu Engine Manufacturing Hokkaido Co., Ltd.)	1,871	1,925	10,218 (1,480)	359	14,374	—
Comprehensive testing facility (Mukawa-cho, Yufutsu-gun, Hokkaido)	Automobile comprehensive test site (Loaned to ISUZU HOKKAIDO PROVING GROUND Co., Ltd.)	4,460	442	3,180 (4,428)	132	8,215	—
Head Office (Yokohama-shi, Kanagawa)	Activities of Head Office	7,131	581	—	8,527	16,240	1,334
Sales/logistics facilities Welfare facilities Other	Motor pool, retail facilities, and welfare facilities	18,683	550	[37] 59,642 (1,104)	10,642	89,517	—

(2) Domestic subsidiaries

Company Name (Location)	Details of facilities	Book value (millions of yen)					Number of employees (people)
		Buildings and structures	Machinery, equipment, and vehicles	Land (area in 1,000 m ²)	Other	Total	
Isuzu Motors Syutoken Co., Ltd. (Koto-ku, Tokyo) 6 domestic sales subsidiaries in total	Sales facilities	171	506	11 (1)	1,093	1,782	7,087
Isuzu Motors Sales Co., Ltd. (Yokohama-shi, Kanagawa)	Sales facilities (Loaned to the sales subsidiaries above)	40,665	4,512	60,474 (1,167)	1,456	107,108	219
Shonan Unitec Co., Ltd. (Samukawa-machi, Koza-gun, Kanagawa)	Press parts production facility	2,114	1,481	1,326 (135)	1,869	6,791	433
ISUZU LOGISTICS Co., Ltd. (Yokohama-shi, Kanagawa)	Warehouse and parts packing facility	4,299	790	31 (3)	897	6,018	742
Isuzu Estate Co., Ltd. (Yokohama-shi, Kanagawa)	Land and buildings for rent	1,161	—	1,345 (14)	8	2,516	49
Isuzu Engine Manufacturing Hokkaido Co., Ltd. (Tomakomai-shi, Hokkaido)	Engine manufacturing facility	547	2,619	—	361	3,528	312
IJTT Co., Ltd. (Yokohama-shi, Kanagawa)	Facility to manufacture and assembly parts	12,528	18,849	8,852 (719)	12,633	52,865	2,565
Isuzu Leasing Service Co., Ltd. (Yokohama-shi, Kanagawa)	Sales facilities, vehicles on operating leases (others)	106	—	—	94,058	94,165	286
UD Trucks Corporation Ageo-shi, Saitama	Facility for total assembly of trucks and manufacturing and selling engines	31,661	3,726	63,085 (1,432)	8,065	106,538	6,089

(3) Overseas subsidiaries

Company Name (Location)	Details of facilities	Book value (millions of yen)					Number of employees (people)
		Buildings and structures	Machinery, equipment, and vehicles	Land (area in 1,000 m ²)	Other	Total	
Isuzu Motors America, LLC (Anaheim, California, United States)	Other facilities	289	20	569 (60)	132	1,012	43
Isuzu Motors Co., (Thailand) Ltd. (Papaden City, Samut Prakan Province, Thailand)	Automobile assembly facility	7,588	21,132	8,196 (987)	5,518	42,436	3,328
Isuzu Engine Manufacturing Co., (Thailand) Ltd. (Lat Krabang, Bangkok, Thailand)	Parts assembly facility	3,210	14,556	2,209 (106)	3,348	23,325	998
Isuzu Autoparts Manufacturing Corporation Laguna, Philippines	Parts assembly facility	437	1,803	—	2,108	4,349	493
P.T. Asian Isuzu Casting Center (Karawang, West Java, Indonesia)	Casting facility and others	1,057	4,292	128 (78)	445	5,923	445
ISUZU (CHINA) ENGINE CO., LTD. (Jiulongpo District, Chongqing, China)	Engine processing plant and others	21	2,116	—	2,007	4,145	455
Isuzu Motors India Private Limited (Tamil Nadu, India)	Vehicle assembly facility	3,487	2,259	—	1,789	7,536	368
P.T. TJForge Indonesia (West Java, Republic of Indonesia)	Forging plant and others	1,495	5,172	1,158 (117)	458	8,283	289
IJTT (Thailand) Co., Ltd. (Chonburi, Thailand)	Facility to manufacture and assembly parts	2,568	1,762	1,837 (88)	711	6,880	494
ISUZU MOTORS INTERNATIONAL FZE (Jebel Ali Free Zone, Dubai, United Arab Emirates)	Parts warehouse and others	2,791	—	—	1,552	4,344	83
Isuzu East Africa Limited (Nairobi City, Kenya)	Automobile assembly facility	1,301	697	—	1,835	3,834	439
Isuzu Australia Limited (Truganina, Victoria and Brisbane, Queensland)	Parts warehouse and others	493	75	649 (4)	1,513	2,731	142

- (Notes) 1. The amounts shown are rounded down to the nearest million yen.
2. Figures in brackets denote rental to entities other than the consolidated companies and are included numbers, and the rental is mainly for sales/logistics facilities and others (land of 37,000 m² for an annual rent of 67 million yen), and they are used as offices, factory land and logistics facilities of our business partners.
3. The “Other” item in the book value column includes leased assets, right-of-use assets, construction in progress, and vehicles on operating leases.
4. The number of employees shown denotes full-time employees.

5. In addition to the above, major rental and leasing facilities are as follows:

(1) Company submitting the Annual Securities Report

Name of operating base (Location)	Details of facilities	Land (area in 1,000 m ²)	Annual rent or lease fee (millions of yen)
Sales/logistics facilities	Motor pool (rental)	544	2,461
Each operating base	Automobile manufacturing facility, computer equipment/office equipment, and others (lease)	—	35
Head Office (Yokohama-shi, Kanagawa)	Office facilities, etc. (rental)	27	2,100

(2) Subsidiaries

Company Name	Name of operating base (Location)	Details of facilities	Land (area in 1,000 m ²)	Annual rent or lease fee (millions of yen)
Isuzu Motors Syutoken Co., Ltd.	Shiroi Branch / Shiroi Service Center (Shiroi-shi, Chiba)	Sales facility (rental)	23	60
Ditto	Chuo Branch / Koto Service Center (Koto-ku, Tokyo)	Ditto	5	84
Ditto	Mizuho Branch / Mizuho Service Center (Mizuho-machi, Nishitama-gun, Tokyo)	Ditto	7	76
Isuzu Motors Chubu Co., Ltd.	Fukuroi Branch / Fukuroi Service Center (Fukuroi-shi, Shizuoka)	Ditto	12	58
Isuzu Motors Kinki Co., Ltd.	Kobe Branch / Kobe Service Center (Higashinada-ku, Kobe-shi)	Ditto	14	193
Ditto	Settsu Branch / Settsu Service Center (Settsu-shi, Osaka)	Ditto	8	60
Ditto	Suminoe Branch / Suminoe Service Center (Suminoe-ku, Osaka-shi)	Ditto	11	74
Ditto	Himeji Branch / Himeji Service Center (Himeji-shi, Hyogo)	Ditto	10	60
Isuzu Motors Kyusyu Co., Ltd.	Head Office / Fukuoka-Chuo Service Center (Higashi-ku, Fukuoka-shi)	Ditto	14	97
Isuzu U-MAX Co., Ltd.	IMA Kobe auction venue (Nada-ku, Kobe-shi)	Ditto	66	280
Ditto	Osaka Sales Department (Konohana-ku, Osaka-shi)	Ditto	13	78
Ditto	Kobe Sales Department (Kobe-shi, Hyogo)	Ditto	14	87

3. Plans for new construction, retirement, etc. of facilities

The Group's capital investment is planned by comprehensively considering the demand forecast, production plan, investment ratio to profits, etc. for the next year, and adjustments are being made focusing on the company submitting the Annual Securities Report.

The planned investment amount for significant new construction and renovation at the end of the current fiscal year is 140.0 billion yen, which will be funded by cash on hand and borrowings.

The plans for new construction and renovation of important facilities are as follows: Since it is difficult to make a rational calculation for the capacity increase after the completion, the description is omitted.

(1) Company submitting the Annual Securities Report

Company Name	Name of operating base (Location)	Details of facilities	Planned amount (millions of yen)	Year/month of starting construction	Scheduled completion date
The Company	Tochigi Plant (Tochigi-shi, Tochigi)	Facility for machining and assembling engines	11,351	January 2024	March 2025
Ditto	Fujisawa Plant (Fujisawa-shi, Kanagawa)	Facility for producing truck engines	45,022	Ditto	Ditto
Ditto	Engine manufacturing facility (Tomakomai-shi, Hokkaido)	Facility for machining and assembling engines	1,345	Ditto	Ditto
Ditto	Comprehensive testing facility (Mukawa-cho, Yufutsu-gun, Hokkaido)	Facility for various types of testing and research	1,489	Ditto	Ditto
Ditto	Head Office (Yokohama-shi, Kanagawa)	Sales facilities Systems and head office equipment	41,287	Ditto	Ditto
Ditto	Isuzu Hospital (Shinagawa-ku, Tokyo)	Systems and welfare facility	5	Ditto	Ditto

(2) Domestic subsidiaries

Company Name	Name of operating base (Location)	Details of facilities	Planned amount (millions of yen)	Year/month of starting construction	Scheduled completion date
UD Trucks Corporation	Ageo Plant and head office (Ageo-shi, Saitama) and other places	Facility for producing truck engines Facility for various types of testing and research Maintenance plant equipment and others	10,426	April 2024	March 2025
ISUZU LOGISTICS Co., Ltd.	Logistics center (Fujisawa-shi, Kanagawa) and other places	Logistics facility and others	3,100	Ditto	Ditto

(3) Overseas subsidiaries

Company Name	Name of operating base (Location)	Details of facilities	Planned amount (millions of yen)	Year/month of starting construction	Scheduled completion date
Isuzu Engine Manufacturing Co., (Thailand) Ltd.	Head office (Lat Krabang, Bangkok, Thailand)	Facility for assembling engines	4,800	April 2024	March 2025
Isuzu Motors Co., (Thailand) Ltd.	Head office (Papaden City, Samut Prakan Province, Thailand)	Vehicle assembly facility	18,700	Ditto	Ditto

IV. Status of Company Submitting Annual Securities Report

1. Status of stocks, etc.

(1) Total number of shares, etc.

(i) Total number of shares

Class	Total number of authorized shares (shares)
Common stock	1,700,000,000
Total	1,700,000,000

(ii) Issued shares

Class	Number of shares issued as of the end of the fiscal year (shares) (As of March 31, 2024)	Number of shares issued as of submission date (shares) (As of June 26, 2024)	Name of financial instruments exchange listed on or of authorized financial instruments firms association	Description
Common stock	777,442,069	750,873,469	Tokyo Stock Exchange, Inc. Prime Market	It is the Company's standard stock with no restrictions on rights, and the number of shares constituting one unit is 100.
Total	777,442,069	750,873,469	—	—

(2) Status of stock acquisition rights, etc.

(i) Details of stock option system

Not applicable.

(ii) Details of the rights plan

Not applicable.

(iii) Status of other stock acquisition rights, etc.

Not applicable.

(3) Exercise status, etc. of convertible bonds with an exercise price adjustment clause

Not applicable.

(4) Changes in the total number of issued shares, share capital, etc.

Date	Change in total number of issued shares (shares)	Total number of outstanding shares (shares)	Change in share capital (thousands of yen)	Balance of share capital (thousands of yen)	Change in legal capital surplus (thousands of yen)	Balance of legal capital surplus (thousands of yen)
March 31, 2021 (Note) 1	(70,980,600)	777,442,069	—	40,644,857	—	49,855,132

(Notes) 1. Based on the resolution of the Board of Directors of the Company on March 24, 2021, we cancelled treasury shares of 70,980,600 shares of the Company's common stock.

2. Based on the resolution of the Board of Directors on November 10, 2023, we cancelled treasury shares of 26,568,600 shares on April 26, 2024. As a result, the total number of issued shares as of the date of submission is 750,873,469 shares.

(5) Status by shareholder

As of March 31, 2024

Category	Share status (100 shares per unit)								Status of shares less than one unit (shares)
	Government and local governments	Financial institutions	Financial instruments business operators	Other domestic corporations	Foreign corporations, etc.		Individuals and others	Total	
					Other than individuals	Individuals			
Number of shareholders (people)	—	95	57	811	776	211	100,960	102,910	—
Number of shares held (unit)	—	2,295,373	369,295	1,797,321	2,306,824	729	998,607	7,768,149	627,169
Percentage of shares held (%)	—	29.53	4.75	23.12	29.67	0.01	12.92	100.00	—

- (Notes) 1. Regarding treasury shares of 26,606,851 shares, 266,068 units are included in “Individuals and others” and 51 shares in “Status of shares less than one unit.”
2. The “Financial institutions” column includes 21,053 units of the Company’s shares acquired from the market by a trust whose beneficiaries are the Company’s Directors of the Board, etc. and held in the name of The Master Trust Bank of Japan, Ltd.
3. The “Other domestic corporations” column includes 40 units of the shares in the name of Japan Securities Depository Center, Inc.

(6) Status of major shareholders

As of March 31, 2024

Name	Address	Number of shares held (1,000 shares)	Ratio of the number of shares owned to the total number of issued shares (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo	101,630	13.54
Mitsubishi Corporation	2-3-1, Marunouchi, Chiyoda-ku, Tokyo	63,633	8.47
Itochu Automobile Investment LLC	2-5-1, Kita-Aoyama, Minato-ku, Tokyo	52,938	7.05
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	48,075	6.40
Toyota Motor Corporation	1 Toyota-cho, Toyota-shi, Aichi	39,000	5.19
SSBTC Client Omnibus Account (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	One Congress Street, Suite 1, Boston, Massachusetts (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	11,569	1.54
State Street Bank West Client-Treaty 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171, U.S.A. (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	11,121	1.48
JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	10,717	1.43
JPMorgan Securities Japan Co., Ltd.	Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo	10,552	1.41
The Nomura Trust and Banking Co., Ltd. (Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	10,191	1.36
Total	—	359,429	47.87

- (Notes) 1. Of the above number of shares held by The Master Trust Bank of Japan, Ltd. (Trust Account), shares related to the trust business were 100,723,600 shares.
2. Of the above number of shares held by The Custody Bank of Japan, Ltd. (Trust Account), shares related to the trust business were 43,654,100 shares.
3. In the Large Shareholding Report made available for public perusal on April 6, 2021, it is stated that Sumitomo Mitsui Trust Bank Limited and its co-owners Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. hold the following shares as of March 31, 2021. However, we cannot confirm the actual number of shares held as of March 31, 2024, and those shares are not included in the above “Status of major shareholders.”

Details of the Large Shareholding Report are as follows:

Name	Address	Number of shares held (1,000 shares)	Shareholding ratio (%)
Sumitomo Mitsui Trust Bank, Limited	1-4-1 Marunouchi, Chiyoda-ku, Tokyo	1,581	0.20
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1, Shibakoen, Minato-ku, Tokyo	20,280	2.61
Nikko Asset Management Co., Ltd.	9-7-1 Akasaka, Minato-ku, Tokyo	17,275	2.22
Total	—	39,137	5.03

4. In the Large Shareholding Report (Revised Report) made available for public perusal on March 7, 2024, it is stated that Nomura Asset Management Co., Ltd. holds the following shares as of March 31, 2024. However, we cannot confirm the actual number of shares held as of March 31, 2024, and those shares are not included in the above “Status of major shareholders.”

Details of the Large Shareholding Report (Revised Report) are as follows:

Name	Address	Number of shares held (1,000 shares)	Shareholding ratio (%)
Nomura Asset Management Co., Ltd.	2-2-1 Toyosu, Koto-ku, Tokyo	45,365	5.84
Total	—	45,365	5.84

5. In the Large Shareholding Report made available for public perusal on November 22, 2023, it is stated that Mizuho Bank, Ltd. and its co-owners, Mizuho Securities Co., Ltd., and Asset Management One Co., Ltd. hold the following shares as of November 15, 2023. However, we cannot confirm the actual number of shares held as of March 31, 2024, and those shares are not included in the above “Status of major shareholders.”

Details of the Large Shareholding Report (Revised Report) are as follows:

Name	Address	Number of shares held (1,000 shares)	Shareholding ratio (%)
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo	7,965	1.02
Mizuho Securities Co., Ltd.	1-5-1 Otemachi, Chiyoda-ku, Tokyo	1,320	0.17
Asset Management One Co., Ltd.	1-8-2 Marunouchi, Chiyoda-ku, Tokyo	25,067	3.22
Total	—	34,353	4.42

6. In the Large Shareholding Report (Revised Report) made available for public perusal on January 11, 2024, it is stated that Wellington Management Japan Pte Ltd and its co-owners Wellington Management Company LLP, Wellington Management Europe GmbH, and Wellington Management International Ltd. hold the following shares as of December 29, 2023. However, we cannot confirm the actual number of shares held as of March 31, 2024, and those shares are not included in the above “Status of major shareholders.”

Details of the Large Shareholding Report (Revised Report) are as follows:

Name	Address	Number of shares held (1,000 shares)	Shareholding ratio (%)
Wellington Management Japan Pte Ltd	Palace Building 7F, 1-1-1 Marunouchi, Chiyoda-ku, Tokyo (business office in Japan)	2,977	0.38
Wellington Management Company LLP	280 Congress Street, Boston, Massachusetts 02210 United States	12,824	1.65
Wellington Management Europe GmbH	Bockenheimer Landstraße 43-47, 60325 Frankfurt am Main, Germany	14,985	1.93
Wellington Management International Ltd	Cardinal Place, 80 Victoria Street, London SW1E 5JL United Kingdom	7,227	0.93
Total	—	38,015	4.89

7. In the Large Shareholding Report made available for public perusal on December 20, 2023, it is stated that BlackRock Japan Co., Ltd. and its co-owners BlackRock (Netherlands) B.V., BlackRock Fund Managers Limited, BlackRock Asset Management Ireland Limited, BlackRock Fund Advisors, and BlackRock Institutional Trust Company, N.A. hold the following shares as of December 15, 2023. However, we cannot confirm the actual number of shares held as of March 31, 2024, and those shares are not included in the above “Status of major shareholders.”

Details of the Large Shareholding Report are as follows:

Name	Address	Number of shares held (1,000 shares)	Shareholding ratio (%)
BlackRock Japan Co., Ltd.	1-8-3 Marunouchi, Chiyoda-ku, Tokyo	13,622	1.75
BlackRock (Netherlands) B.V.	Amstelplein 1, 1096 HA Amsterdam, Netherlands	2,388	0.31
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, United Kingdom	1,317	0.17
BlackRock Asset Management Ireland Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin, Ireland	3,286	0.42
BlackRock Fund Advisors	400 Howard Street, San Francisco, California, U.S.A.	10,456	1.34
BlackRock Institutional Trust Company, N.A.	400 Howard Street, San Francisco, California, U.S.A.	8,078	1.04
Total	—	39,149	5.05

(7) Status of voting rights

(i) Issued shares

As of March 31, 2024

Category	Number of shares (shares)	Number of voting rights (rights)	Description
Non-voting stock	—	—	—
Voting-restricted shares (treasury shares, etc.)	—	—	—
Voting-restricted shares (others)	—	—	—
Full-voting-rights shares (treasury shares, etc.)	(Own-held shares) Common stock 26,606,800 (Cross-held shares) Common stock 139,900	—	Company's standard stock with no restrictions on rights
Full-voting-rights shares (others)	Common stock 750,068,200	7,500,682	Same as the above
Shares less than one unit	Common stock 627,169	—	Same as the above
Shares issued	777,442,069	—	—
Voting rights of all shareholders	—	7,500,682	—

- (Notes) 1. The “Full-voting-rights shares (others)” column includes 4,000 shares in the name of Japan Securities Depository Center, Incorporated. In addition, the “Number of voting rights” column includes 40 voting rights for fully voting shares in the name of the Organization.
2. The “Full-voting-rights shares (others)” column includes 2,105,344 shares (21,053 voting rights) of the Company, which were acquired from the market by a trust whose beneficiaries are the Company's Directors of the Board, etc. and are held in the name of The Master Trust Bank of Japan, Ltd.

(ii) Treasury Shares, etc.

As of March 31, 2024

Name of the holder	Address of the holder	Number of shares held in own name (shares)	Number of shares held in others' names (shares)	Total number of shares held (shares)	Ratio of the number of shares held to the total number of issued shares (%)
(Own-held shares)					
ISUZU MOTORS LIMITED	2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa	26,606,800	—	26,606,800	3.42
(Cross-held shares)					
Takada Syantai Co., Ltd.	1959-1 Iwafune-machi, Maganoshima, Tochigi-shi, Tochigi	79,000	33,400	112,400	0.01
Yamagata Isuzu Motors Ltd.	5-1-5 Narisawanishi, Yamagata-shi, Yamagata	27,500	—	27,500	0.00
Total	—	26,713,300	33,400	26,746,700	3.44

- (Notes) 1. The “(Own-held shares)” column does not include shares held by a trust whose beneficiaries are Directors of the Board, etc.
2. For the number of shares held in “others' names” of the “Number of shares held,” the number of shares equivalent to the shareholder's equity falling under cross-held shares in the number of shares held under the name of ISUZU MOTORS LIMITED Cooperative Company Shareholding Association (8 Tsuchidana, Fujisawa-shi, Kanagawa) is treated as the number of shares that should be excluded from the “Full-voting-rights shares (others)” of “(i) Issued shares” above, and units of less than 100 shares are rounded up to the nearest 100 shares.

(8) Details of the officer/employee stock ownership system

(i) Overview of the share-based remuneration plan for Directors of the Board, etc. of the Company

Based on the resolution of the 114th Annual General Meeting of Shareholders held on June 29, 2016, Isuzu Motors introduced a performance-linked share-based remuneration plan for Directors of the Board and Executive Officers excluding Outside Directors of the Board. In accordance with a resolution of the 119th Annual General Meeting of Shareholders held on June 25, 2021, and with the transition to a Company with an Audit and Supervisory Committee, a performance-linked share-based remuneration plan (hereinafter referred to as the “Plan”) for the Company’s Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and Executive Officers (hereinafter referred to as “Directors of the Board, etc.”) was re-established and continued.

With the formulation of the new Mid-Term Business Plan, a proposal to continue the Plan with some revisions to the performance achievement conditions was considered and approved at the 122nd Annual General Meeting of Shareholders held on June 26, 2024.

The Plan aims to further raise awareness of the Directors of the Board, etc. about achieving medium- to long-term management goals and improving the enterprise value by clarifying the link between the compensation of Directors of the Board, etc. and the performance and stock value of the Company, by which they will share the merits and risks of stock price fluctuations and see matters from the same perspective as shareholders.

In addition, the Plan employs a scheme called BIP trust as part of it. BIP trust is a trust established by the money contributed by the Company (hereinafter referred to as the “Trust”), and the Company’s shares will be acquired from the market using the contributed money as a source of funds. After that, the Company’s shares and money equivalent to the redemption will, in accordance with the degree of achievement of the performance targets of the Mid-Term Business Plan, etc., be paid and provided to the Directors of the Board, etc. (hereinafter referred to as “Delivery, etc.”) as their remuneration based on the stock remuneration rules established in advance. The Trust period is currently scheduled for the end of August 2027. However, the Trust will be continued by changing the trust contract and making additional contributions to the Trust, and in response to renewal of the period covered by the Plan (the period covered by the Mid-Term Business Plan set forth by the Company and three business years in principle), we plan to extend the Plan accordingly. However, after the start date of the above target period, non-resident Directors of the Board, etc. who have lived abroad during the target period shall, in place of the Delivery, etc. of the Company’s shares, etc. from the Trust, be paid a monetary amount equivalent to it as a cash plan by the Company.

(ii) Total number of shares planned to be acquired by the target Directors of the Board, etc.

The total number of shares of the Company (including shares subject to redemption) to undergo Delivery, etc. to the Directors of the Board, etc. in the Trust is limited to 3,000 thousand shares for each applicable period. In addition, the total of the sum of money paid by the Company under the above-mentioned cash plan and the sum of acquisition price of the Company’s shares (including the shares subject to redemption) made a Delivery, etc. by the Trust to the Directors of the Board, etc. is up to 4,900 million yen for each target period.

(iii) Scope of persons who can receive beneficiary rights and other rights under the Plan

Among the Directors of the Board, etc., those who meet the beneficiary requirements such as having been in office as Directors of the Board, etc. during the target period (including those who newly became Directors of the Board, etc. after the start date of the target period) are subject to the Plan.

2. Status of acquisition of treasury shares, etc.

Class of stock, etc. Acquisition of common stock that falls under Article 155, Item 3 of the Companies Act and acquisition of common stock that falls under Article 155, Item 7 of the Companies Act

(1) Status of acquisition by resolution of general meeting of shareholders

Not applicable.

(2) Status of acquisition by resolution of the Board of Directors

Category	Number of shares (shares)	Total value (millions of yen)
Resolutions of the Board of Directors (November 10, 2023) (Acquisition period: November 13, 2023 to February 20, 2024)	26,568,600	49,999
Treasury shares acquired prior to the current fiscal year	—	—
Treasury shares acquired in the current fiscal year	26,568,600	49,999
Total number and value of remaining resolution shares	—	—
Percentage unexercised as of the end of the current fiscal year (%)	—	—
Treasury shares acquired during the period	—	—
Percentage unexercised as of the date of submission (%)	—	—

(Note) The acquisition period is based on the contract, and the treasury shares acquired are based on the contract date.

(3) Details of matters not based on shareholders' meeting resolution or board resolution

Category	Number of shares (shares)	Total value (yen)
Treasury shares acquired in the current fiscal year	7,101	12,930,866
Treasury shares acquired during the period	770	1,528,940

(Note) The treasury shares acquired during the period do not include shares less than one unit acquired during the period from June 1, 2024 to the date of submission of the Annual Securities Report.

(4) Status of disposition and holding of acquired treasury shares

Category	Current fiscal year		Current period	
	Number of shares (shares)	Total disposal value (yen)	Number of shares (shares)	Total disposal value (yen)
Acquired treasury shares for which we have solicited underwriters	—	—	—	—
Acquired treasury shares that have been canceled	—	—	26,568,600	49,999,988,700
Acquired treasury shares that have undergone a merger, share exchange, share issuance, or company split	—	—	—	—
Other (-)	—	—	—	—
Number of treasury shares held	26,606,851	—	39,021	—

(Notes) 1. The number of treasury shares held during the period does not include treasury shares acquired during the period from June 1, 2024 to the date of submission of the Annual Securities Report.

2. The number of treasury shares held does not include 2,105,344 shares of the Company held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

3. Dividend policy

For the implementation of profit distribution to shareholders, we make a decision in order to develop together with diversifying stakeholders, after taking into account the balance between enhancement of internal reserves for the purpose of securing growth investment funds and maintaining financial soundness, and emphasis on shareholder value in an integrated fashion.

The Articles of Incorporation provide that the Company may pay the interim dividend stipulated in Article 454, Paragraph 5 of the Companies Act with September 30 as the record date every year, and it is our basic policy to distribute the surplus twice a year as interim dividends and year-end dividends. The decision-making bodies for these dividends of surplus are the General Meeting of Shareholders for year-end dividends and the Board of Directors for interim dividends.

As for the dividend of common stock for the current fiscal year, we have decided to pay an interim dividend of 43 yen per share and a year-end dividend of 49 yen per share, for a total of 92 yen per share.

Internal reserves will be used for investment funds for further growth in the future and will be allocated to shareholder returns such as dividends and flexible acquisition of own shares according to the situation as part of management that emphasizes capital efficiency.

Dividends of surplus for the current fiscal year are as follows:

Resolution date	Total Amount of Dividends Paid (millions of yen)	Dividend per share (yen)
November 10, 2023 Board resolution	33,428	43
June 26, 2024 Annual shareholders' meeting resolution	36,790	49

4. Status of corporate governance, etc.

(1) Overview of corporate governance

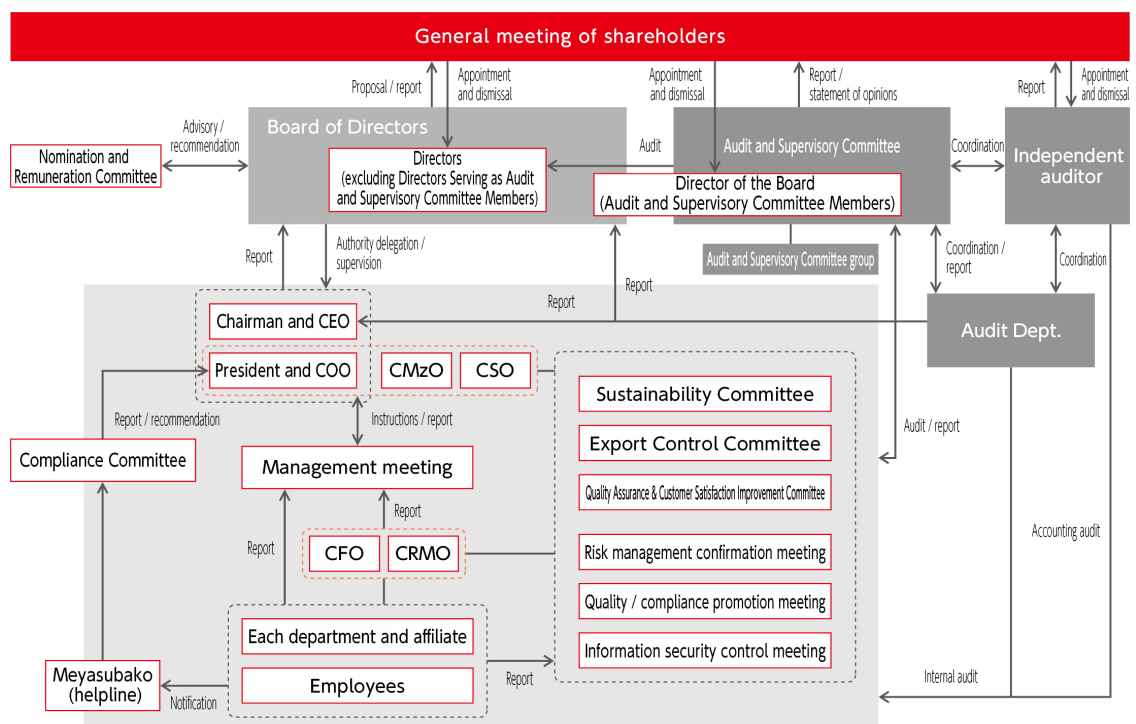
As for Isuzu's basic concept of corporate governance, we believe that it is indispensable to put in place the system of corporate governance, which is the framework that governs our activities, in order for us to continuously earn profits and increase corporate value through our corporate activities.

Isuzu believes that respecting the positions of all stakeholders surrounding the Company and building smooth relationships with them is the basic purpose of corporate governance. To that end, we strive to ensure the fairness and transparency of our corporate activities through disclosing important information in a timely and appropriate manner. In particular, we believe that an important element of corporate governance is to put in place the internal structure and environment in order to protect the rights and interests of all stakeholders and ensure equality among stakeholders.

(i) Corporate governance system

- Overview of corporate governance system

Isuzu is a Company with an Audit and Supervisory Committee, and has a Board of Directors and an Audit and Supervisory Committee as statutory meeting bodies, and through them it resolves, supervises and audits major business executions. In addition to the statutory meeting bodies, we have the Management Meeting for deliberating important policies and measures, business management, and other general types of business execution, as well as various advisory bodies and meeting bodies for contributing to supervision and decision-making about business execution.



Board of Directors

The Board of Directors makes important management decisions and supervises management in order to continuously increase corporate value in response to the mandate and confidence of shareholders. In principle, the Board of Directors holds regular monthly meetings and extraordinary meetings as necessary to deliberate and decide on necessary matters.

As of the date of submission of the Annual Securities Report, the Board of Directors consists of 14 Directors of the Board. The chair is Chairman and Representative Director, CEO Masanori Katayama, and six of the 14 Directors of the Board are independent Outside Directors of the Board.

Meetings of the Board of Directors and attendance status of Directors of the Board

During the 122nd Term (from April 1, 2023 to March 31, 2024), a total of 14 Board of Directors Meetings averaging roughly one hour were held. The attendance status of each Director of the Board at the Board of Directors Meetings during the 122nd Term was as follows:

Category	Name	Attendance status
Representative Director	Masanori Katayama	14 out of 14 meetings
Representative Director	Shinsuke Minami	14 out of 14 meetings
Director of the Board	Shinichi Takahashi	14 out of 14 meetings
Director of the Board	Shun Fujimori	14 out of 14 meetings
Director of the Board	Tetsuya Ikemoto	14 out of 14 meetings
Director of the Board	Naohiro Yamaguchi	14 out of 14 meetings
Outside Director of the Board	Mitsuyoshi Shibata	14 out of 14 meetings
Outside Director of the Board	Kozue Nakayama	13 out of 14 meetings
Outside Director of the Board* ¹	Tetsuhiko Shindo	4 out of 4 meetings (through his resignation on June 28, 2023)
Outside Director of the Board* ¹	Makoto Anayama	10 out of 10 meetings (since his appointment on June 28, 2023)
Director of the Board* ¹	Masayuki Fujimori	4 out of 4 meetings (through his resignation on June 28, 2023)
Director of the Board* ¹	Kenji Miyazaki	14 out of 14 meetings
Director of the Board* ¹	Masao Watanabe	10 out of 10 meetings (since his appointment on June 28, 2023)
Outside Director of the Board* ²	Kanji Kawamura	14 out of 14 meetings
Outside Director of the Board* ²	Kimie Sakuragi	14 out of 14 meetings

*¹ Also serves as a Standing Audit and Supervisory Committee Member.

*² Also serves as an Audit and Supervisory Committee Member.

Specific considerations of the Board of Directors

During the 122nd Term, the Board of Directors deliberated over 102 proposals that constitute matters to be resolved and reported. The Board of Directors considered management strategy and governance in general, financial results and financial matters, audit-related matters, risk management, internal control, compliance, personnel matters, and other individual matters (including formulation of new Mid-Term Business Plan, reform of the personnel system, etc.).

Audit and Supervisory Committee

The Audit and Supervisory Committee audits and supervises decision-making by the Board of Directors and execution of duties by the Directors of the Board in accordance with the audit plan determined by the Audit and Supervisory Committee.

As of the date of submission of the Annual Securities Report, the Audit and Supervisory Committee consists of five Directors Serving as Audit and Supervisory Committee Members. Three members (Makoto Anayama, Kenji Miyazaki, and Masao Watanabe) have been appointed as Standing Audit and Supervisory Committee Members, in order to strengthen the auditing and supervision functions of the Audit and Supervisory Committee Members, share information by collecting information on a daily basis and attending important internal meetings, and they fully cooperate with the Accounting Auditor and the Internal Audit Department.

The chair is Makoto Anayama, Director Serving as Standing Audit and Supervisory Committee Member, and three of the five Directors Serving as Audit and Supervisory Committee Members are independent Outside Directors of the Board.

All of the five Directors Serving as Audit and Supervisory Committee Members have been appointed.

For the meetings of the Audit and Supervisory Committee, attendee and specific considerations of the committee, please see “(3) Status of audits (i) Status of audits by the Audit and Supervisory Committee.”

Nomination and Remuneration Committee

In addition to the above statutory institutions, Isuzu has the Nomination and Remuneration Committee as a voluntary body relating to Corporate Governance in order to strengthen the independence, transparency, and objectivity in Board of Directors’ functions related to such matters as the nomination of officer candidates, appointment of management executives, and determination of executive remuneration.

As of the date of submission of the Annual Securities Report, our Nomination and Remuneration Committee consists of five members: Outside Director Mitsuyoshi Shibata, who serves as the chairperson, Chairman and Representative Director, CEO Masanori Katayama, Executive Vice President and Director, CMzO Shinichi Takahashi, and two Outside Directors of the Board (Machiko Miyai and Makoto Anayama). It deliberates and reports on matters referred to it by the Board of Directors.

Meetings of the Nomination and Remuneration Committee and attendance status of Members

During the 122nd Term (from April 1, 2023 to March 31, 2024), a total of nine Nomination and Remuneration Committee Meetings averaging roughly one hour were held.

The attendance status of each Member at the Nomination and Remuneration Committee Meetings during the 122nd Term was as follows:

Category	Position	Name	Attendance status
Member (Chairperson)	Chairman and Representative Director, CEO	Masanori Katayama	9 out of 9 meetings
Member	President and Representative Director, COO	Shinsuke Minami	9 out of 9 meetings
Member	Outside Director of the Board*	Mitsuyoshi Shibata	9 out of 9 meetings
Member	Outside Director of the Board*	Kozue Nakayama	9 out of 9 meetings
Member	Outside Director of the Board, and Standing Audit and Supervisory Committee Member*	Tetsuhiko Shindo	2 out of 2 meetings (through his resignation on June 28, 2023)
Member	Outside Director of the Board, and Standing Audit and Supervisory Committee Member*	Makoto Anayama	7 out of 7 meetings (since his appointment on June 28, 2023)

* Independent Officer

Specific considerations of the Nomination and Remuneration Committee

During the 122nd Term, the Nomination and Remuneration Committee deliberated over 17 proposals that constitute matters to be reported, deliberated over, and resolved. The Nomination and Remuneration Committee reviewed the executive remuneration plan (revision of remuneration levels, etc.), selected candidates for Outside Directors, and considered individual specific nomination and remuneration proposals.

Executive Officer System and Management Meeting

Isuzu Motors aims, by separating supervision and business execution, to enhance the deliberation of the Board of Directors, which is the supervisory body, and establish a system to swiftly

determine and execute matters through delegation of appropriate authority from the Board of Directors.

The Company has installed EVP and SVP to work on strategic issues in their respective domains to spearhead the transformation of management, and VPs to work on operational issues in their respective domains and departments, focusing mainly on business execution.

The Company has also established a Management Meeting consisting of Chairman and Representative Director, CEO Masanori Katayama, President and Representative Director, COO Shinsuke Minami, the EVPs of each department, and others. The chair is Masanori Katayama, Chairman and Representative Director, CEO, and matters related to management and business execution are resolved and deliberated on within the scope of authority delegated to it by the Board of Directors.

- Reason for adopting the corporate governance system

In order for a company to improve its corporate value in response to the trust and confidence of all stakeholders surrounding the company, the management must strive to enhance the common interests of all stakeholders and coordinate the interests of each stakeholder without being biased toward its own position, the company's interests, or the interests of a specific stakeholder.

As a corporate governance system that is considered appropriate for the company and the management team to secure the trust of all stakeholders, and in order to further increase the rationality and speed of management decision-making, as well as to realize further enhance deliberation and strengthen the supervisory function at the Board of Directors, we employ a Company with an Audit and Supervisory Committee, in which a significant portion of decisions of important business execution to be made by the Board of Directors may be delegated to Executive Directors.

(ii) Concept of internal control system and status of its maintenance

As for the basic policy on the development of internal control systems, the Board of Directors of the Company has resolved as follows:

- a. System for ensuring that Directors of the Board and employees execute their duties in compliance with the laws and regulations and the Articles of Incorporation
 - The Company places utmost importance on thorough compliance. The Company defines "compliance" to mean that all officers and employees comply with the laws, and behave in line with high ethical standards to gain the trust of society.
 - To secure thorough compliance, we will make sure that all officers and employees are familiar with and fully understand the "Basic Policy Measures Relating to Compliance" and the "Code of Conduct Relating to Compliance."
 - The Compliance Committee including outside experts provides the Company with objective advice, supervision, and assessments regarding its compliance promotion system and activities. The Risk Management Dept. manages and promotes compliance activities which are developed across the Company through the "Quality & Compliance Promotion Meeting" that is attended by representatives from each division. Additionally, compliance-related internal auditing functions are secured via auditing by the Corporate Audit Dept.
 - The Corporate Audit Dept. conducts internal audits by fairly and objectively evaluating the status of management activities regarding compliance, risk management structure, corporate governance, etc. from an independent standpoint and providing instructions and making requests for improvements with the objectives of gaining public trust in the Company and the Group based on our policy of serving society in meaningful ways, and contributing to the achievement of the Company's management goals.
 - The Company has independent Outside Directors of the Board to bring more objectivity, neutrality, and transparency to the Board of Directors in their function as supervisors of our business operations.

- The Company rejects any relationships with antisocial forces or groups, and will respond to them resolutely and refuse their unreasonable demands in the future.
 - The Company has established three points of contact (workplace, departmental, and company-wide points of contact) for internal reporting and consultation regarding compliance. The Company has established a suggestion box (external consultation point of contact) at an external law firm for issues that are difficult to discuss or resolve at internal consultation points of contact for any reason.
- b. System for maintaining and managing information relating to Directors of the Board's performance of their duties
- Minutes of the Board of Directors Meetings and other information relating to the Directors of the Board's performance of their duties are appropriately maintained and managed by different departments in accordance with laws and regulations, the "Board of Directors Regulation," and the Company's other bylaws, designating what information is handled by which department. The Chief Executive for Confidential Information Management manages confidential information appropriately in accordance with laws and regulations and the "Rules for Handling Confidential Information." In addition, this information will be made available to view upon request by the Audit and Supervisory Committee.
 - In accordance with the Group information security policy, the "Information Security Management Meeting" composed of the Group CRMO and division representatives evaluates the implementation status of measures for managing information and information security at each division to put in place an appropriate information management system and reports on its status to the Board of Directors when needed to implement thorough information management.
 - We have established collaborative information handling rules with the objective of preventing situations that compromise the trust built between the Company and its collaborative partners. These rules guide rigorous efforts to ensure that employees prevent collaborative partners' confidential information from leaking outside the Company (including to other collaborative partners) or being mixed into or appropriated for research and development with other collaborative partners.
- c. Rules and other systems for managing loss risk
- In accordance with the "Rules for Risk Management," based on three lines of defense, each Division Executive, as the first line of defense and a risk owner, undertakes preventive efforts against risks and response to materialized events including Group companies through their execution of business, and the Group CRMO and Risk Management Dept., the second line of defense, establish a risk management structure for the entire Group and manages and supervises the first line's response to the risks. Additionally, the Corporate Audit Dept., the third line of defense, decides the rationality of risk management structure and systems independently from the divisions and the Group CRMO.
 - The Group CRMO regularly reports the status of risk management to the Representative Directors and the Board of Directors and follows any instructions given by the Representative Directors and the Board of Directors. Notably, the Group CRMO reports the status of risk management to the Representative Directors and the Board of Directors whenever the Group CRMO deems it necessary.
 - The Group CRMO convenes the "Risk Management Confirmation Meeting" on a regular basis to follow up the progress of preventive efforts against risks, identify the risks that are manifested, and review countermeasures and risk recognition on an ongoing basis. The status of risk management is followed up and assessed by the Board of Directors Meetings on a regular basis. In a crisis with a major impact on management, the Company strives to minimize the impact and reduce damage to the corporate value of the Company by having the Group CRMO oversee such risk managements and determine and implement proper responses (including implementation systems) to the risks.

- d. System for assuring Directors of the Board's efficient execution of their duties
 - Decision-making of all or some important business operations will be delegated to Directors of the Board in accordance with Article 399-13, Paragraph 6 of the Companies Act and Article 25 of the Articles of Incorporation. Directors of the Board who have been delegated as such by the Board of Directors will make decisions on important business operations and abide by the "Approval Standards and Rules" and other rules.
 - In addition to establishing a business plan, etc. that is the basic policy regarding business and serves as guideline to decisions made by a Director of the Board regarding business operations, the Board of Directors will monitor whether the Director of the Board makes decisions in line with such policies.
 - The Company employs the Executive Officer System to help the Directors of the Board perform their duties properly, and appoints a CxO (Chief Officer for each field) and Executive Officers.
- e. System for ensuring the propriety of operations of the Corporate Group consisting of the Company and its subsidiaries
 - With the objective of enhancing public trust in the Company and the Group based on our policy of serving society in meaningful ways, the Company has unveiled ISUZU ID as the new corporate philosophy and established the "Group Basic Compliance Initiative." The Company takes proper measures to ensure that all officers and employees of the Group act in accordance with the "Group Basic Compliance Initiative."
 - The Company has asked the Group companies to develop their own compliance systems suited to their respective circumstances and to fully implement said systems, and has additionally asked to develop appropriate risk management structure and response to risks.
 - The Company has established "Group Company Management Rules" and "Detailed Rules for Group Company Management," and taken steps to strengthen systems for ensuring the propriety of the Group company operations.
 - Company Management continually monitors the activities of the Group companies' managements, receives reports on the status of compliance and risk management and systems for ensuring business efficiency at the Group companies, and requests improvements if the Company determines that they are necessary.
 - Internal audits of Group companies are conducted in accordance with the Company's Internal Audit Rules, and the necessary notifications, requests, and reports are made to the Group company departments in charge of business management. However, for Group companies with internal audit functions in place, it depends on the results of their internal audits.
 - The Company adopts a system to ensure the reliability of financial reports made under the Financial Instruments and Exchange Act.
- f. Matters regarding employees who assist Audit and Supervisory Committee Members in their duties when Audit and Supervisory Committee Members request the assignment of such employees
 - At the request of Audit and Supervisory Committee Members, the Company has set up a department called "the Audit and Supervisory Committee Member Support Group," and has assigned employees to assist the Audit and Supervisory Committee Members with their duties.
- g. Maintaining the independence of employees who assist Audit and Supervisory Committee Members from Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) and enhancing the effectiveness of instructions to employees
 - The Company ensures that employees who assist Audit and Supervisory Committee Members with their duties are independent from the Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) and that instructions to

such employees are effective. In order to achieve this, such employees are placed under the direct control and supervision of Audit and Supervisory Committee and the Company obtains the prior consent of the Audit and Supervisory Committee when changing, assessing, rewarding, or punishing them.

- h. System for encouraging Directors of the Board, employees, and others of the Company and its subsidiaries to report to Audit and Supervisory Committee Members
 - The Company adopts a system in which Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) and Executive Officers and those of equivalent rank and employees of the Company and the Group companies report to Audit and Supervisory Committee on the status of business operations, the status of the Company's and the Group companies' management, and any other matters that need to be reported as agreed by the Company and Audit and Supervisory Committee, to disclose or report necessary and sufficient information whenever requested by Audit and Supervisory Committee.
 - The Company cooperates with a liaison conference held on a regular basis to enhance and strengthen audits of the entire Group through mutual collaboration among Audit and Supervisory Committee Members of the Company and Audit & Supervisory Board Members of the Group companies as necessary.
- i. System for ensuring that those who make a report to Audit and Supervisory Committee Members are not treated unfairly for making such a report
 - The Company prohibits any discriminatory treatment of those who has made a report to the Audit and Supervisory Committee Members in accordance with the preceding Paragraph, and ensures that all officers and employees of the Company and Group companies are familiar with and fully understand the above.
- j. Policy for advance payment or reimbursement of expenses relating to execution of duties by Directors Serving as Audit and Supervisory Committee Members and other handling of expenses or obligations arising from the execution of such duties
 - If a Director Serving as Audit and Supervisory Committee Member requests the Company to make an advance payment of expenses, reimburse expenses, or fulfill obligations related to the execution of his or her duties, the Company promptly deals with such expenses or obligations in accordance with laws and regulations.
 - The Company will annually allot an appropriate budget to pay expenses arising from the execution of duties by Directors Serving as Audit and Supervisory Committee Members and other costs.
- k. Other systems for ensuring effective audits by Audit and Supervisory Committee Members
 - The Company will ensure that the Corporate Audit Dept. has a direct reporting line to the Audit and Supervisory Committee in addition to a reporting line to the Chairman and CEO.
 - The Company will obtain the prior consent of the Audit and Supervisory Committee regarding personnel transfers of corporate officers who rank above the General Manager of Corporate Audit Dept. in the chain of command.
 - The Company ensures opportunities for Directors Serving as Audit and Supervisory Committee Members to attend the Management Meeting.
 - In addition, with the aim of establishing systems to help Audit and Supervisory Committee Members audit effectively, the Company holds regular discussions with Audit and Supervisory Committee Members and takes necessary steps to meet their requests.

(iii) Outline of contracts for limitation of liability

The Company has entered into contracts to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act with Outside Directors of the Board, based on the provisions of Article 427, Paragraph 1 of the Companies Act, and the limit of liability shall be the amount specified in Article 425, Paragraph 1 of the Companies Act.

(iv) Overview of contracts for directors and officers liability insurance

The Company concludes a directors and officers liability insurance as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The scope of the insured of the insurance contract is the Directors of the Board and Executive Officers of the Company and its subsidiaries, as well as the Directors of the Board, Audit & Supervisory Board Members, and Executive Officers of some affiliates, and the insured does not bear the insurance premiums. The insurance contract will cover the damages caused by a third party claiming damages during the insurance period due to the insured's business activities.

(v) Fixed number of Directors of the Board and requirements for resolution to appoint Directors of the Board

- Fixed number of Directors of the Board

The Articles of Incorporation stipulate that the number of Directors of the Board of the Company (excluding Directors Serving as Audit and Supervisory Committee Members) shall be 12 or less, and the number of Directors Serving as Audit and Supervisory Committee Members shall be six or less.

- Requirements for resolution to appoint Directors of the Board

The Company's Articles of Incorporation stipulate that, for both of the Directors Serving as Audit and Supervisory Committee Members and the other Directors of the Board, the resolution to appoint Directors of the Board shall be made by a majority of the voting rights of the shareholders at the meeting where the shareholders holding one-third or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present. And the resolution to appoint Directors of the Board shall not be based on cumulative voting.

(vi) Matters to be resolved at the General Meeting of Shareholders that may be resolved by the Board of Directors

- Acquisition of own shares

The Articles of Incorporation stipulate that the Company may acquire its own shares by a resolution of the Board of Directors pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act. This aims to acquire own shares through market transactions, etc., in order to enable flexible execution of capital policies in response to changes in the business environment.

- Exemption from liability of Directors of the Board

The Articles of Incorporation stipulate that the Company may exempt the liability of Directors (including those who were Directors) regarding the acts of Article 423, Paragraph 1 of the Companies Act to the extent of laws and regulations by a resolution of the Board of Directors pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act. This aims to put in place an environment in which Directors of the Board can fully demonstrate their abilities and fulfill their expected roles in performing their duties.

- Interim dividend

The Articles of Incorporation stipulate that the Company can pay an interim dividend with September 30 as the record date every year by a resolution of the Board of Directors pursuant to the provisions of Article 454, Paragraph 5 of the Companies Act. This aims to provide agile return of profits to shareholders.

(vii) Special resolution requirements for general meetings of shareholders

In the Articles of Incorporation, the Company stipulates that the special resolution requirements of the General Meeting of Shareholders stipulated in Article 309, Paragraph 2 of the Companies Act shall be met by two-thirds or more of the voting rights at the meeting where the shareholders holding one-third or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present. This aims to facilitate the smooth operation of the General Meeting of Shareholders by relaxing the quorum of special resolutions at the General Meeting of Shareholders.

(2) Status of officers

(i) List of officers

12 males and 2 females (14.3% of officers are female)

Job title	Name	Date of birth	Brief career history		Term	Number of shares held (1,000 shares)
Chairman and Representative Director, CEO	Masanori Katayama	May 16, 1954	April 1978	Joined ISUZU MOTORS LIMITED	(Note) 2	128
			June 2007	Director of the Board, ISUZU MOTORS LIMITED		
			April 2014	Executive Vice President and Director, ISUZU MOTORS LIMITED		
			June 2015	President and Representative Director, ISUZU MOTORS LIMITED		
			April 2023 to present	Chairman and Representative Director, CEO, ISUZU MOTORS LIMITED		
			January 2024 to present	Chairman, Japan Automobile Manufacturers Association, Inc.		

Job title	Name	Date of birth	Brief career history		Term	Number of shares held (1,000 shares)
President and Representative Director, COO	Shinsuke Minami	September 29, 1959	April 1983	Joined ISUZU MOTORS LIMITED	(Note) 2	35
			June 2018	Director of the Board, Division Executive of Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED		
			April 2019	Director of the Board, Senior Division Executive of Quality Assurance Division, Division Executive of Corporate Planning & Finance Division, ISUZU MOTORS LIMITED		
			April 2020	Director of the Board, Division Executive of Corporate Strategy Division and Corporate Planning & Finance Division, ISUZU MOTORS LIMITED		
			April 2022	Director of the Board, Group CCO, Division Executive of Corporate Planning & Finance Division, and Executive in charge of CV Alliance Planning, ISUZU MOTORS LIMITED		
			April 2023 to present	President and Representative Director, COO, ISUZU MOTORS LIMITED		
Executive Vice President and Director, CMzO	Shinichi Takahashi	January 28, 1958	April 1980	Joined ISUZU MOTORS LIMITED	(Note) 2	62
			June 2017	Director of the Board, Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED		
			April 2020	Director of the Board, Senior Division Executive of Quality Assurance Division, Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED		
			April 2021	Executive Vice President and Director, Senior Division Executive of Operations Headquarters, Senior Division Executive of Quality Assurance Division and Product & Technology Strategies Division, ISUZU MOTORS LIMITED		
			April 2023	Executive Vice President and Director, ISUZU MOTORS LIMITED		
			April 2024 to present	Executive Vice President and Director, CMzO, ISUZU MOTORS LIMITED		

Job title	Name	Date of birth	Brief career history		Term	Number of shares held (1,000 shares)
Director of the Board CSO Group CFO EVP of Corporate Strategy Division EVP of Corporate Planning & Finance Division SVP, Chief Officer for External Affairs	Naohiro Yamaguchi	December 8, 1962	April 1986 April 2019 April 2021 June 2022 April 2023 April 2024 to present	Joined ISUZU MOTORS LIMITED Executive Officer, Associate Division Executive of Sales No. 2, Sales Planning Dept., Sales Headquarters, ISUZU MOTORS LIMITED Senior Executive Officer, and Division in charge Executive of LCV Business Dept., Executive of LCV Business Dept. Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED Director of the Board, Deputy Division Executive of Sales Division, Sales Headquarters, Executive in charge of Sales Planning Dept., Trade Management Dept., International Product Marketing Dept., CV Application Planning Dept., Sales Operation Dept., Executive Chief Engineer of LCV, Engineering Division, Operations Headquarters, Division in charge Executive of LCV Business Dept., ISUZU MOTORS LIMITED Director of the Board, Group CFO, EVP of Corporate Strategy Division, EVP of Corporate Planning & Finance Division, Executive in charge of administrative and liaison affairs, ISUZU MOTORS LIMITED Director of the Board, CSO, Group CFO, EVP of Corporate Strategy Division, EVP of Corporate Planning & Finance Division, SVP, Chief Officer for External Affairs, ISUZU MOTORS LIMITED	(Note) 2	9

Job title	Name	Date of birth	Brief career history		Term	Number of shares held (1,000 shares)
Director of the Board EVP of Product & Technology Strategies Division EVP of CV Alliance Planning Dept.	Shun Fujimori	June 30, 1960	April 1984	Joined ISUZU MOTORS LIMITED	(Note) 2	14
			April 2017	Executive Officer, Assistant Division Executive of Corporate Planning & Finance Division, ISUZU MOTORS LIMITED		
			April 2020	Senior Executive Officer, Division Executive of Product Strategy Division, Deputy Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED		
			June 2021	Director of the Board, Division Executive of Product & Technology Strategies Division, Deputy Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED		
			April 2023 to present	Director of the Board, EVP of Product & Technology Strategies Division, EVP of CV Alliance Planning Dept., ISUZU MOTORS LIMITED		
Director of the Board EVP of Sales Division	Tetsuya Ikemoto	February 8, 1960	April 1983	Joined ISUZU MOTORS LIMITED	(Note) 2	23
			April 2018	Senior Executive Officer, ISUZU MOTORS LIMITED and President and Representative Director, Isuzu Motors Sales Co., Ltd.		
			June 2019	Director of the Board, ISUZU MOTORS LIMITED and President and Representative Director, Isuzu Motors Sales Co., Ltd.		
			April 2021	Director of the Board, Division Executive of Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED and Chairman and Representative Director, Isuzu Motors Sales Co., Ltd.		
			October 2021	Director of the Board, Division Executive of Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED		
			April 2023 to present	Director of the Board, EVP of Sales Division, ISUZU MOTORS LIMITED		

Job title	Name	Date of birth	Brief career history		Term	Number of shares held (1,000 shares)
Director of the Board (Note) 1	Mitsuyoshi Shibata	November 5, 1953	April 1977	Joined Furukawa Electric Co., Ltd.	(Note) 2	—
			April 2012	President and Representative Director, Furukawa Electric Co., Ltd.		
			April 2017	Chairman of the Board, Furukawa Electric Co., Ltd.		
			June 2018 to present	Outside Director, Tobu Railway Co., Ltd. Outside Director of the Board, ISUZU MOTORS LIMITED		
			July 2018 to present	Outside Statutory Auditor, Asahi Mutual Life Insurance Company		
			June 2023 to present	Special Advisor, Furukawa Electric Co., Ltd.		
Director of the Board (Note) 1	Machiko Miyai	September 29, 1960	April 1983	Joined Matsushita Electric Industrial Co., Ltd. (Predecessor of Panasonic Holdings Corporation)	(Note) 2	—
			April 2011	Officer, General Manager of Environment Headquarters, Panasonic Corporation		
			April 2012	Officer, in charge of Future Life Research, R&D Headquarters, Panasonic Corporation (resigned in March 2014)		
			June 2014	Outside Director, Morinaga & Co., Ltd.		
			December 2014	Outside Director, Kato Sangyo Co. Ltd. (resigned in December 2018)		
			May 2015	Outside Director, YOSHINOYA HOLDINGS CO., LTD. (resigned in May 2019)		
			June 2018	Director, Managing Operating Officer, Morinaga & Co., Ltd.		
			February 2019 to present	Chairman, Sustainability Forum Japan		
			April 2022 to present	Auditor (part-time), Ochanomizu University		
			June 2022 to present	Outside Director, SEKISUI CHEMICAL CO., LTD.		
			April 2024	Director, Morinaga & Co., Ltd. (resigned in June 2024)		
			June 2024 to present	Outside Director of the Board, ISUZU MOTORS LIMITED		

Job title	Name	Date of birth	Brief career history		Term	Number of shares held (1,000 shares)
Director of the Board (Note) 1	Tetsuya Nakano	June 12, 1963	April 1986 July 2012 June 2015 June 2017 June 2019 June 2021 April 2023 to present June 2024 to present	Joined Ajinomoto Co., Inc. Managing Director in charge of Corporate, AJINOMOTO CO., (THAILAND) LTD. Representative Director, President, AJINOMOTO PHILIPPINES CORPORATION Corporate Executive Officer, General Manager of Finance & Accounting Division, Ajinomoto Co., Inc. Managing Executive Officer, Ajinomoto Co., Inc. Executive Officer & Vice President in charge of Finance & Investor Relations, Ajinomoto Co., Inc. Advisor, Ajinomoto Co., Inc. Outside Director of the Board, ISUZU MOTORS LIMITED	(Note) 2	—
Director of the Board Standing Audit and Supervisory Committee Member (Note) 1	Makoto Anayama	March 14, 1963	April 1986 September 2013 June 2015 June 2018 March 2019 June 2022 June 2023 to present	Joined Japan Development Bank (current Development Bank of Japan Inc.) Executive Officer and Head of Business Planning & Coordination Department, Development Bank of Japan Inc. Managing Executive Officer, Development Bank of Japan Inc. Member of the Board of Directors, Managing Executive Officer, Development Bank of Japan Inc. (resigned in June 2022) Member of the Board of Directors, Managing Executive Officer, Executive Director of the Research Institute of Capital Formation, Development Bank of Japan Inc. Executive Director of the Research Institute of Capital Formation, Development Bank of Japan Inc. Outside Director of the Board, and Standing Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED	(Note) 3	0

Job title	Name	Date of birth	Brief career history		Term	Number of shares held (1,000 shares)
Director of the Board Standing Audit and Supervisory Committee Member	Kenji Miyazaki	January 31, 1959	April 1981	Joined ISUZU MOTORS LIMITED	(Note) 3	12
			April 2013	Executive Officer, Assistant Division Executive of Corporate Planning & Finance Division, ISUZU MOTORS LIMITED		
			April 2015	President and Representative Director, Isuzu Motors Asia (Thailand) Co., Ltd.		
				Director of the Board and Senior Vice President, Isuzu Motors Co., (Thailand) Ltd.		
			June 2018	Managing Director, Nippon Fruehauf Co., Ltd.		
			June 2020	Standing Audit and Supervisory Board Member, ISUZU MOTORS LIMITED		
			June 2021 to present	Director of the Board, and Standing Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED		
Director of the Board Standing Audit and Supervisory Committee Member	Masao Watanabe	March 9, 1961	April 1983	Joined ISUZU MOTORS LIMITED	(Note) 3	4
			April 2008	General Manager of General Affairs & HR Dept., ISUZU MOTORS LIMITED		
			April 2013	Executive Vice President and Director, Isuzu Motors Co., (Thailand) Ltd.		
			April 2019	Chief Executive of Audit Dep., ISUZU MOTORS LIMITED		
			April 2023	Senior Expert of the Administration Division, ISUZU MOTORS LIMITED		
			June 2023 to present	Director of the Board, and Standing Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED		

Job title	Name	Date of birth	Brief career history		Term	Number of shares held (1,000 shares)
Director of the Board Audit and Supervisory Committee Member (Note) 1	Kanji Kawamura	December 15, 1947	April 1971	Joined ITOCHU Corporation	(Note) 3	—
			March 1998	Retired from ITOCHU Corporation		
			April 1998	Faculty of Law Professor, Meiji Gakuin University		
			April 2004	Graduate Law School Professor, Meiji Gakuin University		
			June 2011	Outside Audit & Supervisory Board Member, Jamco Corporation (resigned in June 2019)		
			April 2013	Legal Advisor to the President, Meiji Gakuin University		
			April 2017 to present	Professor Emeritus, Meiji Gakuin University		
			June 2017	Outside Audit & Supervisory Board Member, ISUZU MOTORS LIMITED		
			June 2021 to present	Outside Director of the Board, and Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED		
Director of the Board Audit and Supervisory Committee Member (Note) 1	Kimie Sakuragi	September 6, 1958	March 1981	Joined Fukutake Shoten Co., Ltd. (currently Benesse Holdings, Inc.)	(Note) 3	—
			June 2003	Standing Audit & Supervisory Board Member, Benesse Holdings, Inc. (resigned in June 2019)		
			April 2007 to present	Adjunct Professor, The University of Aizu Graduate School		
			June 2019 to present	Outside Director, Toyobo Co., Ltd.		
			June 2021 to present	Outside Director, Kumagai Gumi Co., Ltd.		
				Director of the Board, and Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED		
Total						291

- (Notes) 1. Directors of the Board Mitsuyoshi Shibata, Machiko Miyai, Tetsuya Nakano, Makoto Anayama, Kanji Kawamura, and Kimie Sakuragi are Outside Directors of the Board.
2. The term of office of Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) shall expire at the close of the Annual General Meeting of Shareholders for the last fiscal year out of the fiscal years ending within one year following their appointment at Annual General Meeting of Shareholders held on June 26, 2024.
3. The term of office of Directors Serving as Audit and Supervisory Committee Members shall expire at the close of the Annual General Meeting of Shareholders for the last fiscal year out of the fiscal years ending within two years following their appointment at the Annual General Meeting of Shareholders held on June 28, 2023.
4. Isuzu Motors has introduced an Executive Officer System in order to optimize management decisions by activating the Board of Directors and to realize efficient management by delegating business execution authority.
- In addition to the three Executive Officers who concurrently serve as Directors of the Board and listed above (Managing Executive Officers Naohiro Yamaguchi, Shun Fujimori, and Tetsuya Ikemoto), Executive Officers are appointed as follows:

The Managing Executive Officer consists of the following two members.

Takashi Oodaira	EVP of Engineering Division, EVP of Carbon Neutral Strategy Division
Satoshi Yamaguchi	Light Commercial Vehicle Business Management, EVP of LCV Business Dept., SVP, Product Executive CE (Executive Chief Engineer of LCV), President and Representative Director, Isuzu Motors Co., (Thailand) Ltd.

The Senior Executive Officers consist of the following 7 members.

Kenichi Asahara	Group CRMO, EVP of Administration Division, EVP of Legal Department, Risk Management Dept.
Naohiko Yanagawa	EVP of Quality Assurance Division
Tsuguo Fukumura	EVP of Business Process Development Division
Kazutaka Ooishi	EVP of Industrial Solutions & Powertrain Business Division, SVP, Product Executive CE (PT Executive CE)
Akira Kamijo	EVP of Purchasing Division, VP of Purchasing Division
Masayuki Umeda	EVP of Manufacturing Division
Satoshi Okuyama	SVP of Corporate Strategy Division, SVP, Chief Officer for External Affairs

The Executive Officers consist of the following eight members.

Hidekazu Noto	SVP of Sales Division
Koji Nakamura	SVP of Sales Division, VP of Sales Division
Kazunari Furukawa	SVP of Carbon Neutral Strategy Division, VP of Carbon Neutral Strategy Division
Kazuhiro Nishi	SVP, Product Executive CE (HD Executive CE), VP of Engineering Division
Ken Ueda	SVP, Product Executive CE (MD/LD/BUS Executive CE), VP of Engineering Division
Hiroshi Sato	SVP, Chief Officer for External Affairs, VP of Engineering Division
Koichi Ito	SVP, Chief Officer for External Affairs, SVP, Chairman and executive director, UD Trucks Corporation
Shaun Skinner	President and COO, Isuzu Commercial Truck of America, Inc. President, Isuzu Commercial Truck of Canada, Inc.

(ii) Status of Outside Officers

The Company has appointed three Outside Directors of the Board (excluding Outside Directors Serving as Audit and Supervisory Committee Members) (all are independent officers based on the provisions of the Tokyo Stock Exchange) and three Outside Directors Serving as Audit and Supervisory Committee Members (all of whom are independent officers based on the provisions of the Tokyo Stock Exchange, and one member is standing).

We have appointed Mr. Mitsuyoshi Shibata as Outside Director of the Board, in the expectation that he would be able to state his opinions from the perspective of promoting the sustainable growth of the Company and enhancing corporate value in the medium to long term as an Outside Director, based on his extensive experience and broad insights as a manager of a listed company for many years, and to give advice and recommendations from his independent standpoint to ensure the validity and appropriateness of decisions of the Board of Directors. He also heads the Nomination and Remuneration Committee as chair, which is an advisory body to the Board of Directors, in deliberating matters related to the nomination and remuneration of Officers. There is no special interest between the Company and him or any other company for which he serves as an officer.

We have appointed Ms. Machiko Miyai as Outside Director of the Board, in the expectation that she would be able to state her opinions from the perspective of promoting the sustainable growth of the Company and enhancing corporate value in the medium to long term, based on her abundant work experience in product development and marketing and extensive experience and broad insights as a corporate manager, and to give advice and recommendations from her independent standpoint to ensure the validity and appropriateness of decisions of the Board of Directors. She also plays an important role as a member of the Nomination and Remuneration Committee, which is an advisory body to the Board of Directors, in deliberating matters related to the nomination and remuneration of Officers. There is no special interest between the Company and her or any other company for which she serves as an officer.

We have appointed Mr. Tetsuya Nakano as Outside Director of the Board, in the expectation that he would be able to state his opinions from the perspective of promoting the sustainable growth of

the Company and enhancing corporate value in the medium to long term, based on his abundant work experience in finance and accounting, IR, and IT and extensive experience and broad insights as a corporate manager, and to give advice and recommendations from his independent standpoint to ensure the validity and appropriateness of decisions of the Board of Directors. There is no special interest between the Company and him or any other company for which he serves as an officer.

We have appointed Mr. Makoto Anayama as Outside Director of the Board who is a member of the Audit and Supervisory Committee, in the expectation that, because he has a wealth of knowledge and work experience in finance and treasury and considerable insights in finance and accounting, he would audit the Company's management from an objective and neutral position with the use of such knowledge and work experience and make timely and appropriate remarks at the Board of Directors and the Audit and Supervisory Committee. He also plays an important role as a member of the Nomination and Remuneration Committee, which is an advisory body to the Board of Directors, in deliberating matters related to the nomination and remuneration of Officers. There is no special interest between the Company and him or any other company for which he serves as an officer.

We have appointed Mr. Kanji Kawamura for Outside Director Serving as Audit and Supervisory Committee Member, in the expectation that, because he has a wealth of knowledge and work experience in corporate legal affairs, he would audit the Company's management from an objective and neutral position with the use of such knowledge and work experience and make timely and appropriate remarks at the Board of Directors and the Audit and Supervisory Committee. There is no special interest between the Company and him or any other company for which he serves as an officer.

We have appointed Ms. Kimie Sakuragi as Outside Director Serving as Audit and Supervisory Committee Member, in the expectation that, because she has a wealth of knowledge and work experience in corporate ethics and compliance, she would audit the Company's management from an objective and neutral position with the use of such knowledge and work experience and make timely and appropriate remarks at the Board of Directors and the Audit and Supervisory Committee. There is no special interest between the Company and her or any other company for which she serves as an officer.

Therefore, we believe that all of our Outside Directors of the Board are unlikely to have conflicts of interest with general shareholders and that we can receive appropriate opinions and advice from their objective standpoint.

The criteria for judging the independence of our Outside Directors of the Board are compliant with the independence criteria established by the Tokyo Stock Exchange, and we judge, in principle, that there is no independence with regard to business executors of our main business partners, those whose main business partner is the Company or their business executors, as well as consultants, accounting experts, lawyers, etc. who receive a large amount of money from the Company in addition to the executive compensation.

Of these, "major" business partners are those whose transaction volume with the Company is 2% or more of the consolidated net sales of either the business partner or the Company in the previous fiscal year, and the standard of "large amount" is 10 million yen or more per year.

- (iii) Mutual cooperation among supervision or audits by Outside Directors of the Board, internal audits, audits by the Audit and Supervisory Committee and accounting audits, and the relationship with Internal Control Department

Isuzu Motors has a system in which Outside Directors (Directors Serving as Audit and Supervisory Committee Members) shall receive reports at the Audit and Supervisory Committee and the Board of Directors about the implementation status of internal audits, audits by Audit and Supervisory Committee members and accounting audits, and the activity status of the Internal Control Department.

We have a system in which Outside Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) shall receive reports at the Board of Directors about the implementation status and the activity status as mentioned above. Moreover, initiatives to ensure

that the management monitoring function from an independent perspective fully functions, including the utilization of Outside Directors of the Board are as follows:

- a. A “Management Audit Meeting” in which all members of the Audit and Supervisory Committee will attend in principle is set up prior to the regular meeting of the Board of Directors to strengthen the monitoring function for management. In addition to “Group CFO,” “Group CRMO,” EVP of Corporate Strategy Division from the management side, the managers from each department relating to internal control in the whole company, such as the Business Promotion Department, Corporate Planning Department, Accounting Department, and Audit Department participate in this Management Audit Meeting, in which the development status of the system as the Internal Control Department is reported and which is used as a place for explaining important matters such as those scheduled for deliberation by the Board of Directors, and asking questions.
- b. We have a system in which several departments are selected every year and all members of the Audit and Supervisory Committee, in principle, carry out business audits.
- c. The Opinion Exchange Meeting is held twice a year as a place for all members of the Audit and Supervisory Committee to participate in principle and exchange opinions and ask and answer questions regarding overall management with the Chairman and CEO.
- d. Standing Audit and Supervisory Committee members shall enhance their management oversight functions by attending the Management Meeting, which is a meeting body under the Board of Directors, and by participating in audits of major subsidiaries.
- e. Standing Audit and Supervisory Committee Members shall meet regularly with Audit & Supervisory Board Members of subsidiaries, etc. in order to enhance and strengthen audits for the entire Group, and shall share revisions of relevant laws and regulations and how to proceed with audits within the Group, and ensure mutual collaboration and information exchange.
- f. Outside Directors of the Board shall work to strengthen objectivity and accountability of the Board of Directors by participating in the briefing session on the content and materials of the company’s agenda, which is held approximately a few days before the meeting of the Board of Directors, so that they can be more appropriately involved and provide advice on the Board of Directors. The Management Roundtable shall, in principle, be held every month according to the day of the Board of Directors meeting as a place for three Outside Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) to exchange opinions and ask and answer questions regarding overall management with the Chairman and CEO. Further, three Outside Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) shall hold regular meetings to share information with Audit and Supervisory Committee Members.
- g. The Group CFO and Group CRMO attend the Board of Directors Meeting as explanatory assistants every time from the standpoint of supervising the Internal Control Departments of the entire Group in their respective problem areas, and report and respond to requests and questions from Outside Directors of the Board appropriately.

(3) Status of audits

For the status of audits at Isuzu Motors, the Audit and Supervisory Committee Members, the Audit Department, and the Accounting Auditor enhance mutual collaboration by exchanging information as needed, including regular meetings about annual plans, audit result reports, and others.

(i) Status of audits by the Audit and Supervisory Committee

As of the date of submission of the Annual Securities Report, the Audit and Supervisory Committee of the Company consists of five Directors Serving as Audit and Supervisory Committee Members, three of whom are Outside Directors of the Board. Mr. Makoto Anayama who is a Director of the Board Serving as Standing Audit and Supervisory Committee Member has a high degree of professionalism and a wealth of experience in financial and corporate financial affairs, as well as considerable knowledge in finance and accounting. Mr. Kenji Miyazaki who is a Director of the Board Serving as Standing Audit and Supervisory Committee Member has extensive experience in the Corporate Planning & Finance Division of the Company as well as considerable

expertise in finance and accounting. Mr. Masao Watanabe who is a Director of the Board Serving as Standing Audit and Supervisory Committee Member has extensive experience in the General Affairs and HR Dept. and Audit Dept. of the Company. Mr. Kanji Kawamura who is a Director of the Board Serving as Audit and Supervisory Committee Member has a wealth of knowledge and work experience in corporate legal affairs. Mr. Kimie Sakuragi who is a Director of the Board Serving as Audit and Supervisory Committee Member has a wealth of knowledge and work experience in corporate ethics and compliance.

In addition, we have established an Audit and Supervisory Committee group, which consists of four members, as a dedicated organization to assist the execution of duties by the Audit and Supervisory Committee. We have established Audit and Supervisory Committee Auxiliary Employees Rules to ensure the independence of the group and the effectiveness of instructions to the auxiliary employees.

In the current fiscal year, a total of 15 Audit and Supervisory Committee Meetings averaging roughly 100 minutes were held. The attendance status of each Audit and Supervisory Committee Member was as follows:

Category	Name	Attendance status
Director of the Board, and Standing Audit and Supervisory Committee Member (Outside)	Makoto Anayama	11 out of 11 meetings
Director of the Board, and Standing Audit and Supervisory Committee Member (Outside)	Tetsuhiko Shindo	4 out of 4 meetings
Director of the Board, and Standing Audit and Supervisory Committee Member	Kenji Miyazaki	15 out of 15 meetings
Director of the Board, and Standing Audit and Supervisory Committee Member	Masao Watanabe	11 out of 11 meetings
Director of the Board, and Standing Audit and Supervisory Committee Member	Masayuki Fujimori	4 out of 4 meetings
Director of the Board, and Audit and Supervisory Committee Member (Outside)	Kanji Kawamura	15 out of 15 meetings
Director of the Board, and Audit and Supervisory Committee Member (Outside)	Kimie Sakuragi	15 out of 15 meetings

- (Notes) 1. The Chairperson of the Audit and Supervisory Committee is Mr. Makoto Anayama.
2. The attendance of Mr. Tetsuhiko Shindo and Mr. Kenji Fujimori, Director of the Board Serving as Standing Audit and Supervisory Committee Member, relates to the status before their resignation on June 28, 2023.
3. The attendance of Mr. Makoto Anayama and Mr. Masao Watanabe, Director of the Board Serving as Standing Audit and Supervisory Committee Member, relates to the status after their appointment on June 28, 2023.

Specific considerations of the Audit and Supervisory Committee include the determination of audit policies and plans, the reporting and confirmation of audit implementation status, the evaluation and reappointment and non-reappointment of accounting auditors, and the determination of audit reports by the Audit and Supervisory Committee.

The important audit items for the current fiscal year were as follows:

- a. Development and operation status of ESG (mainly the governance system)
- b. Status of response to strengthening quality control system
- c. Development and operation status of risk management system (including Group companies)
- d. Development and operation status of Group internal control system

- e. Efforts on occupational safety issues
- f. Efforts on retention of workforce and human resource development

The Standing Audit and Supervisory Committee Members attend important meetings such as the Board of Directors and the Management Meeting, hear the status of business execution from Directors of the Board, etc., inspect important documents, and conduct audits through investigating the status of business operations and assets at Isuzu Motors and its major subsidiaries. Furthermore, they regularly share information with Audit & Supervisory Board Members and others of the subsidiaries to establish an audit system as the whole Group.

Part-time Audit and Supervisory Committee members are responsible for enhancing the management oversight function by attending important meetings such as the Board of Directors and expressing their opinions from the standpoint of independent officers, based on their respective specialized knowledge. They also strive to share information with standing Audit and Supervisory Committee members by attending the Audit and Supervisory Committee.

(ii) Status of internal audit

For the internal audit organization of the Company, the domestic audit group and the overseas audit group under the Audit Department conduct internal control evaluations to ensure the reliability of financial reporting based on the Financial Instruments and Exchange Law, and work to improve compliance with relevant laws and regulations, ensure reliability of financial reporting, and ensure operational effectiveness and efficiency through the business audits and theme audits of the Company and the Group companies. Since the same Audit Department conducts internal control evaluation and internal audit, the two duties are organically linked to achieve efficient execution and deepening of operations. Moreover, the Accounting Department and the Legal Department provide necessary cooperation for these internal audits. The total number of employees at the end of this fiscal year was 13 (excluding General Managers of the Department) for both groups.

In addition, the Company will ensure that the Corporate Audit Dept. has a direct reporting line to the Audit and Supervisory Committee in addition to a reporting line to the President and COO in an effort to ensure the effectiveness of internal audits.

(iii) Status of accounting audit

The certified accountants who executed accounting audit work of the Company are Kiomi Horikoshi, Atsushi Suganuma, and Keiichiro Ochi, and they belong to Ernst & Young ShinNihon LLC. Ernst & Young ShinNihon LLC has introduced a system to replace business execution employees, and certified public accountants who execute accounting audit business of the Company will be replaced at any time based on the replacement plan formulated by the audit corporation.

The number of assistants involved in the accounting audit work of the Company is 15 certified public accountants, 7 people who have passed the certified public accountant exam, and 26 others.

(Continuous audit period)

52 years

Since it is extremely difficult to conduct surveys prior to fiscal 1972, the continuous audit period may have exceeded the above years.

(Policy and reasons for selecting Accounting Auditor)

The selection and reappointment of the Accounting Auditor are decided by the Audit and Supervisory Committee after confirming the independence and expertise of the Accounting Auditor and the appropriateness of the audit plan and implementation system shown.

When the Audit and Supervisory Committee judges that it is difficult for the Accounting Auditor to perform its proper duties due to the occurrence of an event that impairs the eligibility or independence of the Accounting Auditor or for other reasons, it shall decide that to dismiss the Accounting Auditor or not reappoint him/her, as the content of the agenda to be submitted to the General Meeting of Shareholders. In addition, if the Audit and Supervisory Committee determines that the Accounting Auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act and has caused a significant hindrance to the proper performance of the duties of the Accounting Auditor, the Audit and Supervisory Committee shall dismiss the Accounting Auditor with the consent of all Audit and Supervisory Committee Members.

(Evaluation of the audit of the company submitting the Annual Securities Report, and Certified Public Accountants, etc. or Accounting Auditors by the Audit and Supervisory Committee)

The Audit and Supervisory Committee sets the criteria for appropriately selecting Accounting Auditor candidates and appropriately evaluating Accounting Auditors, in accordance with “Practical Guidelines for Audit and Supervisory Committee Members regarding the Evaluation of Accounting Auditors and the Formulation of Selection Criteria” established by the Japan Audit & Supervisory Board Members Association. And based on this, the Committee conducts evaluations at the end of the period and during the period, and if necessary, it requests improvements that lead to an enhanced audit quality.

On top of that, we carry out multifaceted evaluations with reference to the opinions of the business execution side, the Audit Department, and others.

(iv) Details of audit fees, etc.

(Details of remuneration for Certified Public Accountants’ auditing, etc.)

(millions of yen)

Category	Previous fiscal year		Current fiscal year	
	Remuneration based on audit certification work	Remuneration based on non-audit services	Remuneration based on audit certification work	Remuneration based on non-audit services
Company submitting the Annual Securities Report	168	100	188	80
Consolidated subsidiary	273	3	315	0
Total	442	103	504	81

(Details of non-audit services for the company submitting the Annual Securities Report by Certified Public Accountants, etc.)

(Previous fiscal year)

Details of non-audit services for the company submitting the Annual Securities Report and the consolidated subsidiaries are accounting treatment, and advice and guidance related to tax filing.

(Current fiscal year)

Details of non-audit services for the company submitting the Annual Securities Report and the consolidated subsidiaries are accounting treatment, and advice and guidance related to tax filing.

(Remuneration for the same network (Ernst & Young) as Certified Public Accountants (excluding remuneration for Certified Public Accountants))

(millions of yen)

Category	Previous fiscal year		Current fiscal year	
	Remuneration based on audit certification work	Remuneration based on non-audit services	Remuneration based on audit certification work	Remuneration based on non-audit services
Company submitting the Annual Securities Report	—	10	—	26
Consolidated subsidiary	320	175	398	168
Total	320	186	398	195

(Details of non-audit services for the company submitting the Annual Securities Report and the consolidated subsidiaries by the same network (Ernst & Young) as Certified Public Accountants)

(Previous fiscal year)

Details of non-audit services for the company submitting the Annual Securities Report and the consolidated subsidiaries are accounting treatment, and advice and guidance related to tax filing.

(Current fiscal year)

Details of non-audit services for the company submitting the Annual Securities Report and the consolidated subsidiaries are accounting treatment, and advice and guidance related to tax filing.

(Details of remuneration based on other important audit certification work)

Not applicable.

(Policy to determine audit fees)

There are no applicable items, but the decision is made after taking into consideration the number of audit days.

(Reasons why the Audit and Supervisory Committee agreed to the audit fee)

The Audit and Supervisory Committee agrees to audit fees of Accounting Auditors, based on the “Practical Guidelines for Cooperation with Accounting Auditors” by the Japan Audit & Supervisory Board Members Association, after having examined details of the audit plan, audit time, and staffing plan, job performance status in the previous fiscal years, the validity of the basis of calculating estimated fees and others.

(v) Audit and Supervisory Committee coordination with accounting audits and internal audits

The Audit Dept. will secure a direct reporting line to the Audit and Supervisory Committee through which they will regularly exchange opinions, thereby sharing information and creating shared understandings of issues with regard to the results of Audit and Supervisory Committee audits and internal audits of each department and domestic and overseas subsidiary and affiliate.

The Audit Dept. exchanges opinions with the Accounting Auditor on a regular basis and when necessary, and makes efforts toward mutual cooperation while sharing information as needed with regard to the status of development and evaluation of internal control over financial reporting and internal audit activities.

The Audit Dept. and the Audit and Supervisory Committee receive explanations from the Accounting Auditor on audit plans, important audit items, the results of accounting audits (quarterly reviews and annual audits), and key audit matters, and exchanges opinions.

(4) Officer's remuneration, etc.

(i) Matters relating to the policy on the determination of the amount of remuneration, etc. for Officers or the calculation method thereof

a. Basic policy of remuneration system

The Company has established the following basic policy regarding remuneration for Directors of the Board and Executive Officers.

- (a) Remuneration should contribute to the sustainable growth and enhancement of the corporate value of the Company, and the share value of shareholders.
- (b) The level of remuneration should be appropriate and necessary to secure and maintain outstanding personnel, taking into consideration the economic environment, market trends, and remuneration levels of other companies.
- (c) The amount of remuneration should reflect the performance of the company and each individual, and be commensurate with their responsibilities and position.
- (d) The remuneration determination process is highly objective, fair, and transparent.
- (e) The executive remuneration system and the level of remuneration are subject to review on a regular basis in conjunction with the renewal of the Mid-Term Business Plan, in light of such factors as the economic environment, remuneration levels and systems at other companies, and the state of operation of the system at Isuzu.

b. Policy on remuneration composition and remuneration determination, etc.

(a) Overview of remuneration composition

- Remuneration for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) consists of basic remuneration, bonus linked with the degree of attainment of performance targets of a single fiscal year, and remuneration based on a performance-linked share-based remuneration plan, which is linked with the degree of attainment of performance targets set out to achieve sustainable enhancement of corporate value during the period of the Mid-Term Business Plan.

The number of Directors of the Board of the Company (excluding Directors Serving as Audit and Supervisory Committee Members) is nine (including three Outside Directors of the Board).

- Remuneration for Directors Serving as Audit and Supervisory Committee Members consists only of basic remuneration.

The number of Directors Serving as Audit and Supervisory Committee Members of the Company is five (including three Outside Directors of the Board).

- Notwithstanding the above, the remuneration for Outside Directors of the Board consists only of basic remuneration from the perspective of the role and independence of Outside Directors of the Board.

(b) Decision policy on details of individual remuneration for Directors of the Board

In order to build a remuneration system that functions appropriately as an incentive to achieve short-term performance targets and improve corporate value over the medium to long term, and ensures the transparency and objectiveness of the remuneration decision process, based on the basic policy of the remuneration system, the Nomination and Remuneration Committee deliberated on matters. Then, the decision policy on the content of individual remuneration for Directors of the Board was resolved at the Board of Directors meeting held on June 26, 2024.

- The basic remuneration is within the limit approved at the General Meeting of Shareholders, and the amount to be paid for each individual is determined according to the position and the evaluation of individual performance. The evaluation of individual performance is entrusted by the Board of Directors to the Chairman and CEO. And the Chairman and CEO evaluates based on the individual performance of the previous fiscal year, consults with the Nomination and Remuneration Committee, finalizes the

amount of payment for each individual in June every year, and the amount divided into 12 is paid as the monthly remuneration. However, the evaluation of individual performance shall not be reflected for Outside Directors of the Board. The remuneration of Directors Serving as Audit and Supervisory Committee Members is determined by consultation with the Directors Serving as Audit and Supervisory Committee Members within the limit approved at the General Meeting of Shareholders, and the amount divided into 12 shall be paid as monthly remuneration. Bonuses are calculated for each individual within the limit approved at the General Meeting of Shareholders, reflecting the company's performance in the standard amount for each position, and after consulting with the Nomination and Remuneration Committee, the Board of Directors deliberates and decides those amounts in May to pay in July every year.

- At the 122nd Annual General Meeting of Shareholders held on June 26, 2024, it was resolved that the annual remuneration including basic remuneration and bonuses for Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) would be 1,300 million yen or less per year, taking into consideration the number of Directors of the Board, economic environment, market trends, standards of other companies, etc. (of which, the annual amount for Outside Directors of the Board is 131 million yen or less, and Outside Directors of the Board are not eligible for bonus payment from the viewpoint of their role and independence). And the remuneration amount does not include the employee salaries of Directors who also serve as employees, as before.
- The amount of remuneration for Directors Serving as Audit and Supervisory Committee Members is limited to 300 million yen or less per year, taking into consideration the number of Directors of the Board, economic environment, market trends, standards of other companies, etc.
- Share-based remuneration is calculated for each individual within the limit approved at the General Meeting of Shareholders, reflecting the company's performance based on the targets of the Mid-Term Business Plan, etc. in the standard amount for each position, and after consulting with the Nomination and Remuneration Committee, the Board of Directors deliberates and decides those amounts to pay the fiscal year following the end of the Mid-Term Business Plan. For the method of determining the amount of bonuses and the Share-based Remuneration for each individual, there is no discretion, because after determination of the standard amount, the payment amount is automatically calculated by coefficients, etc., and it depends only on the company's performance, as described in "e." below.

- c. Details of the policy regarding the determination of the payment ratio of performance-linked remuneration and remuneration, etc. other than performance-linked remuneration

As mentioned above, performance-linked remuneration under the executive remuneration system of the Company includes bonuses (linked to short-term performance) paid to Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and Share-based Remuneration linked to medium- to long-term performance (linked to the degree of achievement of the targets of the Mid-Term Business Plan). And the composition ratio of basic remuneration, bonuses, and Share-based Remuneration is 1.00 : 0.70 : 0.70 (Chairman and CEO), 1.00 : 0.50 : 0.50 (President and COO, Vice President, CMzO, and CSO) and 1.00 : 0.40 : 0.30 (other than the aforementioned officers), when 100% of the performance target is achieved.

- d. Delegation of determination of remuneration, etc.

The Board of Directors has resolved to delegate the Chairman and CEO as the person to determine the specific content of the basic remuneration for each individual Director of the Board. The content of the authority is to evaluate the individual performance of Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and to determine the amount of basic remuneration for each individual based on this. The reason for delegating these authorities is that the Chairman and

CEO, who is the Chief Executive Officer of the Company, is the most suitable person for properly evaluating the businesses they are in charge of, including the evaluation process, while having a bird's-eye view of the overall performance of the Company. In order to ensure that those authorities are properly executed by the Chairman and Representative Director, CEO, the Board of Directors has established procedures for his consulting with and reporting to the Nomination and Remuneration Committee arbitrarily, where independent Outside Directors of the Board are the majority and the Chairman and CEO achieves accountability to ensure the objectiveness and fairness of the executive remuneration.

e. Indicators related to performance-linked remuneration, reasons for their selection, and methods for determining the amount of performance-linked remuneration

(a) Bonuses

As indicators related to performance-linked remuneration, bonuses are first linked to the degree of achievement of the target of consolidated operating profit, consolidated net sales, and profit attributable to owners of parent, and the performance-linked coefficient that indicates the degree of achievement in comparison between the actual single-year performance of consolidated operating profit and the target thereof is set between 0 to 200 percent. And the bonus is determined by multiplying this by the basic remuneration, which is the standard amount for each position of the bonus, and the above-mentioned composition ratio.

The reason for selecting consolidated operating profit, consolidated net sales, and profit attributable to owners of parent as indicators is that it is consistent with the goals set forth in the Group's Mid-Term Business Plan and that we think it is an important scale index for steadily accumulating results for each fiscal year toward its realization.

(b) Share-based remuneration

At the 122nd Annual General Meeting of Shareholders held on June 26, 2024, it was resolved that the upper limit of the amount of money contributed by the Company would be 4,900 million yen for each business year covered by the Mid-Term Business Plan (in principle, three business years, hereinafter referred to as the "Target Period") as performance-linked Share-based Remuneration to Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and Executive Officers (hereinafter referred to as "Directors of the Board, etc."), and the Company pays an amount within the scope.

The Share-Based Remuneration Plan covers a total of 23 people, including 6 Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) and 17 Executive Officers (excluding Executive Officers who are Directors of the Board).

For the amount of Share-based Remuneration, the degree of achievement of target values such as consolidated net sales, consolidated operating profit, consolidated return on equity (ROE), and GHG emission reduction during the Target Period is a weighted average of 30% : 30% : 30% : 10%, and is multiplied by a coefficient related to the degree of growth in shareholder value, etc. ^{(*)1} to calculate a performance-linked coefficient between 0 and 240.0%. In addition to the standard amount for each position, which is the basis of the basic remuneration, and the above-mentioned composition ratio, the points to be awarded are determined using the assumed stock price ^{(*)2}.

Each evaluation index is the target value set in the Mid-term Business Plan (from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027) announced by the Company, and is selected because each is an important index showing the progress of the Plan.

*1 Assessed based on the comparison between the total shareholder return (TSR) of the Company and the growth rate of TOPIX (including dividends) during the target period. Total shareholder return is the total investment yield for shareholders, which is the sum of capital gains and dividends.

*2 The average closing price of Company stock in regular trading on the Tokyo Stock Exchange on all trading days (excluding days on which no trading is reported) in the month preceding the month in

which the said Target Period starts with any fraction of one yen being rounded down to the nearest yen

The Plan aims to further raise awareness of the Directors of the Board, etc. about achieving medium- to long-term management goals and improving the enterprise value by clarifying the link between the compensation of Directors of the Board, etc. and the performance and stock value of the Company and by making them share the merits from stock price appreciation and risks from stock price depreciation. Accordingly, we believe that the introduction of the Plan is appropriate. We believe that the upper limit of the amount of money contributed by the Company is appropriate compared with the economic environment, market trends, the level of other companies, etc., and that it is also appropriate because it is the necessary and proper level for securing and retaining excellent human resources. We have also received a report to that effect from the Nomination and Remuneration Committee.

And in the Mid-Term Business Plan (from the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024), the targets for the final year of the fiscal year ended March 31, 2024 are consolidated net sales of 2,750.0 billion yen, consolidated operating profit of 250.0 billion yen, and ROE of 12.5%. However, actually in the third fiscal year of the Plan, consolidated net sales were 3,386.7 billion yen, consolidated operating profit was 293.1 billion yen, and ROE was 12.7%.

- f. Reasons why the Board of Directors has determined that the content of individual remuneration, etc. for Directors of the Board for the current fiscal year is in line with the decision-making policy

When deciding details of remuneration for each individual, the Nomination and Remuneration Committee conducts objective and multifaceted verification of the decision policy, the evaluation process of individual performance, and the amount of remuneration calculated based on performance. And the Board of Directors judges that they are in line with the decision policy.

- g. Remuneration, etc. for activities of the Board of Directors and the Nomination and Remuneration Committee in determining remuneration

The authority to decide the policy regarding the amount of remuneration, etc. of Directors of the Board or the calculation method thereof is entrusted to the Board of Directors.

As the activities of the Board of Directors in determining Executive Remuneration during the current fiscal year, payment of the base remuneration for Directors of the Board was resolved at the extraordinary Board of Directors meeting held on June 28, 2023 and payment of the bonuses for them at the Board of Directors meeting held on May 24, 2024, respectively.

The voluntary Nomination and Remuneration Committee, in which independent Outside Directors are the majority, deliberates on matters related to the policy and procedures for determining remuneration, the amount of remuneration, the process of evaluating individual performance, etc., and resolves them as the Nomination and Remuneration Committee to report them to the Board of Directors. All proposals regarding remuneration at the Board of Directors are submitted based on the content of discussions and reports made by the Nomination and Remuneration Committee held a few days earlier. The main matters deliberated by the Nomination and Remuneration Committee and resolved by the Board of Directors in the current fiscal year are as follows: The Nomination and Remuneration Committee met nine times during the current fiscal year.

- Individual amount of basic remuneration
- Verification of validity of remuneration system design (remuneration level and composition, and performance evaluation indicators)
- Bonus payment amount (scheduled to be paid in July 2024)

- (ii) Total amount of remuneration, etc. for each classification of officers, total amount of remuneration, etc. by type, and number of eligible officers

Classification of officers	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type (millions of yen)				Number of eligible officers
		Basic remuneration	Bonuses	Performance-linked share-based remuneration, etc.	Of the items on the left, non-monetary remuneration, etc.	
Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board)	766	364	179	222	222	6
Audit and Supervisory Committee Members (excluding Outside Directors of the Board)	68	68	—	—	—	3
Outside officers	94	94	—	—	—	6

- (Notes) 1. The above remuneration amount is not limited to those who were in office on or after the day following the conclusion of the immediately preceding Annual General Meeting of Shareholders, and the remuneration related to the current fiscal year is stated. Accordingly, the number of eligible officers includes two Directors of the Board who retired at the conclusion of the Annual General Meeting of Shareholders held during the current fiscal year. In addition, the amount of bonuses and Share-based Remuneration is the remuneration that is revealed to be paid in the current fiscal year, and the actual payment will be made after the next fiscal year.
2. The amount of remuneration for Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members), including basic remuneration and bonuses, shall be within 1,100 million yen per year (of which, Outside Directors of the Board shall be within 110 million yen per year, and bonuses shall not be paid; and employee salary is not included). The amount of remuneration for Directors Serving as Audit and Supervisory Committee Members shall be 200 million yen or less per year. Further, for share-based remuneration, the upper limit of the amount that the Company will contribute to the Trust established under the Performance-Linked Share-Based Remuneration Plan for Directors (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and Executive Officers shall, in principle, be 3,500 million yen for every three business years. These are resolved respectively. (The Performance-Linked Share-Based Remuneration Plan is also described in “Part I. Company Information, IV. Status of Company Submitting Annual Securities Report, 1. Status of stocks, etc. (8) Details of the officer/employee stock ownership system.”) There is no stock option system, and the executive retirement allowance system was abolished at the conclusion of the 103rd Annual General Meeting of Shareholders held on June 29, 2005. However, it has been resolved that Directors of the Board and Audit & Supervisory Board Members who continue to serve after the conclusion of the General Meeting of Shareholders are presented with severance pay for officers at the time of their retirement, which corresponds to the period of their tenure until the abolition of the severance pay system for officers.
3. Total Performance-linked Share-based Remuneration is the total expense pertaining to points awarded during the current fiscal year with regard to the management board incentive plan trust. Notably, regarding this total, only provisions in the current fiscal year are recorded.

- (iii) Total amount of remuneration, etc. for those who have a total amount of remuneration, etc. of 100 million yen or more

(millions of yen)

Name	Classification of officers	Classification of companies	Total amount of remuneration, etc.	Total amount of remuneration, etc. by type			
				Basic remuneration	Bonuses	Remuneration based on the Performance-linked Share-based - Remuneration Plan	Of the items on the left, non-monetary remuneration, etc.
Masanori Katayama	Director of the Board	Company submitting the Annual Securities Report	222	99	54	67	67
Shinsuke Minami	Director of the Board	Company submitting the Annual Securities Report	170	71	39	59	59
Shinichi Takahashi	Director of the Board	Company submitting the Annual Securities Report	117	62	27	27	27

(Note) 1. Total Performance-linked Share-based Remuneration is the total expense pertaining to points awarded during the current fiscal year with regard to the management board incentive plan trust. Notably, regarding this total, only provisions in the current fiscal year are recorded.

(5) Holding of shares

(i) Standard for and concept of categorization of investment shares

The Company categorizes shares held mainly for the purpose of earning profit from share value fluctuations or dividends on shares as pure-investment-purpose shares while categorizing shares held for any other purpose as non-pure-investment-purpose shares. All investment-purpose shares held by the Company are for non-pure-investment purposes.

(ii) Investment-purpose shares held by the Company for non-pure-investment purposes

In our view, holding shares of business partner companies on the premise of long-term transactions with them is an effective means for building a stable relationship with them, and it enhances the corporate value of the Company in the medium to long term. To verify the reasonableness of holding shares, we annually assess them quantitatively to see if benefits from holding them justify our capital cost on a stock-by-stock basis and also annually examine them qualitatively on the rationale of holding them at the Board of Directors meeting, and swiftly reduce any shares deemed to no longer serve the holding purpose. We recently checked the reasonableness of holding shares by doing a verification at the Board of Directors meeting on June 19, 2024.

Number of stocks and carrying amounts on balance sheet

	Number of stocks (stock)	Total carrying amounts on balance sheet (millions of yen)
Non-listed stocks	62	7,967
Stocks other than non-listed stocks	48	181,778

(Stocks where the shares increased in number for the current fiscal year)

	Number of stocks (stock)	Total acquisition amount due to an increase in the number of shares (millions of yen)	Reason for an increase in the number of shares
Non-listed stocks	3	6,457	We acquired shares with the aim of: i) speeding up the efforts for social implementation and penetration of CASE technologies by combining them with a commercial business as a foundation; and ii) contributing to resolving issues for the transportation industry and achieving a carbon neutral society.
Stocks other than non-listed stocks	1	1	We additionally acquired shares in order to keep medium- to long-term relationships with the partners and develop further as the benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost

(Stocks the shares of which decreased in number for the current fiscal year)

	Number of stocks (stock)	Total amount of sale due to a decrease in the number of shares (millions of yen)
Non-listed stocks	3	3,604
Stocks other than non-listed stocks	3	1,462

Information on the number of shares of specified investment stocks and of stocks deemed to be held as well as on carrying amounts, etc. on the balance sheet

(Specified investment stocks)

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Toyota Motor Corporation	25,478,500	25,478,500	We continue to hold shares of Toyota Motor Corporation in order to effectively pursue the business partnership with the company through a capital alliance-based solid relationship. This was with the aim of speeding up the efforts for social implementation and penetration of CASE technologies, based on a commercial business as a foundation, and of contributing to resolving issues for the transportation industry and achieving a carbon neutral society.	Yes
	96,614	47,899		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
SG Holdings Co., Ltd.	19,800,000	19,800,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	37,679	38,808		
Press Kogyo Co., Ltd.	10,151,185	10,151,185	Press Kogyo Co., Ltd. is our biggest supplier of multiple vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	7,258	5,055		
NIKKON Holdings Co., Ltd.	1,692,985	1,692,985	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	5,001	4,190		
SENKO Group Holdings Co., Ltd.	4,039,689	4,039,689	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	Yes
	4,633	3,817		
Keisei Electric Railway Co., Ltd.	638,750	638,750	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	3,934	2,602		
NHK Spring Co., Ltd.	2,347,499	2,347,499	NHK Spring Co., Ltd. is our biggest supplier of multiple vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	3,514	2,223		
Sato Shoji Corporation	1,451,077	1,451,077	Sato Shoji Corporation is a leading trading company for steel products. We continue to hold shares of the company in order to procure steel products stably via it and contribute to QCD globally. (Note) 1	Yes
	2,566	2,063		
Fukuyama Transporting Co., Ltd.	613,750	613,433	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further. (Increase due to employee shareholding plan)	Yes
	2,224	2,202		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Yamazaki Baking Co., Ltd.	520,064	520,064	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	2,039	834		
Akebono Brake Industry Co., Ltd.	12,111,104	12,111,104	Akebono Brake Industry Co., Ltd. is our biggest supplier of specific vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	No
	1,768	1,756		
Hitachi Construction Machinery Co., Ltd.	364,870	364,870	We check that benefits from the shareholding, composed of revenue from industrial engines and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep and develop the medium- to long-term relationship with the partner.	No
	1,648	1,121		
NSK Ltd.	1,689,000	1,689,000	NSK Ltd. is our biggest supplier of multiple vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	1,493	1,276		
Aichi Corporation	1,274,473	1,274,473	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	Yes
	1,373	1,014		
TBK Co., Ltd.	2,798,002	2,798,002	TBK Co., Ltd. is our biggest supplier of multiple vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	1,055	780		
Tonami Holdings Co., Ltd.	196,643	196,643	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	908	810		
Nishio Rent All Co., Ltd.	202,092	202,092	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	782	627		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Shibusawa Warehouse Co., Ltd.	213,000	213,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	659	473		
Tokyo Radiator MFG Co., Ltd.	675,000	675,000	Tokyo Radiator MFG Co., Ltd. is our biggest supplier of multiple vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	556	357		
Nishi-Nippon Railroad Co., Ltd.	220,000	220,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	554	526		
Keikyu Corporation	392,664	392,664	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	Yes
	546	494		
KYB Corporation	104,300	104,300	KYB Corporation is our biggest supplier of multiple vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	539	419		
Denyo Co., Ltd.	211,000	211,000	We check that benefits from the shareholding, composed of revenue from industrial engines and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep and develop the medium- to long-term relationship with the partner.	Yes
	490	358		
Mie Kotsu Group Holdings, Inc.	653,038	653,038	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	411	365		
Daido Metal Co., Ltd.	593,000	593,000	Daido Metal Co., Ltd. is our biggest supplier of specific vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	403	303		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Air Water Inc.	150,000	150,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	359	249		
Niigata Kotsu Co., Ltd.	155,000	155,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	319	314		
Fuji Kyuko Co., Ltd.	65,000	65,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	256	285		
Hiroshima Electric Railway Co., Ltd.	300,000	300,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	232	245		
Chilled & Frozen Logistics Holdings Co., Ltd.	75,000	75,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	231	95		
Maruzen Showa Unyu Co., Ltd.	45,293	45,293	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	211	145		
Meiji Holdings Co., Ltd.	60,840	60,840	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	206	191		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Hokuetsu Industries Co., Ltd.	101,900	101,900	We check that benefits from the shareholding, composed of revenue from industrial engines and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep and develop the medium- to long-term relationship with the partner.	No
	205	142		
Seibu Holdings Inc.	61,900	61,900	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	149	84		
Ito En, Ltd.	40,000	40,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	148	173		
Kamigumi Co., Ltd.	41,000	41,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	137	113		
Kanamoto Co., Ltd.	48,145	48,145	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	129	104		
Crops Corporation	100,000	100,000	We entrust Crops Corporation with a wide range of operations such as reception, security, equipment maintenance, and cleaning at the Head Office and plants. We continue to hold shares of the company in order to keep dealing with it stably in the medium to long term. (Note) 1	Yes
	112	137		
Kanda Holdings Co., Ltd.	112,200	56,100	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	95	65		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Sotetsu Holdings Inc.	32,882	32,882	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	90	74		
Keio Corporation	16,400	16,400	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	68	76		
euglena Co., Ltd.	86,800	86,800	We continue to hold shares of the company in order to collaborate with it for developing next-generation alternative energy sources, etc. (Note) 1	No
	52	81		
Loginet Japan Co., Ltd.	10,800	10,800	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	31	35		
Tohbu Network Co., Ltd.	20,000	20,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	22	17		
Ito En, Ltd. Class-A Preferred Stock	12,000	12,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	22	22		
S-line Co., Ltd.	19,885	19,885	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	17	16		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Okayamaken Freight Transportation Co., Ltd.	5,000	5,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	17	13		
Nippon Express Holdings, Inc.	30	265,130	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	0	2,113		
Tokio Marine Holdings, Inc.	—	37,305	—	Yes
	—	95		
NH Foods Ltd.	—	269,000	—	No
	—	1,031		

- (Note) 1. At a board of directors meeting, we annually assess our shareholdings qualitatively such as on the rationale of holding them as stated in the section titled “(ii) Investment-purpose shares held by the Company for non-pure-investment purposes” given that it is difficult to quantitatively verify the effects of holding them.
- (Note) 2. A dash “-” shows that shares of the stock are not held.
- (Note) 3. The Company has no shares falling under the holding category of “shares of stocks deemed to be held.”
- (Note) 4. Whether or not shares of the Company are held by a holding company is stated in consideration of shares held by its main subsidiary or subsidiaries (the number of shares held in effect).

V. Financial Information

1. Preparation methods for consolidated financial statements and non-consolidated financial statements

- (1) Consolidated financial statements of the Company are prepared in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976; hereinafter referred to as the “Regulation on Consolidated Financial Statements”).
- (2) Non-consolidated financial statements of the Company are prepared in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963; hereinafter referred to as the “Regulation on Financial Statements”).

The non-consolidated financial statements are prepared in accordance with Article 127 of the Regulation on Financial Statements as the Company falls under companies allowed to file specified financial statements.

2. Audit certification

Ernst & Young ShinNihon LLC audited the consolidated financial statements for the fiscal year (from April 1, 2023 to March 31, 2024) and non-consolidated financial statements for the fiscal year (from April 1, 2023 to March 31, 2024) in accordance with Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

3. Specific efforts to ensure the appropriateness of consolidated financial statements, etc.

The Company makes specific efforts to ensure the appropriateness of its consolidated financial statements, etc. Specifically, as a member of the Financial Accounting Standards Foundation, the Company participates in seminars organized by the Financial Accounting Standards Foundation and the Financial Services Agency in order to aptly understand accounting principles, etc. and develops a system to adequately respond to changes in them.

1. Consolidated financial statements, etc.

(1) Consolidated financial statements

(i) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	383,587	400,786
Notes and accounts receivable - trade, and contract assets	*1 398,630	*1 420,702
Lease receivables and investments in leases	199,841	223,370
Merchandise and finished goods	392,278	445,692
Work in process	51,294	72,096
Raw materials and supplies	169,882	153,970
Other	109,108	103,920
Allowance for doubtful accounts	(2,366)	(2,970)
Total current assets	1,702,258	1,817,568
Non-current assets		
Property, plant and equipment		
Buildings and structures	562,044	577,880
Accumulated depreciation	(348,582)	(364,655)
Buildings and structures, net	213,461	213,224
Machinery, equipment and vehicles	896,295	934,976
Accumulated depreciation	(731,976)	(773,030)
Machinery, equipment and vehicles, net	164,318	161,946
Land	*5 371,367	*5 392,871
Leased assets	14,974	13,809
Accumulated depreciation	(9,180)	(8,260)
Leased assets, net	5,794	5,549
Vehicles on operating leases	139,515	152,019
Accumulated depreciation	(52,256)	(59,397)
Vehicles on operating leases, net	87,259	92,622
Construction in progress	43,361	50,439
Other	220,606	245,694
Accumulated depreciation	(170,505)	(186,654)
Other, net	50,101	59,040
Total property, plant and equipment	935,664	975,694
Intangible assets		
Goodwill	18,010	15,836
Other	56,667	73,748
Total intangible assets	74,678	89,584
Investments and other assets		
Investment securities	*2 218,844	*2 283,581
Long-term loans receivable	1,060	1,028
Retirement benefit asset	3,161	3,785
Deferred tax assets	61,956	44,271
Other	50,264	49,309
Allowance for doubtful accounts	(1,111)	(1,823)
Total investments and other assets	334,176	380,153
Total non-current assets	1,344,518	1,445,432
Total assets	3,046,777	3,263,001

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	496,833	476,578
Electronically recorded obligations - operating	66,856	75,542
Short-term borrowings	*6 117,880	*6 204,590
Lease liabilities	7,610	8,977
Income taxes payable	31,257	32,533
Accrued expenses	115,873	140,704
Provision for bonuses	26,824	30,248
Provision for bonuses for directors (and other officers)	289	316
Provision for product warranties	5,439	6,618
Deposits received	5,062	6,313
Other	*3 94,905	*3 100,719
Total current liabilities	968,832	1,083,144
Non-current liabilities		
Bonds payable	80,000	80,000
Long-term borrowings	285,044	239,266
Lease liabilities	22,609	23,987
Deferred tax liabilities	4,000	1,408
Deferred tax liabilities for land revaluation	42,135	42,135
Provision for automobile maintenance costs	5,184	3,184
Provision for share awards for directors (and other officers)	887	1,517
Retirement benefit liability	94,423	86,292
Provision for product warranties	5,119	7,898
Long-term deposits received	2,539	2,502
Other	25,767	32,632
Total non-current liabilities	567,712	520,827
Total liabilities	1,536,544	1,603,972
Net assets		
Shareholders' equity		
Share capital	40,644	40,644
Capital surplus	*4 42,048	*4 43,304
Retained earnings	1,021,771	1,132,211
Treasury shares	(3,234)	(53,133)
Total shareholders' equity	1,101,230	1,163,027
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42,530	82,646
Deferred gains or losses on hedges	204	(60)
Revaluation reserve for land	*5 83,952	*5 83,952
Foreign currency translation adjustment	79,190	123,830
Remeasurements of defined benefit plans	1,398	7,299
Total accumulated other comprehensive income	207,276	297,668
Non-controlling interests	201,725	198,333
Total net assets	1,510,232	1,659,029
Total liabilities and net assets	3,046,777	3,263,001

(ii) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

		Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024
Net sales	*1	3,195,537	*1	3,386,676
Cost of sales	*2	2,600,347	*2	2,706,443
Gross profit		595,189		680,233
Selling, general and administrative expenses				
Transportation costs		74,585		64,509
Promotion expenses		8,050		11,385
Advertising expenses		7,543		9,100
Unpaid repair expenses		19,684		21,869
Provision for product warranties		6,228		10,486
Salaries and allowances		110,811		118,693
Provision for bonuses		18,166		21,420
Provision for bonuses for directors (and other officers)		239		195
Provision for share awards for directors (and other officers)		559		755
Retirement benefit expenses		5,522		5,185
Depreciation		20,836		21,988
Other		69,415		101,556
Total selling, general and administrative expenses	*2	341,642	*2	387,147
Operating profit		253,546		293,085
Non-operating income				
Interest income		5,612		10,122
Dividend income		5,519		5,887
Share of profit of entities accounted for using equity method		5,765		2,657
Rental income		338		364
Foreign exchange gains		—		7,450
Other		9,246		5,307
Total non-operating income		26,482		31,789
Non-operating expenses				
Interest expenses		2,227		4,185
Foreign exchange losses		2,444		—
Litigation settlement		36		47
Compensation expenses		1,578		1,310
Currency option costs		953		1,707
Other		2,916		4,584
Total non-operating expenses		10,156		11,835
Ordinary profit		269,872		313,039
Extraordinary income				
Gain on sale of non-current assets	*3	332	*3	2,962
Gain on sale of investment securities		3,411		2,564
Total extraordinary income		3,744		5,526

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary losses		
Loss on disposal of non-current assets	*4 1,480	*4 2,057
Impairment losses	*5 258	*5 4,597
Loss on sale of investment securities	214	22
Loss on valuation of investment securities	152	—
Loss on sale of shares of subsidiaries	—	*6 2,216
Loss related to the Russian business	*7 1,668	—
Loss on business of subsidiaries	—	*8 4,079
Total extraordinary losses	3,775	12,974
Profit before income taxes	269,841	305,591
Income taxes - current	72,987	86,818
Income taxes - deferred	253	(2,582)
Total income taxes	73,241	84,235
Profit	196,600	221,356
Profit attributable to non-controlling interests	44,856	44,913
Profit attributable to owners of parent	151,743	176,442

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	196,600	221,356
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,476)	40,429
Deferred gains or losses on hedges	1,306	(265)
Foreign currency translation adjustment	33,385	52,350
Remeasurements of defined benefit plans, net of tax	1,643	5,977
Share of other comprehensive income of entities accounted for using equity method	2,931	3,245
Total other comprehensive income	*1 27,790	*1 101,737
Comprehensive income	224,390	323,093
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	173,250	266,834
Comprehensive income attributable to non-controlling interests	51,139	56,259

(iii) Consolidated statement of changes in net assets

Previous fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	40,644	42,606	928,371	(3,290)	1,008,332
Changes during period					
Dividends of surplus			(56,752)		(56,752)
Profit attributable to owners of parent			151,743		151,743
Change due to changes in accounting period of consolidated subsidiaries			(1,591)		(1,591)
Purchase of treasury shares				(40)	(40)
Disposal of treasury shares				96	96
Change in capital surplus interest of parent due to transactions with non-controlling interests		(557)			(557)
Net changes in items other than shareholders' equity					
Total changes during period	–	(557)	93,399	55	92,898
Balance at end of period	40,644	42,048	1,021,771	(3,234)	1,101,230

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	53,990	(1,102)	83,952	49,459	(531)	185,768	200,324	1,394,425
Changes during period								
Dividends of surplus								(56,752)
Profit attributable to owners of parent								151,743
Change due to changes in accounting period of consolidated subsidiaries								(1,591)
Purchase of treasury shares								(40)
Disposal of treasury shares								96
Change in capital surplus interest of parent due to transactions with non-controlling interests								(557)
Net changes in items other than shareholders' equity	(11,459)	1,306	–	29,730	1,930	21,507	1,401	22,908
Total changes during period	(11,459)	1,306	–	29,730	1,930	21,507	1,401	115,806
Balance at end of period	42,530	204	83,952	79,190	1,398	207,276	201,725	1,510,232

Current fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	40,644	42,048	1,021,771	(3,234)	1,101,230
Changes during period					
Dividends of surplus			(66,857)		(66,857)
Profit attributable to owners of parent			176,442		176,442
Change due to changes in accounting period of consolidated subsidiaries			855		855
Purchase of treasury shares				(50,013)	(50,013)
Disposal of treasury shares				115	115
Change in capital surplus interest of parent due to transactions with non-controlling interests		1,255			1,255
Net changes in items other than shareholders' equity					
Total changes during period	–	1,255	110,440	(49,898)	61,797
Balance at end of period	40,644	43,304	1,132,211	(53,133)	1,163,027

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	42,530	204	83,952	79,190	1,398	207,276	201,725	1,510,232
Changes during period								
Dividends of surplus								(66,857)
Profit attributable to owners of parent								176,442
Change due to changes in accounting period of consolidated subsidiaries								855
Purchase of treasury shares								(50,013)
Disposal of treasury shares								115
Change in capital surplus interest of parent due to transactions with non-controlling interests								1,255
Net changes in items other than shareholders' equity	40,116	(265)	–	44,640	5,900	90,391	(3,392)	86,999
Total changes during period	40,116	(265)	–	44,640	5,900	90,391	(3,392)	148,796
Balance at end of period	82,646	(60)	83,952	123,830	7,299	297,668	198,333	1,659,029

(iv) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	269,841	305,591
Depreciation	107,255	115,033
Share of loss (profit) of entities accounted for using equity method	(5,765)	(2,657)
Increase (decrease) in provision for product warranties	542	3,865
Increase (decrease) in provision for bonuses	2,626	3,309
Increase (decrease) in provision for bonuses for directors (and other officers)	68	24
Amortization of goodwill	4,219	4,673
Increase (decrease) in allowance for doubtful accounts	835	864
Increase (decrease) in provision for automobile maintenance costs	(985)	(1,999)
Increase (decrease) in provision for share awards for directors (and other officers)	468	630
Increase (decrease) in retirement benefit liability	(533)	(4,917)
Interest and dividend income	(11,132)	(16,010)
Interest expenses	2,227	4,185
Loss (gain) on sale of non-current assets	(332)	(2,962)
Loss (gain) on disposal of non-current assets	1,480	2,057
Loss (gain) on sale of investment securities	(3,196)	(2,541)
Loss (gain) on sale of shares of subsidiaries	–	2,216
Loss (gain) on valuation of investment securities	152	–
Loss on business of subsidiaries	–	4,079
Impairment losses	258	4,597
Loss related to the Russian business	1,668	–
Decrease (increase) in trade receivables	(8,942)	9,460
Net decrease (increase) in lease receivables and investments in leases	(9,198)	(23,526)
Decrease (increase) in inventories	(113,089)	(23,583)
Decrease (increase) in other current assets	(6,915)	9,098
Increase (decrease) in trade payables	39,311	(50,446)
Increase (decrease) in accrued expenses	17,475	20,309
Increase (decrease) in deposits received	(400)	1,143
Increase (decrease) in other liabilities	(1,431)	(10,102)
Other, net	(295)	833
Subtotal	286,210	353,227
Interest and dividends received	15,053	24,063
Interest paid	(2,210)	(4,207)
Income taxes paid	(71,968)	(74,514)
Net cash provided by (used in) operating activities	227,085	298,568
Cash flows from investing activities		
Purchase of investment securities	(121)	(6,467)
Proceeds from sale of investment securities	23,937	5,650
Purchase of non-current assets	(107,319)	(161,381)
Proceeds from sale of non-current assets	6,128	9,764
Long-term loan advances	(330)	(361)
Proceeds from collection of long-term loans receivable	358	473
Net decrease (increase) in short-term loans receivable	107	43
Net decrease (increase) in time deposits	(4,076)	(641)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	–	(1,758)
Other, net	788	(401)
Net cash provided by (used in) investing activities	(80,527)	(155,080)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(49,400)	58,999
Proceeds from long-term borrowings	117,042	92,058
Repayments of long-term borrowings	(90,577)	(110,135)
Proceeds from share issuance to non-controlling shareholders	8,942	—
Repayments to non-controlling shareholders	(788)	(3,375)
Repayments of lease liabilities	(7,349)	(9,354)
Purchase of treasury shares	(38)	(50,012)
Dividends paid	(56,726)	(66,810)
Dividends paid to non-controlling interests	(48,160)	(52,866)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	7,343	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(20,659)	(3,480)
Net cash provided by (used in) financing activities	(140,372)	(144,977)
Effect of exchange rate change on cash and cash equivalents	18,116	25,434
Net increase (decrease) in cash and cash equivalents	24,302	23,944
Cash and cash equivalents at beginning of period	341,713	364,396
Increase (decrease) in cash and cash equivalents resulting from changes in accounting period of consolidated subsidiaries	(1,620)	(3,462)
Cash and cash equivalents at end of period	364,396	384,878

Notes

(Significant matters forming the basis for preparation of consolidated financial statements)

1. Matters concerning the scope of consolidation

(1) Consolidated subsidiaries: Total of 97 companies as shown below.

(i) Domestic subsidiaries: 31 companies

Isuzu Motors Sales Co., Ltd., Isuzu Motors Kinki Co., Ltd., Isuzu Motors Syutoken Co., Ltd., UD Trucks Corporation, and 27 other companies

(ii) Overseas subsidiaries: 66 companies

Isuzu Motors America, LLC, Isuzu Motors Asia Ltd., Isuzu Motors Co., (Thailand) Ltd., and 63 other companies

The following company newly became a consolidated subsidiary in the current fiscal year.

The newly established Isuzu Global Service Systems, LLC has been included in the scope of consolidation.

The following two companies that had been consolidated subsidiaries for the previous fiscal year were excluded from the scope of consolidation.

ISUZU RUS has been excluded from the scope of consolidation due to the share transfer agreement for the entire stake held by the Company. In addition, Isuzu Body Engineering Co., Ltd. has been excluded from the scope of consolidation following the completion of its liquidation.

(2) Non-consolidated subsidiaries: Isuzu Motor Hokkaido Co., Ltd. and others

(3) Non-consolidated subsidiaries were excluded from the scope of consolidation as they do not have a material impact on the consolidated financial statements given that their total amounts were all small in size and their total assets, net sales, profit, retained earnings (equity method portion) each account for an insignificant proportion of the corresponding items of consolidated financial statements.

2. Matters concerning application of the equity method

(1) Companies accounted for under the equity method

(i) Of 27 non-consolidated subsidiaries, 14 companies

Isuzu Insurance Service Co., Ltd. and 13 other companies

There were no changes in the scope of application of the equity method for the current fiscal year.

(ii) Of 41 affiliates, 36 companies

J-Bus Limited, Kagawa Isuzu Motors Ltd., General Motors Egypt S.A.E., and Nippon Fruehauf Co., Ltd. and 32 other companies

The following company newly became a company accounted for under the equity method in the current fiscal year.

Due to reexamination of the scope of consolidation in order to strengthen governance, ISUZU BUILDING MAINTENANCE Co., Ltd. has been included in the scope of application under the equity method.

The following two companies, which were accounted for under the equity method in the previous fiscal year, are excluded from the scope of application of the equity method.

Isuzu Sollers LLC, an affiliate accounted for under the equity method of ISUZU RUS, which was a consolidated subsidiary of the Company, has been excluded from the scope of application under the equity method as part of execution of the share transfer agreement of ISUZU RUS. In addition, Iwate Jidosya Toso Co., Ltd. has been excluded from the scope of application of the equity method as all of its shares have been transferred.

(2) Companies not accounted for under the equity method

Non-consolidated subsidiaries: Isuzu Motor Hokkaido Co., Ltd. and others

Affiliates: Suzuki Unyu Ltd. and others

- (3) The non-consolidated subsidiaries and affiliates set forth in item (2) above were excluded from the scope of application of the equity method as they do not have a material impact on the consolidated financial statements and their effects are insignificant as a whole.
- (4) The investment differences occurring due to application of the equity method are amortized using the straight-line method over five years following the date of occurrence.
- (5) Equity method profit (loss) of equity method companies whose accounting closing dates differ from the consolidated accounting closing date of the Company is computed, based on financial statements for their fiscal years, because they do not have a material effect on the consolidated accounting.
- (6) The accounting standards for equity method companies are, in principle, identical to those of the Company submitting consolidated financial statements.

3. Matters concerning the fiscal years of consolidated subsidiaries

Of the consolidated subsidiaries, the accounting closing date for 12 overseas subsidiaries is primarily December 31.

In preparing the consolidated financial statements, the financial statements as of each accounting closing date are used, and necessary adjustments are made under consolidation for significant transactions occurring up to the consolidated accounting closing date. The accounting closing date for 31 domestic subsidiaries and 54 overseas subsidiaries is identical to the annual consolidated accounting closing date for the Company.

Isuzu Vietnam Co., Ltd., Isuzu Motors Europe N.V., and Isuzu East Africa Limited previously had an accounting closing date of December 31, and the Company used the respective financial statements as of that date and made any necessary adjustments for significant transactions between that date and the consolidated accounting closing date. However, beginning from the current fiscal year, these consolidated subsidiaries have changed their accounting closing date to match the consolidated accounting closing date of March 31.

Accordingly, the financial statements of these companies for the 12-month period from April 1, 2023 to March 31, 2024 were used for consolidation for the current fiscal year.

Profit or loss of applicable consolidated subsidiaries for the period from January 1, 2023 to March 31, 2023 have been adjusted as changes in retained earnings.

4. Matters concerning accounting policies

(1) Valuation standards and methods for significant assets

(i) Securities

Available-for-sale securities

Securities other than non-marketable securities, etc.

Stated at fair value (any valuation difference is directly included in net assets, and cost of securities sold is calculated by the moving average method)

Non-marketable securities, etc.

Stated at cost determined by the moving average method

(ii) Derivatives

Stated at fair value

(iii) Inventories

Parent company

Stated at cost determined by the gross average method

(Balance sheet values are measured by the method of writing down the book value to reflect decreases in profitability.)

Consolidated subsidiaries Inventories are principally measured at cost determined by the specific identification method

(Balance sheet values are measured by the method of writing down the book value to reflect decreases in profitability.)

(2) Depreciation and amortization methods for significant depreciable and amortizable assets

(i) Property, plant and equipment (excluding leased assets)

The straight-line method is mainly used, and the declining-balance method is used by some consolidated subsidiaries.

Main useful lives are as follows.

Buildings and structures 3 to 65 years

Machinery, equipment and vehicles 3 to 15 years

(ii) Intangible assets (excluding leased assets)

The straight-line method is used.

“Software,” included in intangible assets, is amortized by the straight-line method based on its useful life as internally determined (5 to 15 years).

(iii) Leased assets

Leased assets relating to finance lease transactions without transfer of ownership

Depreciated over the lease contract’s lifetime by the straight-line method. In addition, the residual value is the guaranteed residual value if a guaranteed residual value has been arranged under the lease agreement, and in other cases the residual value is zero.

(3) Basis for provisions and allowances

(i) Allowance for doubtful accounts

With a view to providing for bad debt losses on account receivables and loan receivables, etc., and bad debt expenses, the Company and domestic consolidated subsidiaries provide estimated irrecoverable amount based on the historical default rate for normal receivables and through the individual examination of recoverability for particular receivables such as claims to obligors with high possibility of business failure. Overseas consolidated subsidiaries determine allowances for doubtful accounts by assessing each individual account.

The Company makes necessary adjustments to allowance for doubtful accounts in consolidation of elimination of receivables and payables among consolidated subsidiaries.

(ii) Provision for bonuses

Provision for bonuses is provided in an amount estimated to cover the bonus payment for services rendered by employees during the fiscal year.

(iii) Provision for bonuses for directors (and other officers)

Provision for bonuses for directors (and other officers) is provided in an amount estimated to cover the bonus payment for services rendered by directors during the fiscal year.

(iv) Provision for product warranties

Provision for product warranties is provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts. The provision is calculated based on past experience.

(v) Provision for automobile maintenance costs

Provision for automobile maintenance costs is provided for the portion corresponding to the already leased period out of the total amount anticipated to be incurred during the entire lease period for maintenance costs based on lease contracts, such as lease automobile maintenance costs.

(vi) Provision for share awards for directors (and other officers)

Provision for share awards for directors (and other officers) is provided in an amount estimated to cover the payment of Company stock benefits to Directors of the Board, etc. during the current fiscal year.

(4) Accounting method for retirement benefits

(i) Method of attributing expected retirement benefits to periods

Upon calculating retirement benefit obligations, the method of attributing the expect amount of payments of retirement benefits to the period up to the end of the fiscal year is based on the benefit formula method.

(ii) Method of amortizing actuarial gains and losses and past service cost

Past service cost is amortized using the straight-line method over a period (mainly ten years) less than the average remaining years of service of eligible employees.

Actuarial gain or loss is amortized using the straight-line method or declining balance method over periods shorter than the average remaining years of service of eligible employees (mainly ten years) from the following fiscal year of incurrence.

In calculating retirement benefit liability and retirement benefit expenses, some consolidated subsidiaries use a simplified method with which to deem an amount required to be paid at period end for voluntary retirement as retirement benefit obligations.

(5) Recognition of significant revenue and expenses

(i) Recognition of revenue related to finance lease transactions

Revenue related to finance lease transactions is recognized based on the accounting method for net sales and cost of sales upon the receipt of lease fees.

(ii) Recognition of revenue and expenses

The Group's principal business activities domestically and overseas are CVs and LCVs, such as heavy-duty trucks /buses (hereinafter, "Heavy-duty (and medium-duty) vehicles"), light-duty trucks /pick-up trucks and variants (hereinafter "Light-duty vehicles"), as well as powertrains (hereinafter, "Engines and components"), which consist of parts for overseas production and engines, transmissions and driveline components, as well as the sale of parts, maintenance and servicing, and sales of used vehicles (hereinafter, "Others").

The Company recognizes revenue from domestic sales of Heavy-duty (and medium-duty) vehicles, Light-duty vehicles, Engines and components as well as parts, etc. principally at the time of delivery when the customer obtains control of the product, and the performance obligation is satisfied.

The Company recognizes revenue from overseas sales of Heavy-duty (and medium-duty) vehicles, Light-duty vehicles, parts for overseas production, Engines and components as well as parts, etc. principally at the time of delivery when the customer obtains control of the product and the performance obligation is satisfied, at the time of shipment, etc.

The Company recognizes revenue from maintenance and servicing, and sales of used vehicles, etc. at the time of delivery, such as when the services are rendered or the customer obtains control of the product and the performance obligation is satisfied.

(6) Standards for translating significant foreign-currency-denominated assets or liabilities into Japanese yen

Foreign-currency-denominated monetary claims and liabilities are translated into Japanese yen by using the spot exchange rate of a consolidated financial closing date, and translation differences are accounted for as a gain or loss. The assets and liabilities of overseas subsidiaries are translated into Japanese yen by using the spot exchange rate of a financial closing date for each of them, and their revenue and expenses are translated into Japanese translation by using an average exchange rate for the accounting period, and translation differences are included in foreign currency translation adjustment and non-controlling interests under net assets.

(7) Hedge accounting

(i) Hedge accounting method

Forward foreign exchange contracts and currency options

Designated hedge accounting (*furiate-shori*) is adopted (except transactions which do not fulfill the required conditions).

Interest rate swaps and interest rate options

Deferral hedge accounting or exceptional accounting method specified in the Accounting Standard for Financial Instruments is adopted.

(ii) Hedging instruments and hedged items

Hedging instruments

Interest rate swaps and interest rate options

Forward foreign exchange contracts and currency options

Hedged items

Receivables and payables denominated in foreign currencies, and borrowings

(iii) Hedging policy

The Company utilizes derivative financial instruments to avoid risks related to future fluctuations of market prices, within the limits of receivables and payables denominated in foreign currencies, borrowings, etc.

(iv) Method of assessing hedge effectiveness

The Company determines hedge effectiveness by comparing the cumulative changes in cash flows from hedging instruments with those from hedged items.

However, this assessment excludes the effectiveness of interest rate swaps accounted for by exceptional accounting method.

(v) Other

The Company has a bylaw on derivative transactions and executes its transactions and risk management based on this bylaw, which stipulates policies, procedures, retention limits, and reporting systems.

(8) Amortization method and amortization period for goodwill

Goodwill is amortized by the straight-line method over a period not exceeding 20 years, in principle, based on the Company's estimate of the period its effects can be realized.

(9) Scope of cash on consolidated statement of cash flows

Cash on hand, deposits able to be withdrawn any time, and short-term investments maturing within three months from acquisition that can readily be converted into cash and are exposed to only an insignificant risk of change in value.

(10) Significant matters forming the basis for preparation of consolidated financial statements

(i) Accounting treatment of consumption taxes, etc. (referring to consumption taxes and regional consumption taxes)

Non-deductible consumption taxes and regional consumption taxes were accounted for as expenses for the current fiscal year.

(Significant accounting estimates)

1. Obligations related to field measures (recalls, etc.)

(1) Amounts recorded on the consolidated financial statements for the current fiscal year

(millions of yen)

	Previous fiscal year	Current fiscal year
Accrued expenses related to field measures (recalls, etc.)	11,735	14,308

(2) Information related to the contents of significant accounting estimates for the identified item

The Group manufactures various products at its plants in Japan and abroad in conformity with stringent quality management standards accepted globally. To maintain and improve quality, the Group strives for early detection and sharing of information on defects, conducts assessment for quality improvement throughout the organization, and monitors the operational status of company-wide quality management through the Quality Assurance & Customer Satisfaction Improvement Committee.

The Group records accrued expenses to provide for the cost of product recalls, etc., if such recalls, etc. occur.

Such accrued expenses are calculated by multiplying the estimated number of vehicles subject to recalls, etc. by an amount of field measures per vehicle.

Major assumptions used in calculating obligations related to recalls, etc. are an estimated number of vehicles subject to recalls, etc. for each case and an amount of field measures per vehicle.

The estimated number of vehicles subject to recalls, etc. is calculated by taking into account the number of vehicles based on notifications, etc. submitted to a competent government agency and implementation rates of free repairs for respective cases. The amount of field measures per vehicle is calculated by estimating the costs of parts and operation man-hours, etc. that are deemed necessary for conducting free repairs for respective cases based on notifications, etc. submitted to a competent government agency.

The Group reviews these estimates on an ongoing basis through examination of the status of actual costs incurred for respective cases of recall, etc.

Obligations related to recalls, etc. that were calculated by the Group have so far been appropriate and there has been no material difference between actual results and calculated amounts.

However, in the estimation of obligations related to recalls, etc., there are uncertainties in major assumptions and therefore if the actual cost of recalls, etc. deviates from estimated amounts, estimated obligations may need to be revised.

Furthermore, if conducting a new large-scale recall campaign, etc., the Group's business results and financial position may be adversely and significantly affected.

2. Impairment of property, plant and equipment

(1) Amounts recorded on the consolidated financial statements for the current fiscal year

(millions of yen)

Asset group	Accounting item	Previous fiscal year	Current fiscal year
Manufacturing subsidiary based in China	Property, plant and equipment	9,203	4,111

(2) Information related to the contents of significant accounting estimates for the identified item

In anticipation of the expansion of logistics demand and the commercial vehicles market in emerging countries, the Group positions certain emerging markets as priority regions and promotes sales activities.

Property, plant and equipment that were acquired by overseas subsidiaries for the purpose of manufacturing commercial vehicles (CV) and pickup trucks and derivatives (LCV), etc. for such emerging markets are primarily recorded as buildings and structures, machinery, equipment and vehicles, and land on the consolidated balance sheet.

The Group categorizes its asset groups into business assets and into idle assets and rental assets, and idle assets and rental assets are grouped on a property-by-property basis.

When an indication of impairment is identified on such business assets and rental assets on account of a decline in market prices and decreased profitability, etc., the Group examines their recoverability on an individual basis.

In the current fiscal year, an impairment loss of 3,984 million yen was recorded for property, plant and equipment of a manufacturing subsidiary based in China.

The recoverable amount of property, plant and equipment is determined based on value in use or net realizable value, whichever is higher.

Value in use is calculated by discounting to the present value the estimated future cash flows generating from the asset group, based on the business plan which was approved by the management of the manufacturing and sales subsidiary. Assumptions that may have a material impact on the calculation of future cash flows are mainly sales forecasts. An assumption that may have a material impact on the calculation of value in use is a discount rate. Sales forecasts take into consideration relevant market trends and changes in the operating environment based on the information currently available, with reference to the Group's past results and forecast data by a third-party information agency. Weighted average capital cost (WACC) is used as a discount rate.

Net realizable value is calculated by subtracting the estimated costs of disposal from the fair value of asset or asset group. Fair value, in principle, is based on appraisal values by a third party and is considered a price based on observable market prices. However, if no market price is observable, another price reasonably calculated according to the characteristics of the asset is used as fair value, such as a price calculated by the cost approach with obsolescence taken into account.

Demand for vehicles is strongly affected by economic conditions. As such, if economies decelerate with an attendant deterioration in sales forecasts, leading to poor performance of investees in the future, the Group may be required to record an additional impairment loss.

If uncertainties heighten over the future economic conditions in each emerging market, accounting estimates and assumptions may be significantly affected, which may impair the property, plant and equipment that were acquired by overseas subsidiaries for the purpose of manufacturing CV and LCV, etc. for respective emerging markets.

(Accounting standards not yet adopted)

The Company

- "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022)
- "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, October 28, 2022)
- "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022)

(1) Outline

In February 2018, “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28) and other standards (hereinafter “ASBJ Statement No. 28, etc.”) were released, completing the transfer of practical guidelines on tax effect accounting from the Japanese Institute of Certified Public Accountants to the Accounting Standards Board of Japan. In the course of deliberation, the following two issues, which were to be reviewed after the release of ASBJ Statement No. 28, etc., were discussed and published:

- Classification of tax expenses (taxation on other comprehensive income)
- Tax effect on the sale of shares in subsidiaries, etc. (shares of subsidiaries or affiliates) when the group tax sharing system is applied

(2) Scheduled adoption date

Beginning of the fiscal year ending March 31, 2025

(3) Effects of the application of the accounting standard

The impact of the application of the “Accounting Standard for Current Income Taxes” etc. on the consolidated financial statements is currently being evaluated.

(Additional information)

(Performance-linked share-based remuneration plan)

The Company is engaged in transactions to grant, through the Trust, Isuzu shares to its Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and Executive Officers (excluding Executive Officers who are Directors of the Board).

(1) Transaction outline

A performance-linked share-based remuneration plan for Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and Executive Officers (hereinafter referred to as “Directors of the Board, etc.”) was approved to be introduced due to the transition to a Company with an Audit and Supervisory Committee at the 119th Annual General Meeting of Shareholders held on June 25, 2021.

The introduction of the plan is intended to further raise awareness of the Directors of the Board, etc. about achieving medium- to long-term management goals and improving the enterprise value by clarifying the link between the compensation of Directors of the Board, etc. and the performance and stock value of the Company and by having them share the benefits from stock price appreciation and risks from stock price depreciation.

Under the plan, the Company’s shares, etc. are granted to Directors of the Board who are eligible for the grant, from a trust (established with trust funds contributed by the Company; Company shares shall be acquired using such trust funds) depending on the attainment of the performance targets set in the Mid-Term Business Plan for the period covered by the Mid-Term Business Plan (covering three fiscal years in principle).

(2) Own shares remaining in the trust

The Company’s shares remaining in the trust are recorded as treasury shares under net assets in accordance with their carrying value at the trust (excluding the value of incidental expenses). The carrying value and number of the treasury shares were 3,152 million yen and 2,185,204 shares, respectively, for the previous fiscal year and 3,036 million yen and 2,105,344 shares, respectively, for the current fiscal year.

(Acquisition and cancellation of treasury shares)

At the Board of Directors meeting held on November 10, 2023, the Company resolved to acquire the Company’s treasury shares in accordance with Article 156 of the Companies Act applicable pursuant to Article 165, Paragraph 3 of the said Act, and cancel the treasury shares pursuant to Article 178 of the

said Act. Furthermore, pursuant to this resolution, the acquisition and cancellation of the treasury shares were effectuated as presented below.

1. Purpose of the acquisition and cancellation of treasury shares

The Company has decided to acquire and cancel treasury shares to enhance shareholder returns and improve capital efficiency.

2. Matters concerning the acquisition

- (i) Type of shares to be acquired: Common stock
- (ii) Total number of shares to be acquired: Up to 35 million shares
- (iii) Total acquisition price of shares: Up to 50 billion yen
- (iv) Acquisition period: From November 13, 2023 to March 31, 2024
- (v) Acquisition method: Market purchases on the Tokyo Stock Exchange
 - a) Purchase through the Tokyo Stock Exchange Trading Network Off-Auction Own share Repurchase Trading System (ToSTNeT-3)
 - b) Market purchases based on a discretionary trading contract regarding acquisition of own shares

3. Acquisition result

- (i) Type of shares acquired: Common stock
- (ii) Total number of shares acquired: 26,568,600 shares
- (iii) Total acquisition price of shares: 49,999,988,700 yen
- (iv) Acquisition period: From November 13, 2023 to February 20, 2024
- (v) Acquisition method: Market purchases on the Tokyo Stock Exchange

4. Matters concerning the cancellation

- (i) Type of shares to be cancelled: Common stock
- (ii) Total number of shares cancelled: 26,568,600 shares
(3.4% of the total number of shares issued before cancellation)
- (iii) Date of cancellation: April 26, 2024
- (iv) Total number of shares issued after cancellation: 750,873,469 shares

(Transfer of subsidiary stock)

At the Board of Directors and Management Committee meetings held on November 10, 2023, the Company, Japan Monozukuri Mirai Investment Limited Partnership (hereafter Japan Monozukuri Mirai Fund), of which SPARX Group Co., Ltd. (hereafter SPARX) is a general partner, ARTS-1 Co., Ltd. (hereafter the tender offeror), of which Japan Monozukuri Mirai Fund owns all of the issued shares, and IJTT Co., Ltd. (hereafter IJTT), a consolidated subsidiary of the Company, resolved to approve and concluded the following contractual terms pertaining to a transaction (hereafter the transaction) for making IJTT a wholly owned subsidiary by the tender offeror, etc.

- 1. The Company shall make an agreement with the tender offeror not to tender any of its IJTT shares in a tender offer (hereafter the tender offer) for IJTT by the tender offeror.

2. The Company shall enter into an agreement with the tender offeror and IJTT that, on condition that the tender offer is concluded, IJTT implements the consolidation of its common shares, voluntary sales of the sum of the fraction of common shares resulting from the share consolidation, and the acquisition of its treasury shares (hereafter the acquisition of treasury shares) so that the Company and the tender offeror become the only shareholders of IJTT.
3. Furthermore, the Company shall conduct the transaction by transferring all of its IJTT's common shares (hereafter the share transfer) in response to the acquisition of treasury shares, and reinvest in the tender offeror after the acquisition of treasury shares (the percentage of voting rights owned by the Company after the reinvestment is 33.3%) (hereafter the reinvestment).
4. The Company and Japan Monozukuri Mirai Fund shall conclude a shareholder agreement that stipulates the operations of the tender offeror and IJTT after the reinvestment.

This tender offer was implemented from November 13, 2023, and concluded on January 15, 2024. Following the result, with respect to “2.” above, on February 5, 2024, the Company concluded an amended tripartite agreement with the tender offeror and IJTT. The agreement stipulates that IJTT will implement a reverse stock split of its common share (hereinafter the “Reverse Stock Split”) to make the Company the sole shareholder of IJTT and that IJTT will make utmost efforts to take the necessary measures to restrict its shareholders to the Company and the tender offeror only.

Subsequently, the Reverse Stock Split took effect on March 27, 2024, followed up by the execution of the share transfer and the reinvestment on April 26, 2024, whereby IJTT no longer constituted a consolidated subsidiary of the Company.

The Company expects to record a loss of approximately 6.0 billion yen recognized in conjunction with the share transfer as a loss on sale of shares of subsidiaries in the consolidated statement of income for the fiscal year ending March 31, 2025.

(Consolidated balance sheet)

- *1 Of notes and accounts receivable - trade, and contract assets, the amount of receivables arising from contracts with customers is stated in “(1) Contract balances” in “Notes, (Revenue recognition) 3” to the consolidated financial statements.

- *2 Shown below are items related to non-consolidated subsidiaries and affiliates

	(millions of yen)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Investment securities	78,520	80,292
(Of which, investments in jointly controlled companies)	37,648	34,493

- *3 Of “Other” under current liabilities, the amount of contract liabilities is stated “(1) Contract balances” in “Notes, (Revenue recognition) 3” to the consolidated financial statements.

*4 The consolidated balance sheet and the non-consolidated balance sheet differ with respect to “Capital surplus,” and the reasons are as follows.

	(millions of yen)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
“Capital surplus” on the non-consolidated balance sheet	49,855	49,855
Accounting treatment due to share exchanges (Conversion of former Tokyo Isuzu Motor Co., Ltd. into a wholly-owned subsidiary)	529	529
Change in capital surplus due to transactions with non-controlling interests	(79)	1,176
Gain on disposal of treasury shares (Gain on disposal of shares of the reporting company for consolidated subsidiaries and equity method affiliates)	172	172
Elimination of gain on merger	(3)	(3)
Purchase of shares of consolidated subsidiaries	(8,426)	(8,426)
“Capital surplus” on consolidated balance sheet	42,048	43,304

*5 In accordance with “the Act on Partial Amendment to the Act on Revaluation of Land (Act No. 24, March 31, 1999),” land for business use was revalued. Of the difference on valuation, an amount equivalent to applicable tax was recorded as deferred tax liabilities for land revaluation under liabilities, and a value after deducting the amount was recorded as revaluation reserve for land under net assets.

- Revaluation method: Land was revalued by making reasonable adjustments such as time change-based supplementation to an amount calculated by using such a method laid down and announced by the Commissioner of the National Tax Agency for computing land value as is the basis for calculating an amount of land value tax, as specified in Article 16 of the Land Value Tax Act set forth in Article 2, Item 4 of the Order for Enforcement of Act on Revaluation of Land (Cabinet Order No. 119 of March 31, 1998). Some blocks of land, however, were revalued by using land appraisals.
- Date of revaluation: March 31, 2000 (March 31, 2001 for some consolidated subsidiaries)

	(millions of yen)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Difference between the ending fair value of land revaluated and the post-revaluation carrying value	61,099	57,981

*6 The Company and some of its consolidated subsidiaries entered into lending commitment contracts with corresponding banks to efficiently procure working capital. The unused loan balance at the end of the business year based on such contracts is shown below.

	(millions of yen)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Total lending commitment	225,000	235,000
Outstanding loan balance	4,500	62,400
Net	220,500	172,600

(Consolidated statement of income)

*1 Revenue from contracts with customers

Revenue from contracts with customers and revenue from other sources are not presented separately.
Revenue from contracts with customers is disclosed in “Notes (Revenue recognition), 1.
Disaggregation of revenue from contracts with customers.”

*2 Total research and development expenses included in general and administrative expenses and manufacturing cost for the current fiscal year

		(millions of yen)
Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)	
	118,993	123,871

*3 Description of gain on sales of non-current assets is as follows.

		(millions of yen)
Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)	
Land	–	Land 2,466
Buildings and structures	0	Buildings and structures 17
Machinery, equipment and vehicles, among others	332	Machinery, equipment and vehicles, among others 478

*4 Description of loss on disposal of non-current assets is as follows.

		(millions of yen)
Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)	
Land	6	Land 74
Buildings and structures	536	Buildings and structures 641
Machinery, equipment and vehicles, among others	937	Machinery, equipment and vehicles, among others 1,341

*5 Impairment loss on non-current assets was recorded for the following asset groups.

Previous fiscal year (from April 1, 2022 to March 31, 2023)

Location	Use	Class	Impairment loss (millions of yen)
Tochigi-shi, Tochigi	Idle assets	Machinery and equipment	0
Pahang, Malaysia	Business assets	Machinery and equipment	216
Chonburi, Thailand	Idle assets	Buildings and structures, and land	40
Total			258

Current fiscal year (from April 1, 2023 to March 31, 2024)

Location	Use	Class	Impairment loss (millions of yen)
Fujisawa-shi, Kanagawa	Business assets	Machinery, equipment and construction in progress	2
Kitakami-shi, Iwate	Idle assets	Machinery, equipment, buildings and structures	610
Chongqing, China	Business assets	Machinery, equipment and construction in progress, etc.	3,984
Total			4,597

The Group categorizes its asset groups into business assets and into idle assets and rental assets, and idle assets and rental assets are grouped on a property-by-property basis. The carrying value of business assets, idle assets and rental assets showing signs of potential impairment due to a decline in land price or profitability is written down to the recoverable amount.

(Breakdown of impairment losses)

Previous fiscal year (from April 1, 2022 to March 31, 2023)

Item	Amount (millions of yen)
Land	0
Buildings and structures	40
Machinery, equipment and vehicles	217
Construction in progress	—
Intangible assets	—
Other	—

Current fiscal year (from April 1, 2023 to March 31, 2024)

Item	Amount (millions of yen)
Land	—
Buildings and structures	120
Machinery, equipment and vehicles	2,475
Construction in progress	531
Intangible assets	—
Other	1,468

The recoverable amount is determined based on value in use or net realizable value, whichever is higher. The value in use is calculated by discounting future cash flows at a discount rate of 14.9%.

*6 Loss on sale of shares of subsidiaries

In June 2023, the Company entered an agreement to sell all of its shares in ISUZU RUS, a consolidated subsidiary, to Sollers Public Joint Stock Company, a Russian automaker.

The extraordinary loss of 2,216 million yen is recorded as loss on sale of shares of subsidiaries.

*7 Loss related to the Russian business

As the environment required for business success in Russia is still showing no signs of improvement, 1,668 million yen of write-down on the assets held by ISUZU RUS, which was a consolidated subsidiary of the Company, is recorded as a loss related to the Russian business under extraordinary losses.

*8 Loss on business of subsidiaries

The Group owns an engine manufacturing subsidiary based in China.

The Group has been planning to launch new engines manufactured by the subsidiary on a full-scale basis in the market from the current fiscal year; however, due to stagnant market conditions stemming from COVID-19 and revisions of laws and regulations, demand for the new engines that were planned to be introduced in the market has decreased. Accordingly, the Group has decided to reconsider the future sales plan of the new engines.

As a result, since the Company is unable to foresee future operation plans for the newly introduced engine manufacturing facilities, the Company has recorded 4,079 million yen of installation costs for facilities that the subsidiary is obligated to pay to related business partners in the future as a loss on business of subsidiaries under extraordinary losses.

(Consolidated statement of comprehensive income)

*1 Adjustments and income tax relating to other comprehensive income

(millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Valuation difference on available-for-sale securities:		
Amount recorded for the current fiscal year	(12,613)	61,447
Reclassification adjustment	(3,044)	(2,389)
Before tax-effect adjustment	(15,657)	59,057
Tax-effect amount	4,181	(18,628)
Valuation difference on available-for-sale securities	(11,476)	40,429
Deferred gains or losses on hedges:		
Amount recorded for the current fiscal year	3,469	(676)
Reclassification adjustment	(1,587)	294
Before tax-effect adjustment	1,881	(382)
Tax-effect amount	(575)	116
Deferred gains or losses on hedges	1,306	(265)
Foreign currency translation adjustment:		
Amount recorded for the current fiscal year	33,385	52,350
Reclassification adjustment	—	—
Foreign currency translation adjustment	33,385	52,350
Remeasurements of defined benefit plans, net of tax		
Amount recorded for the current fiscal year	986	9,574
Reclassification adjustment	1,358	348
Before tax-effect adjustment	2,344	9,922
Tax-effect amount	(701)	(3,944)
Remeasurements of defined benefit plans, net of tax	1,643	5,977
Share of other comprehensive income of entities accounted for using equity method:		
Amount recorded for the current fiscal year	2,970	3,205
Reclassification adjustment	(38)	39
Share of other comprehensive income of entities accounted for using equity method	2,931	3,245
Total other comprehensive income	27,790	101,737

(Consolidated statement of changes in net assets)

Previous fiscal year (from April 1, 2022 to March 31, 2023)

1. Matters on class of stock for issued shares and the total number of issued shares and class of stock for treasury shares and the number of treasury shares

	Current fiscal year Number of shares at beginning of period (shares)	Current fiscal year Increase in number of shares (shares)	Current fiscal year Decrease in number of shares (shares)	Current fiscal year Number of shares at end of period (shares)
Issued shares				
Common stock	777,442,069	—	—	777,442,069
Total	777,442,069	—	—	777,442,069
Treasury shares				
Common stock (Note)	2,307,049	23,886	66,661	2,264,274
Total	2,307,049	23,886	66,661	2,264,274

(Note) The number of common stock treasury shares includes treasury shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company (2,251,865 shares at the start of the current fiscal year and 2,185,204 shares at the end of the current fiscal year).

(Outline of reasons for changes)

The main breakdown of the increase is as follows.

Purchase of shares less than one unit	23,200 shares
Treasury shares acquired by entities accounted for using the equity method that are attributable to the Company	686 shares

The main breakdown of the decrease is as follows.

Disposal of treasury shares held by the trust whose beneficiaries are Directors of the Board, etc.	66,661 shares
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2. Matters concerning dividends

(1) Dividends paid

(Resolution)	Class of stock	Total dividends (millions of yen)	Dividend per share	Record date	Effective date
Annual General Meeting of Shareholders held on June 28, 2022	Common stock	28,765	37.00 yen	March 31, 2022	June 29, 2022
Board of Directors Meeting held on November 9, 2022	Common stock	27,987	36.00 yen	September 30, 2022	November 30, 2022

(Note) The total dividends resolved by the Annual General Meeting of Shareholders on June 28, 2022 included 83 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

The total dividends resolved by the Board of Directors Meeting on November 9, 2022 included 78 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

(2) Dividends whose record date was in the current fiscal year that will come into effect in the next fiscal year

(Resolution)	Class of stock	Total dividends (millions of yen)	Source of dividends	Dividend per share	Record date	Effective date
Annual General Meeting of Shareholders held on June 28, 2023	Common stock	33,428	Retained earnings	43.00 yen	March 31, 2023	June 29, 2023

(Note) The total dividends resolved by the Annual General Meeting of Shareholders on June 28, 2023 included 93 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

Current fiscal year (from April 1, 2023 to March 31, 2024)

1. Matters on class of stock for issued shares and the total number of issued shares and class of stock for treasury shares and the number of treasury shares

	Current fiscal year Number of shares at beginning of period (shares)	Current fiscal year Increase in number of shares (shares)	Current fiscal year Decrease in number of shares (shares)	Current fiscal year Number of shares at end of period (shares)
Issued shares				
Common stock	777,442,069	–	–	777,442,069
Total	777,442,069	–	–	777,442,069
Treasury shares				
Common stock (Note)	2,264,274	26,576,351	79,860	28,760,765
Total	2,264,274	26,576,351	79,860	28,760,765

(Note) The number of common stock treasury shares includes treasury shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company (2,185,204 shares at the start of the current fiscal year and 2,105,344 shares at the end of the current fiscal year).

(Outline of reasons for changes)

The main breakdown of the increase is as follows.

Purchase of shares less than one unit	7,101 shares
Purchase based on a resolution of the Company's Board of Directors at meeting held November 10, 2023	26,568,600 shares
Treasury shares acquired by entities accounted for using the equity method that are attributable to the Company	650 shares

The main breakdown of the decrease is as follows.

Disposal of treasury shares held by the trust whose beneficiaries are Directors of the Board, etc.	79,860 shares
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2. Matters concerning dividends

(1) Dividends paid

(Resolution)	Class of stock	Total dividends (millions of yen)	Dividend per share	Record date	Effective date
Annual General Meeting of Shareholders held on June 28, 2023	Common stock	33,428	43.00 yen	March 31, 2023	June 29, 2023
Board of Directors Meeting held on November 10, 2023	Common stock	33,428	43.00 yen	September 30, 2023	November 30, 2023

(Note) The total dividends resolved by the Annual General Meeting of Shareholders on June 28, 2023 included 93 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

The total dividends resolved by the Board of Directors Meeting on November 10, 2023 included 91 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

- (2) Dividends whose record date was in the current fiscal year that will come into effect in the next fiscal year

(Resolution)	Class of stock	Total dividends (millions of yen)	Source of dividends	Dividend per share	Record date	Effective date
Annual General Meeting of Shareholders held on June 26, 2024	Common stock	36,790	Retained earnings	49.00 yen	March 31, 2024	June 27, 2024

(Note) The total dividends resolved by the Annual General Meeting of Shareholders on June 26, 2024 included 103 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

(Consolidated statement of cash flows)

1. Relationship between cash and cash equivalents at end of period and amounts of accounts shown on consolidated balance sheet

	(millions of yen)	
	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Cash and deposits	383,587	400,786
Time deposits and bonds whose deposit period or time to redemption is in excess of 3 months	(19,191)	(15,907)
Cash and cash equivalents	364,396	384,878

2. Description of significant non-monetary transactions

	(millions of yen)	
	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Leased assets	374	1,563
Property, plant and equipment and others (use right assets)	11,022	11,910
Lease liabilities	11,396	13,473

(Note) Right-of-use assets and lease liabilities in the previous fiscal year include an increase of 5,140 million yen and 5,587 million yen, respectively, as a result of the adoption of “ASU” No. 2016-02 “Leases.”

(Lease transactions)

(Lessee)

1. Finance lease transactions

Leased assets related to finance lease transactions without transfer of ownership

- (1) Description of leased assets

- (i) Property, plant and equipment

Mainly tools, furniture, fixtures, machinery and equipment for the automobile business

- (ii) Intangible assets

Mainly software

- (2) Method of depreciation and amortization of leased assets

As stated in “4. Matters concerning accounting policies (2)” in “Significant matters forming the basis for preparation of consolidated financial statements.”

2. Operating lease transactions

Future minimum lease payments for non-cancellable operating lease transactions

(millions of yen)

	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Within 1 year	254	226
Over 1 year	252	379
Total	507	606

(Note) The above table does not include information on lease transactions accounted for as assets or liabilities in the consolidated balance sheet in accordance with IFRS 16 and “ASU” No. 2016-02.

(Lessor)

1. Finance lease transactions

(1) Breakdown of lease investment assets

(millions of yen)

	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Portion of lease fee receivables	145,265	166,139
Portion of estimated residual value	38,350	39,384
Amount equivalent to interest income	(12,735)	(14,318)
Lease investment assets	170,880	191,205

(2) Expected recoverable amount after the consolidated financial closing date for lease fee receivables associated with lease receivables and investments in leases

(millions of yen)

	Previous fiscal year (As of March 31, 2023)					
	1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Lease receivables	10,176	8,011	6,128	3,455	1,945	515
Lease investment assets	50,222	38,927	28,513	17,194	8,005	2,401

(millions of yen)

	Current fiscal year (As of March 31, 2024)					
	1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Lease receivables	11,117	8,934	6,201	4,419	2,216	862
Lease investment assets	55,276	43,662	32,302	21,416	10,143	3,339

2. Operating lease transactions

Future minimum lease payments for non-cancellable operating lease transactions

	(millions of yen)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Within 1 year	19,910	21,094
Over 1 year	38,319	41,167
Total	58,229	62,261

(Financial instruments)

1. Matters concerning financial instruments

(1) Policy for financial instruments

The Company restricts investments only for part of deposits and obtains funds mainly from bank borrowings and issuance of bonds. Derivatives are used for avoiding risks related to future fluctuations of market prices, within the limits of receivables and payables denominated in foreign currencies and borrowings, etc.

(2) Description of financial instruments, risks involved, and risk management system

Notes and accounts receivable - trade, and contract assets, which are operating receivables, and lease receivables and investments in leases, are exposed to customer credit risk.

With regard to this kind of risk, the Company closely monitors the balance of receivables from business partners in accordance with our accounting rules.

Investment securities, although being exposed to a risk of market price fluctuations, consist mainly of shares in companies with which we have capital relationships. We manage the fair value of these shares in accordance with our securities rules.

Notes and accounts payable - trade, which are operating payables, electronically recorded obligations - operating, and accrued expenses are mostly due within one year.

Of borrowings, short-term borrowings are long-term borrowings mainly due within one year, and they chiefly finance capital expenditures and long-term working capital. Bonds mainly finance repayment of borrowings. Although borrowings with variable interest rates are exposed to a risk of interest rate fluctuations, we avoid the risk by using derivatives (interest rate swaps and interest rate options) as a means of hedging. As regards the method for assessing hedge effectiveness, we judge the effectiveness by comparing the cumulative amount of fluctuations in the means of hedging and the cumulative amount of fluctuations in hedged items.

The Company has in place internal rules on derivative transactions and sets out the purpose of transactions, their contents, holding system, reporting system and so on in these rules. We execute transactions and manage risks in accordance with these rules.

Operating payables, borrowings, and bonds payable are exposed to liquidity risk, and we manage them by periodically identifying due dates and balances, etc.

(3) Matters concerning the fair value of financial instruments

Contract values, etc. for derivatives set forth in the note titled "Derivatives" are not intended to show market risk for derivatives.

2. Matters concerning the fair value of financial instruments

The table below shows the amounts of financial instruments recorded in the consolidated balance sheet and their fair values as well as their variances.

Previous fiscal year (As of March 31, 2023)

(millions of yen)

	Consolidated balance sheet amount (*2)	Fair value (*2)	Difference
(1) Lease receivables and investments in leases	199,841	199,430	(411)
(2) Investment securities (*3) (*4)	162,459	162,770	311
(3) Bonds payable	(80,000)	(79,568)	432
(4) Long-term borrowings (*5)	(396,224)	(393,740)	2,484
(5) Derivatives (*6)	630	630	—

(*1) “Cash and deposits,” “Notes and accounts receivable – trade, and contract assets,” “Notes and accounts payable – trade,” “Electronically recorded obligations – operating,” “Short-term borrowings” and “Accrued expenses” have been omitted because the fair value approximates the book value due to cash and short term settlements.

(*2) The figures in parentheses indicate those posted in liabilities.

(*3) Investment securities includes shares of listed affiliates accounted for by the equity method, and the difference in amount is due to the fair values valuation of those shares.

(*4) Non-marketable stocks, etc. are not included in “(2) Investment securities.” The amounts of such financial instruments are recorded in the consolidated balance sheet as below.

Category	Previous fiscal year (As of March 31, 2023)
Non-listed stocks	2,449
Stocks of non-consolidated subsidiaries and affiliates	53,861
Limited liability investment partnerships	74

(*5) Long-term borrowings include the current portion falling due within one year.

(*6) Assets and liabilities arisen from derivatives are offset against each other and stated in net, and items that are net liabilities are shown in parentheses.

Current fiscal year (As of March 31, 2024)

(millions of yen)

	Consolidated balance sheet amount (*2)	Fair value (*2)	Difference
(1) Lease receivables and investments in leases	223,370	222,270	(1,100)
(2) Investment securities (*3) (*4)	215,965	225,079	9,114
(3) Bonds payable	(80,000)	(79,314)	686
(4) Long-term borrowings (*5)	(372,657)	(370,482)	2,175
(5) Derivatives (*6)	(1,156)	(1,156)	—

(*1) “Cash and deposits,” “Notes and accounts receivable – trade, and contract assets,” “Notes and accounts payable – trade,” “Electronically recorded obligations – operating,” “Short-term borrowings” and “Accrued expenses” have been omitted because the fair value approximates the book value due to cash and short term settlements.

(*2) The figures in parentheses indicate those posted in liabilities.

(*3) Investment securities includes shares of listed affiliates accounted for by the equity method, and the difference in amount is due to the fair values valuation of those shares.

(*4) Non-marketable stocks, etc. are not included in “(2) Investment securities.” The amounts of such financial instruments are recorded in the consolidated balance sheet as below.

Category	Current fiscal year (As of March 31, 2024)
Non-listed stocks	8,938
Stocks of non-consolidated subsidiaries and affiliates	58,602
Limited liability investment partnerships	75

(*5) Long-term borrowings include the current portion falling due within one year.

- (*6) Assets and liabilities arisen from derivatives are offset against each other and stated in net, and items that are net liabilities are shown in parentheses.

- (Note) 1. The estimated repayment and redemption amounts for receivables and securities with maturity after the consolidated financial closing date

Previous fiscal year (As of March 31, 2023)

(millions of yen)

	1 year or less	Over 1 year but within 5 years	Over 5 years
Cash and deposits	383,587	—	—
Notes and accounts receivable - trade, and contract assets	398,630	—	—
Lease receivables and investments in leases	69,129	127,530	3,181
Total	851,347	127,530	3,181

Current fiscal year (As of March 31, 2024)

(millions of yen)

	1 year or less	Over 1 year but within 5 years	Over 5 years
Cash and deposits	400,786	—	—
Notes and accounts receivable - trade, and contract assets	420,702	—	—
Lease receivables and investments in leases	74,401	144,537	4,431
Total	895,889	144,537	4,431

- (Note) 2. The estimated repayment and redemption amounts for long-term borrowings and bonds payable after the consolidated financial closing date

Previous fiscal year (As of March 31, 2023)

(millions of yen)

	1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Long-term borrowings	111,180	117,677	69,147	67,115	31,103	—
Bonds payable	—	—	30,000	30,000	20,000	—

Current fiscal year (As of March 31, 2024)

(millions of yen)

	1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Long-term borrowings	133,390	93,862	73,830	46,817	24,755	—
Bonds payable	—	30,000	30,000	20,000	—	—

3. Matters relating to the breakdown of the fair value of financial instruments by level

The fair value of financial instruments is classified into the following three levels based on the observability and significance of the inputs used in valuation of the fair value.

Level 1 fair value: Of observable inputs used in calculation of fair value, fair value for assets or liabilities that is calculated based on quoted prices in an active market

Level 2 fair value: Of observable inputs used in calculation of fair value, fair value that is calculated using inputs other than Level 1 inputs

Level 3 fair value: Fair value that is calculated using inputs that are unobservable for fair value calculations

When multiple inputs that have a significant impact on the calculation of fair value are used, fair value is classified into the level with the lowest priority in the calculation of fair value, among the levels to which each of the inputs belongs.

(1) Financial instruments recorded at fair value on the consolidated balance sheet

Previous fiscal year (As of March 31, 2023)

(millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities	136,906	—	894	137,800
Derivatives				
Currency related	—	630	—	630
Total assets	136,906	630	894	138,430

Current fiscal year (As of March 31, 2024)

(millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities	193,267	—	1,007	194,274
Total assets	193,267	—	1,007	194,274
Derivatives				
Currency related	—	(1,156)	—	(1,156)
Total liabilities	—	(1,156)	—	(1,156)

(2) Financial instruments other than those recorded at fair value on the consolidated balance sheet

Previous fiscal year (As of March 31, 2023)

(millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Lease receivables and investments in leases	—	—	199,430	199,430
Investment securities	24,969	—	—	24,969
Total assets	24,969	—	199,430	224,399
Bonds payable	—	(79,568)	—	(79,568)
Long-term borrowings	—	(393,740)	—	(393,740)
Total liabilities	—	(473,308)	—	(473,308)

Current fiscal year (As of March 31, 2024)

(millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Lease receivables and investments in leases	—	—	222,270	222,270
Investment securities	30,803	—	—	30,803
Total assets	30,803	—	222,270	253,073
Bonds payable	—	(79,314)	—	(79,314)
Long-term borrowings	—	(370,482)	—	(370,482)
Total liabilities	—	(449,796)	—	(449,796)

(Note) Explanation of assessment methods used for calculation of fair value and inputs used in calculation of fair value

Lease receivables and investments in leases

The fair values of lease investment assets are based on present values discounted by an interest rate which takes into account the period until maturity and credit risk for receivable amounts for each type of receivable as classified according to certain periods. This is categorized under Level 3 fair value.

Investment securities

The fair values of listed shares are classified as Level 1 because they are measured based on quoted market prices in active markets. In addition, the fair values of non-listed stocks are classified as Level 3 as they are measured using valuation techniques, etc. based on net asset value.

Bonds payable

Measured based on market prices. These are categorized under Level 2 fair value.

Long-term borrowings

The fair values of long-term borrowings are measured by discounting the future cash flows of principal and interest at an interest rate that would apply for a new loan borrowed under similar conditions. These are categorized under Level 2 fair value.

Derivatives

Derivatives are calculated based on prices, etc. quoted by counterparty financial institutions and are classified as Level 2 fair value.

(Securities)

1. Trading securities

Not applicable.

2. Held-to-maturity bonds

Not applicable.

3. Available-for-sale securities

Previous fiscal year (As of March 31, 2023)

(millions of yen)

	Class	Consolidated balance sheet amount	Acquisition cost	Difference
Securities whose consolidated balance sheet amount exceeds the acquisition cost	(1) Stocks	137,054	70,930	66,123
	(2) Bonds			
	Corporate bonds	—	—	—
	(3) Other			
	Securities investment trust	—	—	—
	Subtotal	137,054	70,930	66,123
Securities whose consolidated balance sheet amount does not exceed the acquisition cost	(1) Stocks	746	789	(43)
	(2) Bonds			
	Corporate bonds	—	—	—
	(3) Other			
	Securities investment trust	—	—	—
	Subtotal	746	789	(43)
Total		137,800	71,720	66,080

(Note) Non-listed stocks (amount reported on the consolidated balance sheet: 2,449 million yen) and investments in limited liability investment partnerships (amount reported on the consolidated balance sheet: 74 million yen) are not included in "Stocks" in the above table since they have no market price.

Current fiscal year (As of March 31, 2024)

(millions of yen)

	Class	Consolidated balance sheet amount	Acquisition cost	Difference
Securities whose consolidated balance sheet amount exceeds the acquisition cost	(1) Stocks	193,926	69,367	124,558
	(2) Bonds			
	Corporate bonds	—	—	—
	(3) Other			
	Securities investment trust	—	—	—
	Subtotal	193,926	69,367	124,558
Securities whose consolidated balance sheet amount does not exceed the acquisition cost	(1) Stocks	349	391	(42)
	(2) Bonds			
	Corporate bonds	—	—	—
	(3) Other			
	Securities investment trust	—	—	—
	Subtotal	349	391	(42)
Total		194,275	69,759	124,516

(Note) Non-listed stocks (amount reported on the consolidated balance sheet: 8,938 million yen) and investments in limited liability investment partnerships (amount reported on the consolidated balance sheet: 75 million yen) are not included in “Stocks” in the above table since they have no market price.

4. Available-for-sale securities sold

Previous fiscal year (from April 1, 2022 to March 31, 2023)

(millions of yen)

Class	Sale proceeds	Total gain on sale	Total loss on sale
(1) Stocks	23,937	3,411	214
(2) Bonds	—	—	—
(3) Other	—	—	—
Total	23,937	3,411	214

Current fiscal year (from April 1, 2023 to March 31, 2024)

(millions of yen)

Class	Sale proceeds	Total gain on sale	Total loss on sale
(1) Stocks	5,650	2,564	22
(2) Bonds	—	—	—
(3) Other	—	—	—
Total	5,650	2,564	22

5. Securities for which an impairment loss was recognized

In the previous fiscal year, an impairment loss of 152 million yen was recognized for shares stated at fair market value under available for-sale securities.

In the current fiscal year, no impairment loss was recognized for shares stated at fair market value under available-for-sale securities.

In recognizing an impairment loss, the closing price on the closing date of the fiscal year (if no closing price is available, the most recent closing price) is considered as the fair value, and if, for each issue, the fair value is below 50% of the acquisition cost, an impairment loss is recorded.

In addition, if the fair value is 50% or above but no more than 70% of the acquisition cost, an impairment loss is recognized in light of the trend in market prices of the respective securities and the monetary significance.

However, if there is a rational basis to expect the fair value to recover, no impairment loss is recognized.

(Derivative transactions)

1. Derivative transactions for which hedge accounting is not applied

(1) Currency related

Previous fiscal year (As of March 31, 2023)

(millions of yen)

Category	Transaction type	Contract amount, etc.	Contract amount, etc. of over one year	Fair value	Gain/loss on valuation
Transactions other than market transactions	Forward foreign exchange contracts				
	Buy contract				
	Japanese yen	33,713	—	137	137
	Australian dollar	272	—	(3)	(3)
	U.S. dollar	382	—	(4)	(4)
	Thai baht	8,633	—	(62)	(62)
	Euro	99	—	1	1
	Other	0	—	(0)	(0)
	Sell contract				
	Japanese yen	1,373	—	25	25
	Australian dollar	15,821	—	367	367
	U.S. dollar	10,707	—	(81)	(81)
	Thai baht	6,807	—	12	12
	Euro	7,729	—	(49)	(49)
	Other	8,485	—	32	32
Total		94,026	—	374	374

Current fiscal year (As of March 31, 2024)

(millions of yen)

Category	Transaction type	Contract amount, etc.	Contract amount, etc. of over one year	Fair value	Gain/loss on valuation
Transactions other than market transactions	Forward foreign exchange contracts				
	Buy contract				
	Japanese yen	17,514	—	(321)	(321)
	Australian dollar	120	—	(0)	(0)
	U.S. dollar	1,957	—	(22)	(22)
	Thai baht	2,363	—	(56)	(56)
	Euro	58	—	0	0
	Other	213	—	(0)	(0)
	Sell contract				
	Japanese yen	891	—	20	20
	Australian dollar	26,105	—	(47)	(47)
	U.S. dollar	22,647	—	(230)	(230)
	Thai baht	6,459	—	(18)	(18)
	Euro	6,220	—	(38)	(38)
	Other	6,969	—	(278)	(278)
Total		91,522	—	(993)	(993)

2. Derivative transactions for which hedge accounting is applied

(1) Currency related

Previous fiscal year (As of March 31, 2023)

(millions of yen)

Hedge accounting method	Transaction type	Major hedged item	Contract amount, etc.	Contract amount, etc. of over one year	Fair value
Principle-based method	Forward foreign exchange contracts				
	Buy contract				
	Japanese yen	Accounts payable - trade	1,691	—	(38)
	Sell contract				
	U.S. dollar	Accounts receivable - trade	9,252	—	294
Designated hedge accounting (<i>furiate-shori</i>) for forward foreign exchange contracts, etc.	Forward foreign exchange contracts				
	Sell contract				
	U.S. dollar	Accounts receivable - trade	15,926	—	(*1)
	Australian dollar	Accounts receivable - trade	9,219	—	
	British pound	Accounts receivable - trade	13,602	—	
	Total		49,692	—	255

(*1) Items such as forward foreign exchange contracts for which designated hedge accounting (*furiate-shori*) is applied are accounted for together with the hedged accounts receivable - trade, and the fair value of such items is included in the fair value of the respective accounts receivable - trade.

Current fiscal year (As of March 31, 2024)

(millions of yen)

Hedge accounting method	Transaction type	Major hedged item	Contract amount, etc.	Contract amount, etc. of over one year	Fair value
Principle-based method	Forward foreign exchange contracts				
	Buy contract				
	Japanese yen	Accounts payable - trade	2,679	—	(74)
	Sell contract				
	U.S. dollar	Accounts receivable - trade	13,258	—	(105)
	Australian dollar	Accounts receivable - trade	10,056		17
Designated hedge accounting (<i>furiate-shori</i>) for forward foreign exchange contracts, etc.	Forward foreign exchange contracts				
	Sell contract				
	U.S. dollar	Accounts receivable - trade	9,488	—	(*1)
	Australian dollar	Accounts receivable - trade	8,170	—	
	Total		43,654	—	(162)

(*1) Items such as forward foreign exchange contracts for which designated hedge accounting (*furiate-shori*) is applied are accounted for together with the hedged accounts receivable - trade, and the fair value of such items is included in the fair value of the respective accounts receivable - trade.

(2) Interest rate transactions

Previous fiscal year (As of March 31, 2023)

Not applicable.

Current fiscal year (As of March 31, 2024)

Not applicable.

(Retirement benefits)

1. Outline of the adopted retirement benefit plans

The Company has in place defined benefit plans, i.e., corporate pension fund and lump-sum retirement payment plans.

Consolidated subsidiaries offer defined benefit plans, i.e., corporate pension fund and lump-sum retirement payment plans, and defined contribution pension plans.

The Company and its consolidated subsidiaries may occasionally provide severance payments in addition to the retirement benefits to employees.

Some consolidated subsidiaries adopt the simplified method in calculating retirement benefit obligations.

2. Defined benefit plans

(1) Reconciliation of the beginning and ending balances of retirement benefit obligations

	(millions of yen)	
	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Balance of retirement benefit obligations at the beginning of period	200,536	196,040
Service cost	9,656	9,737
Interest cost	2,417	3,514
Actuarial gains and losses	(6,166)	(2,791)
Retirement benefit payments	(12,215)	(13,306)
Other	1,812	2,955
Balance of retirement benefit obligations at the end of the period	196,040	196,151

(Note) Includes retirement benefit obligations of consolidated subsidiaries that adopt the simplified method.

(2) Reconciliation of the beginning and ending balances of pension assets

	(millions of yen)	
	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Balance of pension assets at the beginning of period	106,528	104,778
Expected return	2,438	2,570
Actuarial gains and losses	(4,658)	5,650
Employer's contributions	4,952	5,031
Retirement benefit payments	(5,732)	(6,304)
Other	1,250	1,918
Balance of pension assets at the end of the period	104,778	113,644

(Note) Includes pension assets of consolidated subsidiaries that adopt the simplified method.

(3) Reconciliation of the ending balances of retirement benefit obligations and pension assets and the retirement benefit liability (asset) reported on the consolidated balance sheet

	(millions of yen)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Retirement benefit obligations of funded system	110,214	109,056
Pension assets	(104,778)	(113,644)
	5,435	(4,588)
Retirement benefit obligations of non-funded system	85,826	87,095
Net liability (asset) reported on the consolidated balance sheet	91,262	82,507
Retirement benefit liability	94,423	86,292
Retirement benefit asset	(3,161)	(3,785)
Net liability (asset) reported on the consolidated balance sheet	91,262	82,507

(Note) Includes retirement benefit obligations and pension assets of consolidated subsidiaries that adopt the simplified method.

(4) Retirement benefit expenses and constituents thereof

	(millions of yen)	
	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Service cost	9,656	9,737
Interest cost	2,417	3,514
Expected return	(2,438)	(2,570)
Actuarial gains and losses recognized as expenses	1,253	197
Prior service cost recognized as expenses	104	150
Retirement benefit expenses related to defined benefit plan	10,994	11,030

(Note) Includes retirement benefit expenses of consolidated subsidiaries that adopt the simplified method.

(5) Remeasurements of defined benefit plans, net of tax

Items recorded under remeasurements of defined benefit plans (before tax effect deduction) are as follows.

	(millions of yen)	
	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Prior service cost	102	150
Actuarial gains and losses	2,241	9,771
Total	2,344	9,922

(6) Accumulated remeasurements of defined benefit plans

Items recorded under accumulated remeasurements of defined benefit plans (before tax effect deduction) are as follows.

	(millions of yen)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Unrecognized prior service cost	446	403
Unrecognized actuarial gains and losses	(2,533)	(11,269)
Total	(2,087)	(10,866)

(7) Matters concerning pension assets

(i) Major components of pension assets

Ratios of major items against total pension assets are as follows.

	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)	(%)
Bonds	37		35
Stocks	23		29
Cash and deposits	4		2
Life insurance general account	19		18
Other	17		16
Total	100		100

Note: Other includes alternative investments.

(ii) Method of setting the long-term expected rate of return

The long-term expected rate of return of pension assets is determined by taking into account the current and projected allocation of pension assets and the current and expected long-term rate of return based on diverse assets constituting pension assets.

(8) Matters concerning the actuarial calculation basis

Major actuarial calculation basis at year-end (indicated by weighted average)

	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)	(%)
Discount rate	1.7		1.8
Long-term expected rate of return	2.3		2.5
Estimated salary increase rate	3.3		3.6

3. Defined contribution plan

The amount of required contribution to the defined contribution plan by some consolidated subsidiaries came to 2,093 million yen in the previous fiscal year and 1,867 million yen in the current fiscal year.

(Tax effect accounting)

1. Breakdown by major cause of deferred tax assets and deferred tax liabilities

	(millions of yen)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Deferred tax assets		
Retirement benefit liability	26,400	23,449
Write-down on valuation of shares of subsidiaries and provision of allowance for doubtful accounts	14,873	23,607
Recording of estimated accrued expenses	23,361	25,542
Provision for bonuses	9,550	11,540
Write-down on inventories	4,419	4,691
Tax loss carried forward (Note 2)	21,139	21,518
Elimination, etc. of unrealized income	25,580	23,319
Other	54,646	69,016
Deferred tax assets subtotal	179,971	202,687
Valuation allowance relating to tax loss carried forward (Note 2)	(20,457)	(20,549)
Valuation allowance relating to total future deductible temporary difference, etc.	(48,401)	(61,531)
Valuation allowance subtotal (Note 1)	(68,858)	(82,080)
Total deferred tax assets	111,112	120,606
Deferred tax liabilities		
Reserve for tax-purpose reduction entry of non- current assets	1,942	1,894
Valuation difference on available-for-sale securities	19,293	37,203
Retained profits of subsidiaries	10,658	12,760
Valuation difference on fair value of consolidated subsidiaries	5,387	7,503
Other	11,874	16,972
Total deferred tax liabilities	49,156	76,335
Deferred tax assets, net	61,956	44,271
Deferred tax liabilities		
Reserve for tax-purpose reduction entry of non- current assets	12	12
Valuation difference on available-for-sale securities	—	—
Valuation difference on land of subsidiaries	1,505	1,324
Valuation difference on fair value of consolidated subsidiaries	2,429	—
Other	52	71
Deferred tax liabilities, net	4,000	1,408

(Notes) 1. The change in valuation allowance is primarily due to an increase in valuation allowance of Isuzu Motors Sales Co., Ltd.

2. Tax loss carried forward and amount of deferred tax assets carried forward for each time limit of carryover

Previous fiscal year (As of March 31, 2023)

(millions of yen)

	1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years	Total
Tax loss carried forward ^{(*)3}	2,491	2,106	3,419	2,585	2,088	8,447	21,139
Valuation allowance	(2,337)	(1,901)	(3,414)	(2,537)	(2,047)	(8,219)	(20,457)
Deferred tax assets	154	205	5	47	40	228	(*)4 682

(*)3 Tax loss carried forward is derived by multiplying the statutory effective rate.

(*)4 Deferred tax assets relating to tax loss carried forward arose at consolidated subsidiaries UD Trucks Corporation, Isuzu Motors South Africa (Pty) Limited and Isuzu Logistics North America, Inc. They were determined to be recoverable as a result of considering the expected taxable income based on the future earning capacity of each subsidiary.

Current fiscal year (As of March 31, 2024)

(millions of yen)

	1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years	Total
Tax loss carried forward ^{(*)3}	2,248	3,715	2,849	2,315	4,056	6,328	21,514
Valuation allowance	(2,216)	(3,706)	(2,830)	(2,284)	(4,015)	(5,494)	(20,547)
Deferred tax assets	32	9	18	30	41	833	(*)4 966

(*)3 Tax loss carried forward is derived by multiplying the statutory effective rate.

(*)4 Deferred tax assets relating to tax loss carried forward arose at consolidated subsidiaries Isuzu Motors South Africa (Pty) Limited and Isuzu Logistics North America, Inc. They were determined to be recoverable as a result of considering the expected taxable income based on the future earning capacity of each subsidiary.

2. Reconciliation of significant differences between the statutory effective tax rate and the actual effective rate of income taxes after application of deferred tax accounting

	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Statutory tax rate	30.6	30.6
(Adjustment)		
Tax deduction	(4.3)	(3.4)
Changes in valuation allowance	1.8	4.3
Tax rate difference in overseas subsidiaries	(7.1)	(7.7)
Share of profit of entities accounted for using equity method	(0.7)	(0.3)
Foreign withholding tax	4.9	5.1
Inhabitant tax on per capita basis	0.1	0.0
Retained profits of subsidiaries	0.7	0.7
Other	1.0	(1.8)
Actual effective tax rate after application of tax effect accounting	27.1	27.6

(Asset retirement obligations)

Disclosure is omitted since the total amount of asset retirement obligations is immaterial.

(Real estate for rent, etc.)

Disclosure is omitted since the total amount of real estate for rent, etc. is immaterial.

(Revenue recognition)

1. Disaggregation of revenue from contracts with customers

(Changes in Presentation Method)

Information on disaggregation of revenues arising from contracts with customers was previously presented by classifying it into “Heavy-duty (and medium-duty) vehicles,” “Light-duty vehicles,” “Parts for overseas production,” “Engines and components” and “Others”; however, from the current fiscal year it has been presented by classifying it into “Heavy-duty (and medium-duty) CVs,” “Light-duty CVs,” “LCVs,” “Industrial engines” and “Others” for the purpose of presenting information on disaggregation of revenue recognition more clearly.

Furthermore, the presented information on disaggregation of revenues arising from contracts with customers for the previous fiscal year was restated using the new classification method.

Previous fiscal year (from April 1, 2022 to March 31, 2023)

(millions of yen)						
	Heavy-duty (and medium-duty) CVs	Light-duty CVs	LCVs	Industrial engines	Others	Total
Japan	332,066	116,163	—	55,360	374,896	878,486
Overseas	401,702	526,744	990,164	64,332	222,439	2,205,383
Revenue from contracts with customers	733,768	642,907	990,164	119,693	597,335	3,083,870
Revenue from other sources						111,666
Total						3,195,537

- (Notes) 1. “CVs” and “LCVs” present “commercial vehicles (trucks and buses)” and “pickup trucks and variants,” respectively.
2. “Parts for overseas production” has been reclassified into “Heavy-duty (and medium-duty) CVs,” “Light-duty CVs” and “LCVs.”
3. “Engines and components” has been renamed as “Industrial engines,” and components included in “Engines and components” have been reclassified into “Others.”
4. Sale of parts, maintenance and servicing, sales of used vehicles, and components are included in “Others.”

Current fiscal year (from April 1, 2023 to March 31, 2024)

(millions of yen)						
	Heavy-duty (and medium-duty) CVs	Light-duty CVs	LCVs	Industrial engines	Others	Total
Japan	389,900	133,830	—	64,840	402,567	991,138
Overseas	416,237	594,800	995,310	49,720	221,066	2,277,134
Revenue from contracts with customers	806,137	728,630	995,310	114,561	623,633	3,268,272
Revenue from other sources						118,404
Total						3,386,676

- (Notes) 1. “CVs” and “LCVs” present “commercial vehicles (trucks and buses)” and “pickup trucks and variants,” respectively.
2. “Parts for overseas production” has been reclassified into “Heavy-duty (and medium-duty) CVs,” “Light-duty CVs” and “LCVs.”
3. “Engines and components” has been renamed as “Industrial engines,” and components included in “Engines and components” have been reclassified into “Others.”
4. Sale of parts, maintenance and servicing, sales of used vehicles, and components are included in “Others.”

2. Information to provide a basis for understanding revenue from contracts with customers

The Group conducts sales of CVs and LCVs such as heavy-duty (and medium-duty) CVs, light-duty CVs and LCVs, as well as industrial engines, etc., with domestic and overseas sales companies and consumers as customers.

The Group sells industrial engines to domestic and overseas industrial machinery manufacturers.

The Group deducts the portion of the consideration paid to customers, such as sales commissions, from the transaction price.

The consideration for the sale of products and provision of services is generally received within approximately one year after control of the product is transferred to the customer; no significant financing components are included.

3. Information for understanding the amount of revenue for the fiscal year and subsequent fiscal years

(1) Contract balances

The balances of receivables arising from contracts with customers and contractual liabilities at the beginning and the end of the period are as follows.

Previous fiscal year (from April 1, 2022 to March 31, 2023)

	(millions of yen)	
	Beginning of the current fiscal year (As of April 1, 2022)	End of the current fiscal year (As of March 31, 2023)
Receivables arising from contracts with customers (Note 1, 3)	353,494	382,352
Contract assets (Note 1)	—	674
Contractual liabilities (Note 2, 3)	11,171	10,514

(Note) 1. Included in the notes and accounts receivable – trade, and contract assets of the consolidated balance sheet. Amounts are before the deduction of allowance for doubtful accounts.

(Note) 2. Included in “Other (Current liabilities)” of the consolidated balance sheet.

(Note) 3. The balances at the beginning of the current fiscal year include the effect of change in the accounting closing date of consolidated subsidiaries.

Contractual liabilities are consideration received by the Group from customers prior to the delivery of products, and are reclassified to revenue when the Group satisfies its performance obligations.

Of the revenue recognized in the current fiscal year, the amount included in the balance of contractual liabilities at the beginning of the period is 8,021 million yen.

The monetary significance of revenue recognized from performance obligations that were satisfied (or partially satisfied) in the past periods is immaterial in the current fiscal year.

Current fiscal year (from April 1, 2023 to March 31, 2024)

	(millions of yen)	
	Beginning of the current fiscal year (As of April 1, 2023)	End of the current fiscal year (As of March 31, 2024)
Receivables arising from contracts with customers (Note 1, 3)	375,170	396,285
Contract assets (Note 1)	674	—
Contractual liabilities (Note 2, 3)	10,514	12,378

(Note) 1. Included in the notes and accounts receivable – trade, and contract assets of the consolidated balance sheet. Amounts are before the deduction of allowance for doubtful accounts.

(Note) 2. Included in “Other (Current liabilities)” of the consolidated balance sheet.

(Note) 3. The balances at the beginning of the current fiscal year include the effect of change in fiscal year-end of consolidated subsidiaries.

Contractual liabilities are consideration received by the Group from customers prior to the delivery of products, and are reclassified to revenue when the Group satisfies its performance obligations.

Of the revenue recognized in the current fiscal year, the amount included in the balance of contractual liabilities at the beginning of the period is 5,674 million yen.

The monetary significance of revenue recognized from performance obligations that were satisfied (or partially satisfied) in the past periods is immaterial in the current fiscal year.

(2) Transaction prices allocated to remaining performance obligation

The total transaction price allocated to unfulfilled performance obligations at the end of the current fiscal year and the breakdown by period of expected revenue recognition are as follows.

(millions of yen)

	End of the previous fiscal year (As of March 31, 2023)	End of the current fiscal year (As of March 31, 2024)
1 year or less	116,305	113,143
Over 1 year	52,370	52,426
Total	168,676	165,569

The above table does not include information on remaining performance obligations with original expected terms of one year or less, applying practical expedients.

(Segment information)

Segment information

The Group is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

Related information

Previous fiscal year (from April 1, 2022 to March 31, 2023)

1. Information by product and service

(millions of yen)

	Heavy-duty (and medium-duty) CVs	Light-duty CVs	LCVs	Engines	Others	Total
Net sales to external customers	733,768	642,907	990,164	119,693	709,003	3,195,537

2. Information by region

(1) Net sales

(millions of yen)

Japan	Thailand	Other	Total
989,833	588,263	1,617,441	3,195,537

(Note) Net sales are based on the location of the customer and are categorized into country or region.

(2) Property, plant and equipment

(millions of yen)

Japan	Thailand	Other	Total
760,443	97,081	78,139	935,664

3. Information by major customer

(millions of yen)

Name of company or party	Net sales
Tri Petch Isuzu Sales Co., Ltd.	559,810

Current fiscal year (from April 1, 2023 to March 31, 2024)

1. Information by product and service

(millions of yen)

	Heavy-duty (and medium-duty) CVs	Light-duty CVs	LCVs	Engines	Others	Total
Net sales to external customers	806,137	728,630	995,310	114,561	742,038	3,386,676

2. Information by region

(1) Net sales

(millions of yen)

Japan	Thailand	Other	Total
1,108,903	472,361	1,805,412	3,386,676

(Note) Net sales are based on the location of the customer and are categorized into country or region.

(2) Property, plant and equipment

(millions of yen)

Japan	Thailand	Other	Total
795,302	98,746	81,644	975,694

3. Information by major customer

(millions of yen)

Name of company or party	Net sales
Tri Petch Isuzu Sales Co., Ltd.	440,384

Information concerning impairment loss on non-current assets by reporting segment

The Group is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

Information concerning amortization of goodwill and unamortized balance by reporting segment

The Group is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

Information concerning gain on negative goodwill by reporting segment

The Group is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

Information on related parties

Not applicable.

(Per share information)

(Yen)

Previous fiscal year (From April 1, 2022 to March 31, 2023)		Current fiscal year (From April 1, 2023 to March 31, 2024)	
Net assets per share	1,688.01	Net assets per share	1,951.02
Net income per share	195.75	Net income per share	229.92

(Notes) 1. Net income per share after dilution of potential stock is not presented because there are no dilutive shares.

2. The basis of calculation of the amount of net income per share is as follows.

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Profit attributable to owners of parent (millions of yen)	151,743	176,442
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent related to common stock (millions of yen)	151,743	176,442
Average number of shares of common stock during the period (shares)	775,178,896	767,393,388

The shares of the Company held by trust with Directors of the Board, etc. as beneficiaries are included in the treasury shares deducted in the calculation of the average number of shares during the period for the purpose of calculating net income per share. (Previous fiscal year: 2,201,548 shares; current fiscal year: 2,136,273 shares)

3. The basis for calculating the amount of net assets per share is as follows.

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Total amount of net assets (millions of yen)	1,510,232	1,659,029
Amount of deduction from the total amount of net assets (millions of yen)	201,725	198,333
(Of which, non-controlling interests)	(201,725)	(198,333)
Net assets related to common shares at the end of the period (millions of yen)	1,308,506	1,460,695
Number of common shares at the end of the period used in the calculation of net assets per share (shares)	775,177,795	748,681,304

The shares of the Company held by trust with Directors of the Board, etc. as beneficiaries are included in the treasury shares deducted in the calculation of the number of common shares at the end of the period for the purpose of calculating net assets per share. (Previous fiscal year: 2,185,204 shares; current fiscal year: 2,105,344 shares)

(Significant subsequent events)

Not applicable.

(v) Consolidated supplementary schedules

Schedule of corporate bonds

Company Name	Description	Issuance date	Balance at beginning of period (millions of yen)	Balance at end of the current period (millions of yen)	Interest rate (%)	Collateral	Redemption date
ISUZU MOTORS LIMITED	30th round of unsecured bonds (with inter-bond pari passu clause)	Date February 4, 2021	30,000	30,000	0.14	N/A	Date February 4, 2026
ISUZU MOTORS LIMITED	31st round of unsecured bonds (with inter-bond pari passu clause)	February 4, 2021	20,000	20,000	0.27	N/A	February 4, 2028
ISUZU MOTORS LIMITED	32nd round of unsecured bonds (with inter-bond pari passu clause)	September 29, 2021	30,000	30,000	0.11	N/A	September 29, 2026
Total	—	—	80,000	80,000	—	—	—

(Note) The estimated redemption amounts for the five years after the consolidated financial closing date are as follows.

(millions of yen)

1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years
—	30,000	30,000	20,000	—

Schedule of borrowings

Category	Balance at beginning of period (millions of yen)	Balance at end of the current period (millions of yen)	Average interest rate (%)	Repayment due date
Short-term borrowings	6,700	71,200	0.36	—
Current portion of long-term borrowings	111,180	133,390	0.19	—
Current portion of lease liabilities	7,610	8,977	5.09	—
Long-term borrowings (Excluding current portion of long-term borrowings)	285,044	239,266	0.45	2025 to 2029
Lease liabilities (Excluding current portion of lease liabilities)	22,609	23,987	4.29	2025 to 2054
Other interest-bearing debt	—	—	—	—
Total	433,144	476,822	—	—

(Notes) 1. The estimated repayment amounts of long-term borrowings and lease liabilities (excluding the current portion) within the five years after the consolidated financial closing date are as follows.

(millions of yen)

	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years
Long-term borrowings	93,862	73,830	46,817	24,755
Lease liabilities	5,370	3,666	3,408	3,456

2. The average interest rate signifies the weighted average rate against the balance of borrowings, etc. at the end of the period.

Schedule of asset retirement obligations

Disclosure is omitted pursuant to Article 92-2 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements since the amounts of asset retirement obligations at the beginning and at the end of the current fiscal year are no more than 1% of the amount of total liabilities and net assets at the beginning and at the end of the current fiscal year.

(2) Other

Quarterly information, etc. for the current fiscal year

(Cumulative period)	1st quarter	2nd quarter	3rd quarter	Current fiscal year
Net sales (millions of yen)	775,466	1,637,979	2,541,532	3,386,676
Profit before income taxes (millions of yen)	72,542	155,901	267,286	305,591
Profit attributable to owners of parent (millions of yen)	45,041	88,108	159,424	176,442
Net income per share (yen)	58.11	113.66	206.31	229.92

(Accounting period)	1st quarter	2nd quarter	3rd quarter	4th quarter
Net income per share (yen)	58.11	55.55	92.87	22.65

2. Financial statements, etc.

(1) Financial statements

(i) Balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	40,038	15,265
Electronically recorded monetary claims - operating	3,811	5,799
Accounts receivable - trade *1	233,331	217,323
Finished goods	41,850	43,760
Work in process	14,947	35,742
Raw materials and supplies	31,601	40,312
Advance payments to suppliers	6,687	5,741
Prepaid expenses	4,859	5,664
Short-term loans receivable *1	103,015	124,608
Current portion of long-term loans receivable *1	10,000	10,000
Accounts receivable - other *1	29,624	22,446
Other	9,346	9,659
Total current assets	529,115	536,324
Non-current assets		
Property, plant and equipment		
Buildings	77,349	74,593
Structures	8,528	7,928
Machinery and equipment	59,461	59,990
Vehicles	718	932
Tools, furniture and fixtures	12,620	17,084
Land	197,138	217,667
Leased assets	392	109
Construction in progress	23,895	18,589
Total property, plant and equipment	380,105	396,897
Intangible assets		
Software	8,767	27,909
Other	55	54
Total intangible assets	8,823	27,964
Investments and other assets		
Investment securities	127,791	189,745
Shares of subsidiaries and associates	248,608	248,483
Investments in capital	974	987
Investments in capital of subsidiaries and associates	43,508	42,687
Long-term loans receivable *1	173,874	176,259
Long-term prepaid expenses	1,273	532
Deferred tax assets	13,293	—
Other *1	3,873	3,801
Allowance for doubtful accounts	(2,290)	(2,138)
Total investments and other assets	610,908	660,358
Total non-current assets	999,837	1,085,219
Total assets	1,528,953	1,621,544

(Millions of yen)

		As of March 31, 2023		As of March 31, 2024
Liabilities				
Current liabilities				
Electronically recorded obligations - operating	*1	19,522	*1	23,845
Accounts payable - trade	*1	238,641	*1	219,751
Short-term borrowings		—		60,000
Current portion of long-term borrowings		40,000		40,000
Lease liabilities		407		34
Accounts payable - other	*1	8,168	*1	15,137
Accrued expenses	*1	61,306	*1	64,102
Income taxes payable		3,105		1,936
Advances received	*1	2,330	*1	2,560
Deposits received	*1	24,803	*1	24,856
Unearned revenue		706		840
Provision for product warranties		3,822		5,258
Provision for bonuses		10,958		10,648
Provision for bonuses for directors (and other officers)		183		172
Other		902		592
Total current liabilities		414,859		469,736
Non-current liabilities				
Bonds payable		80,000		80,000
Long-term borrowings		60,000		20,000
Lease liabilities		23		84
Provision for retirement benefits		47,688		45,311
Provision for share awards for directors (and other officers)		887		1,517
Provision for product warranties		2,718		4,953
Asset retirement obligations		2,566		2,579
Deferred tax liabilities		—		774
Deferred tax liabilities for land revaluation		41,266		41,266
Guarantee deposits received	*1	458	*1	458
Other		7,442		9,055
Total non-current liabilities		243,051		205,999
Total liabilities		657,910		675,736
Net assets				
Shareholders' equity				
Share capital		40,644		40,644
Capital surplus				
Legal capital surplus		49,855		49,855
Total capital surplus		49,855		49,855
Retained earnings				
Other retained earnings				
Retained earnings brought forward		658,080		743,606
Total retained earnings		658,080		743,606
Treasury shares		(3,202)		(53,099)
Total shareholders' equity		745,378		781,006
Valuation and translation adjustments				
Valuation difference on available-for-sale securities		41,507		80,909
Deferred gains or losses on hedges		204		(60)
Revaluation reserve for land		83,952		83,952
Total valuation and translation adjustments		125,664		164,800
Total net assets		871,042		945,807
Total liabilities and net assets		1,528,953		1,621,544

(ii) Statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
Net sales	*1	1,306,768	*1	1,318,030
Cost of sales	*1	1,159,536	*1	1,177,920
Gross profit		147,232		140,110
Selling, general and administrative expenses	*1, *2	113,292	*1, *2	125,686
Operating profit		33,940		14,423
Non-operating income				
Interest income	*1	1,785	*1	1,659
Dividend income	*1	162,865	*1	145,922
Foreign exchange gains		266		68
Other	*1	715	*1	571
Total non-operating income		165,632		148,220
Non-operating expenses				
Interest expenses	*1	677	*1	628
Litigation settlement		36		47
Currency option costs		953		1,707
Compensation expenses	*1	1,578	*1	369
Other	*1	1,403	*1	2,164
Total non-operating expenses		4,649		4,917
Ordinary profit		194,923		157,726
Extraordinary income				
Gain on sale of non-current assets		1		1
Gain on sale of shares of subsidiaries and associates		103		–
Gain on sale of investment securities		3,332		1,738
Total extraordinary income		3,437		1,740
Extraordinary losses				
Loss on disposal of non-current assets		729		1,051
Impairment losses		0		2
Loss on valuation of investments in capital of subsidiaries and associates		–		821
Loss on valuation of investment securities		152		–
Loss on sale of investment securities		–		158
Total extraordinary losses		882		2,034
Profit before income taxes		197,478		157,432
Income taxes - current		11,178		8,437
Income taxes - deferred		(350)		(3,388)
Total income taxes		10,827		5,049
Profit		186,650		152,383

[Manufacturing cost details]

		Previous fiscal year (From April 1, 2022 to March 31, 2023)		Current fiscal year (From April 1, 2023 to March 31, 2024)	
Category	Notes	Amount (millions of yen)	Composition ratio (%)	Amount (millions of yen)	Composition ratio (%)
I. Raw material expenses		942,881	81.0	989,082	80.9
II. Labor costs	*1	74,394	6.4	75,029	6.1
III. Expenses	*2	147,251	12.6	159,187	13.0
Total manufacturing expenses		1,164,527	100.0	1,223,299	100.0
Work-in-process inventory at the beginning of period		11,605		14,947	
Transfer from other account	*3	0		80	
Total		1,176,134		1,238,327	
Work-in-process inventory at the end of the period		14,947		35,742	
Payment to other account	*4	15,750		19,385	
Cost of products manufactured		1,145,436		1,183,198	

Previous fiscal year		Current fiscal year	
(1) Footnote	(millions of yen)	(1) Footnote	(millions of yen)
*1 Of which, provision for retirement benefits	3,571	*1 Of which, provision for retirement benefits	2,889
Of which, provision for bonuses	8,755	Of which, provision for bonuses	8,350
*2 Components of major expenses		*2 Components of major expenses	
Depreciation and amortization	26,418	Depreciation and amortization	29,908
*3 Transfer from other account		*3 Transfer from other account	
Merchandise and finished goods	0	Merchandise and finished goods	80
*4 Payment to other account		*4 Payment to other account	
Selling, general and administrative expenses	14,075	Selling, general and administrative expenses	17,369
Construction in progress, etc.	684	Construction in progress, etc.	562
Other	990	Other	1,454
Total	15,750	Total	19,385

(2) Method of calculating costs

Process costs are calculated using estimated costs by process and by class.

1. Material expenses are calculated by setting the estimated costs for raw materials and products, and all payments and receipts during the period are made using estimated costs.
2. Processing expenses are allocated based on the actual person-hours using estimated rates.
3. Cost differences are adjusted at the end of the period.

(iii) [Statement of changes in net assets]

Previous fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

(millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of period	40,644	49,855	49,855	528,182	528,182	(3,259)	615,422
Changes during period							
Dividends of surplus				(56,752)	(56,752)		(56,752)
Profit				186,650	186,650		186,650
Purchase of treasury shares						(38)	(38)
Disposal of treasury shares						96	96
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	129,897	129,897	57	129,955
Balance at end of period	40,644	49,855	49,855	658,080	658,080	(3,202)	745,378

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	53,355	(1,102)	83,952	136,205	751,628
Changes during period					
Dividends of surplus					(56,752)
Profit					186,650
Purchase of treasury shares					(38)
Disposal of treasury shares					96
Net changes in items other than shareholders' equity	(11,847)	1,306	—	(10,541)	(10,541)
Total changes during period	(11,847)	1,306	—	(10,541)	119,414
Balance at end of period	41,507	204	83,952	125,664	871,042

Current fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

(millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of period	40,644	49,855	49,855	658,080	658,080	(3,202)	745,378
Changes during period							
Dividends of surplus				(66,857)	(66,857)		(66,857)
Profit				152,383	152,383		152,383
Purchase of treasury shares						(50,012)	(50,012)
Disposal of treasury shares						115	115
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	85,526	85,526	(49,897)	35,628
Balance at end of period	40,644	49,855	49,855	743,606	743,606	(53,099)	781,006

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	41,507	204	83,952	125,664	871,042
Changes during period					
Dividends of surplus					(66,857)
Profit					152,383
Purchase of treasury shares					(50,012)
Disposal of treasury shares					115
Net changes in items other than shareholders' equity	39,401	(265)		39,136	39,136
Total changes during period	39,401	(265)	—	39,136	74,764
Balance at end of period	80,909	(60)	83,952	164,800	945,807

Notes

(Significant accounting policies)

1. Valuation standards and methods for assets

(1) Valuation standards and methods for securities

(i) Shares of subsidiaries and shares of affiliates

Stated at cost by using the moving average method (write-downs have been recorded for some shares)

(ii) Available-for-sale securities

Securities other than non-marketable securities, etc.: Stated at fair value (any valuation difference is directly included in net assets, and cost of securities sold is calculated by the moving average method)

Non-marketable securities, etc.: Stated at cost by using the moving average method

(2) Valuation standards and methods for derivatives

Stated at fair value

(3) Valuation standards and methods for inventory assets

Finished goods, work in process, raw materials and supplies

Stated at cost determined by the gross average method (Balance sheet values are measured by the method of writing down the book value to reflect decreases in profitability)

2. Depreciation and amortization methods for non-current assets

(1) Property, plant and equipment (excluding leased assets)

Straight-line method. Assets with an acquisition cost of 100 thousand yen or more and less than 200 thousand yen are depreciated equally over three years.

Main useful lives are as follows.

Buildings and structures	3 to 65 years
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Machinery, equipment and vehicles	3 to 15 years
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(2) Intangible assets (excluding leased assets)

Straight-line method. "Software," included in intangible assets, is amortized by the straight-line method based on its useful life as internally determined (5 to 15 years).

(3) Leased assets

Leased assets related to finance lease transactions without transfer of ownership are depreciated over the lease contract's lifetime by the straight-line method. In addition, the residual value is the guaranteed residual value if a guaranteed residual value has been arranged under the lease agreement, and in other cases the residual value is zero.

3. Standards for translating significant foreign-currency-denominated assets or liabilities into Japanese yen

Foreign-currency-denominated monetary claims and liabilities are translated into Japanese yen by using the spot exchange rate of a financial closing date, and translation differences are accounted for as a gain or loss.

4. Basis for provisions and allowances

(1) Allowance for doubtful accounts

With a view to providing for bad debt losses on account receivables and loan receivables, etc., and bad debt expenses, the Company provides estimated irrecoverable amount based on the historical default rate for normal receivables and through the individual examination of recoverability for particular receivables such as claims to obligors with high possibility of business failure.

(2) Provision for bonuses

To prepare for paying bonuses to employees, a provision for bonuses is recorded in an estimated payment amount required to be assumed for the current fiscal year.

(3) Provision for bonuses for directors (and other officers)

To prepare for paying bonuses to directors, a provision for bonuses for directors (and other officers) is recorded in an estimated payment amount required to be assumed for the current fiscal year.

(4) Provision for product warranties

Provision for product warranties is provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts. The provision is calculated based on past experience.

(5) Provision for retirement benefits

To provide for payments of retirement benefits to employees, an amount recognized at the end of the current fiscal year based on the projected retirement benefit obligations and pension assets is recorded at the end of the said fiscal year. Upon calculating retirement benefit obligations, the method of attributing the projected amount of payments of retirement benefits to the period up to the end of the fiscal year is based on the benefit formula method. Past service cost is amortized using the straight-line method over a period (one year) less than the average remaining years of service of eligible employees.

Actuarial gain or loss is amortized using the straight-line method over periods shorter than the average remaining years of service of eligible employees (10 years) from the following fiscal year of incurrence.

(6) Provision for share awards for directors (and other officers)

Provision for share awards for directors (and other officers) is provided in an amount estimated to cover the payment of Company stock benefits to Directors of the Board, etc. during the current fiscal year.

5. Hedge accounting

(1) Hedge accounting method

Forward foreign exchange contracts and currency options

Designated hedge accounting (*furiate-shori*) is adopted (except transactions which do not fulfill the required conditions).

Interest rate swaps and interest rate options

Deferral hedge accounting or exceptional accounting method specified in the Accounting Standard for Financial Instruments is adopted.

(2) Hedging instruments and hedged items

Hedging instruments

Interest rate swaps and interest rate options

Forward foreign exchange contracts and currency options

Hedged items

Receivables and payables denominated in foreign currencies, and borrowings

(3) Hedging policy

The Company utilizes derivative financial instruments to avoid risks related to future fluctuations of market prices, within the limits of receivables and payables denominated in foreign currencies and borrowings.

(4) Method of assessing hedge effectiveness

The Company determines hedge effectiveness by comparing the cumulative changes in cash flows from hedging instruments with those from hedged items.

However, this assessment excludes the effectiveness of interest rate swaps accounted for by exceptional accounting method.

(5) Other

The Company has a bylaw on derivative transactions and executes its transactions and risk management based on this bylaw, which stipulates policies, procedures, retention limits, and reporting systems.

6. Recognition of revenue and expenses

The Company's principal business activities domestically and overseas are CVs, such as heavy-duty trucks /buses (hereinafter, "Heavy-duty (and medium-duty) vehicles"), light-duty trucks (hereinafter "Light-duty vehicles"), as well as powertrains (hereinafter, "Engines and components") which consist of parts for overseas production and engines, transmissions and driveline components, as well as the sale of parts.

The Company recognizes revenue from domestic sales of Heavy-duty (and medium-duty) vehicles, Light-duty vehicles, Engines and components as well as parts, etc. at the time of delivery when the customer obtains control of the product, and the performance obligation is satisfied.

The Company recognizes revenue from overseas sales of Heavy-duty (and medium-duty) vehicles, Light-duty vehicles, parts for overseas production, Engines and components as well as parts, etc. principally at the time of delivery when the customer obtains control of the product and the performance obligation is satisfied, at the time of shipment, etc.

7. Other significant matters for the preparation of non-consolidated financial statements

Accounting related to retirement benefits

The method of accounting for unrecognized actuarial gains or losses and unrecognized prior service costs relating to retirement benefits differs from the method of accounting for these items in the consolidated financial statements.

(Significant accounting estimates)

1. Obligations related to field measures (recalls, etc.)

(1) Amounts recorded on the financial statements for the current fiscal year

	(millions of yen)	
	Previous fiscal year	Current fiscal year
Accrued expenses related to field measures (recalls, etc.)	6,207	8,553

(2) Information related to the contents of significant accounting estimates for the identified item

Description on the calculation method for the amounts in (1) is omitted since the same content is stated in "Notes (Significant accounting estimates)" in the consolidated financial statements.

2. Impairment of shares, etc. of subsidiaries and associates

(1) Amounts recorded on the financial statements for the current fiscal year

	(millions of yen)	
Investee	Previous fiscal year	Current fiscal year
Investment of manufacturing subsidiary based in China	14,731	14,731

(2) Information related to the contents of significant accounting estimates for the identified item

The Company makes business investments in various countries including emerging nations. For shares, etc. of subsidiaries and associates, if the actual values significantly decline due to a deterioration in the financial standing of the issuing companies, and when their recoverability cannot be substantiated by sufficient evidence, the Company recognizes impairment of shares, etc. of subsidiaries and associates and records them based on their actual values on the balance sheet.

Accrual values of shares, etc. of subsidiaries and associates are, in principle, calculated by multiplying net assets per share by the number of shares held by the Company. Net assets per share are calculated based on the latest financial statements of the issuing companies prepared in accordance with accounting principles generally accepted in the respective countries, plus subsequent items with significant impact on their financial positions, with valuation difference, etc. taken into account based on the fair values of the assets.

When an actual value of shares, etc. of subsidiaries and associates falls to 50% or more of the acquisition price, the Company recognizes a significant decline in the actual value.

If it is necessary to determine recoverability, the Company does so based on business plans and other factors. Assumptions that may have a significant impact on the estimation of business plans in determining recoverability include sales forecasts. The Company updates these assumptions on an ongoing basis based on the latest information available.

As a result of examining recoverability, the acquisition price of shares, etc. of subsidiaries and associates, of which actual values have significantly declined and their recoverability was not substantiated by sufficient evidence, is reduced to the actual value.

In the current fiscal year, there were no significant shares, etc. of subsidiaries and associates whose actual values have significantly declined for which an examination of recoverability was necessary.

Demand for vehicles is strongly affected by economic conditions. As such, if economies decelerate and cause total demand in the market to decrease, leading to poor performance of investees in the future, the Company may be required to record an impairment loss.

(Additional information)

(Performance-linked share-based remuneration plan)

Description on the transaction for issuing own company's shares through a trust to Directors of the Board, etc. is omitted since the same content is stated in "Notes (Additional information)" in the consolidated financial statements.

(Acquisition and cancellation of treasury shares)

Description on the transaction for acquisition and cancellation of treasury shares is omitted since the same content is stated in "Notes (Additional information)" in the consolidated financial statements.

(Balance sheet)

*1 Assets and liabilities regarding subsidiaries and associates

The amounts of monetary claims from and liabilities to subsidiaries and associates other than those classified and presented are as follows.

	(millions of yen)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
(Assets)		
Short-term monetary claims	328,552	347,749
Long-term monetary claims	173,925	176,426
(Liabilities)		
Short-term monetary obligations	112,563	106,172
Long-term monetary obligations	208	208

- 2 The Company enters into lending commitment contracts with corresponding banks to efficiently procure working capital. The unused loan balance at the end of the fiscal year based on such contracts is shown below.

	(millions of yen)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Total lending commitment	180,000	180,000
Outstanding loan balance	—	60,000
Net	180,000	120,000

(Statement of income)

*1 Transactions with subsidiaries and associates

	(millions of yen)	
	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Amount of transactions through business transactions		
Net sales	1,138,033	980,801
Purchase of goods	368,954	433,146
Selling, general and administrative expenses	131,604	66,612
Amount of transactions other than business transactions	159,407	131,543

- *2 The approximate ratio of expenses that fall under selling expenses was 50% in the previous fiscal year and 50% in the current fiscal year while that for those falling under general and administrative expenses was 50% in the previous fiscal year and 50% in the current fiscal year.

Major items under selling, general and administrative expenses and their amounts are as follows.

	(millions of yen)	
	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Transportation costs	28,334	20,714
Promotion expenses	6,699	5,327
Unpaid repair expenses	8,558	14,264
Provision for product warranties	4,356	8,676
Salaries and allowances	9,666	11,198
Provision for bonuses	2,202	2,297
Provision for share awards for directors (and other officers)	555	748
Provision for bonuses for directors (and other officers)	183	172
Provision for retirement benefits	669	604
Depreciation and amortization	4,001	4,561
Outsourcing expenses	11,456	14,317
Research and development expenses	14,075	17,303

(Securities)

Shares of subsidiaries and shares of affiliates

Previous fiscal year (As of March 31, 2023)

(millions of yen)

Category	Carrying amount on the balance sheet	Fair value	Difference
Shares of subsidiaries	7,921	10,799	2,877
Shares of affiliates	8,613	24,969	16,356
Total	16,534	35,768	19,233

Current fiscal year (As of March 31, 2024)

(millions of yen)

Category	Carrying amount on the balance sheet	Fair value	Difference
Shares of subsidiaries	—	—	—
Shares of affiliates	8,613	30,803	22,190
Total	8,613	30,803	22,190

(Note) Carrying amounts on the balance sheet of the shares of subsidiaries and shares of affiliates for which there is no market price

(millions of yen)

Category	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Shares of subsidiaries	212,965	220,762
Shares of affiliates	19,107	19,107

These items are not included in the above table “Shares of subsidiaries and shares of affiliates” as they have no market prices.

(Tax effect accounting)

1. Breakdown by major cause of deferred tax assets and deferred tax liabilities

	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
(millions of yen)		
Deferred tax assets		
Recording of estimated accrued expenses	5,968	6,432
Provision for product warranties	2,000	3,122
Provision for bonuses	3,407	3,256
Accrued enterprise tax	636	409
Write-down on inventories	1,151	1,256
Provision for retirement benefits	14,583	13,856
Write-down on investments	13,213	13,657
Asset retirement obligations	683	1,061
Other	7,694	10,137
Valuation allowance	(17,307)	(17,824)
Total deferred tax assets	32,030	35,362
Deferred tax liabilities		
Valuation difference on available-for-sale securities	17,389	34,867
Retirement expenses associated with asset retirement obligations	735	634
Dividend income	612	635
Total deferred tax liabilities	18,736	36,136
Deferred tax assets (liabilities), net	13,293	(774)

2. Reconciliation of significant differences between the statutory effective tax rate and the actual effective rate of income taxes after application of deferred tax accounting

	(%)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Statutory tax rate	30.6	30.6
(Adjustment)		
Changes in valuation allowance	0.3	0.2
Foreign withholding tax	2.9	3.9
Exclusion from gross profits of dividends received	(23.6)	(26.1)
Tax deduction	(5.1)	(6.6)
Other	0.5	1.2
Actual effective tax rate after application of tax effect accounting	5.5	3.2

(Revenue recognition)

Description on information to provide a basis for understanding revenue from contracts with customers is omitted since the same content is stated in “Notes (Revenue recognition)” in the consolidated financial statements.

(Significant subsequent events)

Not applicable.

(iv) Supplementary schedules

Schedule on property, plant and equipment, etc.

(millions of yen)

Category	Type of assets	Balance at beginning of period	Increase during the period	Decrease during the period	Depreciation/amortization during the period	Balance at end of the current period	Accumulated depreciation/amortization
Property, plant and equipment	Buildings	77,349	2,755	(-) 30	5,481	74,593	125,584
	Structures	8,528	348	(-) 0	947	7,928	33,311
	Machinery and equipment	59,461	15,040	(0) 142	14,369	59,990	303,515
	Vehicles	718	578	(-) 1	364	932	4,953
	Tools, furniture and fixtures	12,620	13,574	(1) 16	9,091	17,084	95,350
	Land	[125,218]	—	[—] (—)	—	[125,218]	—
		197,138	20,529	—	—	217,667	—
	Leased assets	392	107	(-) 49	340	109	115
	Construction in progress	23,895	51,508	(2) 56,813	—	18,589	—
	Total	380,105	104,442	(3) 57,054	30,595	396,897	562,830
Intangible assets	Software	8,767	32,455	9,256	4,057	27,909	51,786
	Other	55	—	—	1	54	441
	Total	8,823	32,455	9,256	4,059	27,964	52,227

- (Notes)
- The amount of decrease in construction in progress is mainly due to the transfer to property, plant and equipment.
 - Major components of increase
 - Buildings: Fujisawa Plant 1,528 million yen; Tochigi Plant 962 million yen; Head Office 265 million yen
 - Machinery and equipment: Fujisawa Plant 11,499 million yen; Tochigi Plant 3,496 million yen; Head Office 44 million yen
 - Tools, furniture and fixtures: Fujisawa Plant 11,862 million yen; Tochigi Plant 558 million yen; Head Office 711 million yen
 - Software: Fujisawa Plant 1,944 million yen; Tochigi Plant 29 million yen; Head Office 4,361 million yen
 - Major components of decrease
 - Decrease during the period includes impairment losses on non-current assets of 3 million yen.
 - Figures in parentheses under “Decrease during the period” reflect the amount of impairment loss recognized.
 - Figures in parentheses under “Land” reflect the amount of land revaluation associated with the revaluation of land for business use based on “the Act on Partial Amendment to the Act on Revaluation of Land (Act No. 24, March 31, 1999).”

Schedule of allowances

(millions of yen)

Category	Balance at beginning of period	Increase during the period	Decrease during the period	Balance at end of the current period
Allowance for doubtful accounts	2,290	—	151	2,138
Provision for bonuses	10,958	10,648	10,958	10,648
Provision for bonuses for directors (and other officers)	183	172	183	172
Provision for product warranties	6,541	8,676	5,006	10,211
Provision for share awards for directors (and other officers)	887	755	125	1,517

(2) Contents of major assets and liabilities

Disclosure is omitted since consolidated financial statements have been prepared.

(3) Other

Not applicable.

VI. Outline of Share-related Administration of Reporting Company

Business term	From April 1 to March 31
Annual general meeting of shareholders	In June
Record date	March 31
Record date of dividends of surplus	March 31, September 30
Number of shares per unit	100
Purchase of shares less than one unit	
Place of handling	(Special account) Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Shareholder registry administrator	(Special account) Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Agency site	_____
Purchase commission	Free
Method of public notification	Public notices will be issued electronically. However, if electronic public notification cannot be made due to an accident or other unavoidable circumstances, we will publish notices in the <i>Nihon Keizai Shimbun</i> . Public notification URL https://www.isuzu.co.jp/company/investor/
Benefits for shareholders	Not applicable.

VII. Reference Information on Reporting Company

1. Information about parent company, etc. of reporting company

The Company has no parent company, etc. provided for in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. Other reference information

The Company has submitted the following documents from the starting date of the current fiscal year to the date of submission of the securities report.

1. Securities Report and accompanying documents and confirmation letter

Fiscal year (121st term) (from April 1, 2022 to March 31, 2023): Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2023.

2. Internal Control Report and accompanying documents

Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2023.

3. Extraordinary Report

Submitted an Extraordinary Report provided for in Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and in Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. to the Director-General of the Kanto Local Finance Bureau on July 3, 2023.

4. Quarterly Report and confirmation letter

First quarter of the 122nd term (from April 1, 2023 to June 30, 2023): Submitted to the Director-General of the Kanto Local Finance Bureau on August 10, 2023.

5. Extraordinary Report

Submitted an Extraordinary Report provided for in Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and in Article 19, Paragraph 2, Item 12 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. to the Director-General of the Kanto Local Finance Bureau on August 25, 2023.

6. Shelf Registration Statement and accompanying documents

Submitted to the Director-General of the Kanto Local Finance Bureau on September 29, 2023.

7. Quarterly Report and confirmation letter

Second quarter of the 122nd term (from July 1, 2023 to September 30, 2023): Submitted to the Director-General of the Kanto Local Finance Bureau on November 13, 2023.

8. Share Buyback Report

Submitted to the Director-General of the Kanto Local Finance Bureau on December 7, 2023.

9. Share Buyback Report

Submitted to the Director-General of the Kanto Local Finance Bureau on January 11, 2024.

10. Share Buyback Report

Submitted to the Director-General of the Kanto Local Finance Bureau on February 7, 2024.

11. Quarterly Report and confirmation letter

Third quarter of the 122nd term (from October 1, 2023 to December 31, 2023): Submitted to the Director-General of the Kanto Local Finance Bureau on February 13, 2024.

12. Share Buyback Report

Submitted to the Director-General of the Kanto Local Finance Bureau on March 7, 2024.

13. Extraordinary Report

Submitted an Extraordinary Report provided for in Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and in Article 19, Paragraph 2, Item 12 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. to the Director-General of the Kanto Local Finance Bureau on March 15, 2024.

14. Amended Shelf Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau on March 15, 2024.

15. Share Buyback Report

Submitted to the Director-General of the Kanto Local Finance Bureau on April 5, 2024.

16. Extraordinary Report

Submitted an Extraordinary Report provided for in Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and in Article 19, Paragraph 2, Item 3 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. to the Director-General of the Kanto Local Finance Bureau on April 26, 2024.

17. Amended Shelf Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau on April 26, 2024.

Part II. Information about Reporting Company's Guarantor, etc.

Not applicable.

(For Translation Purposes Only)
Independent Auditor's Audit Report and Internal Control Audit Report

June 26, 2024

To Board of Directors of ISUZU MOTORS LIMITED

Ernst & Young ShinNihon LLC
Tokyo Office
Kiomi Horikoshi [Seal]
Certified Public Accountant
Designated Engagement Partner
Engagement Partner
Atsushi Suganuma [Seal]
Certified Public Accountant
Designated Engagement Partner
Engagement Partner
Keiichiro Ochi [Seal]
Certified Public Accountant
Designated Engagement Partner
Engagement Partner

Audit of the Consolidated Financial Statements

Opinion

In order to perform the audit certification pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of ISUZU MOTORS LIMITED listed in the "Financial Information" for the fiscal year commencing on April 1, 2023 and ending on March 31, 2024, which are comprised of the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in net assets, consolidated statement of cash flows, significant matters that serve as the basis for the preparation of consolidated financial statements, other notes and consolidated supplementary schedules.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position as of March 31, 2024 along with the results of operations and the status of cash flows for the accounting year ended on the said date of the corporate group, which consists of the Company and its consolidated subsidiaries, in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters are those matters that, in the auditor's professional judgment, were determined to be of most significance in the audit of the consolidated financial statements of the current fiscal year. Key Audit Matters are those matters that were addressed in the course of conducting audits of the consolidated financial statements as a

whole and forming the auditor's opinion, and we communicate those matters not with the intention to present a separate opinion on individual matters.

Obligations related to field measures such as recalls	
Contents of Key Audit Matters and reason for determining them as Key Audit Matters	Audit considerations
<p>As stated in "Notes (Significant accounting estimates)," accrued expenses of 14,308 million yen (0.8% of total liabilities) were recorded as obligations related to field measures such as recalls on the consolidated balance sheet of the current fiscal year.</p> <p>The Company estimates and records costs for recalls and other market measures expected to occur in the future as the Company is required to make advance notification to the respective government agencies and then collect and repair its products, in the event that there is an issue in the design and manufacturing process, or the structure of a vehicle body does not meet safety standards or is likely to fail to meet the standards.</p> <p>As stated in "Notes (Significant accounting estimates)," the obligations related to field measures such as recalls are calculated using key assumptions, which are an estimated number of vehicles for each case and an amount of field measures by vehicle.</p> <p>The estimated number of vehicles is calculated by considering a percentage of unpaid repair work done individually, among other things, with regard to a vehicle recall count based on notifications, etc. submitted to competent government agencies.</p> <p>The amount of field measure per vehicle is calculated by estimating the costs of parts, operation person-hours, etc. that are deemed necessary for conducting unpaid repairs for respective cases based on notifications, etc. to a competent government agency.</p> <p>Since these key assumptions involve uncertainties and require judgment by the management, we determined the matter as a Key Audit Matter.</p>	<p>We performed the following accounting procedures to evaluate the obligations related to field measures such as recalls.</p> <ul style="list-style-type: none"> ● In evaluating uncertainties in estimates of obligations, reviewed the notifications, etc. submitted to a competent government agency and examined the estimated implementation rates of the Company with respect to the estimated number of vehicles. ● In evaluating uncertainties in estimates of obligations, obtained estimation documentation related to unpaid repairs for each case and examined the reasonableness of estimates with respect to the amount of field measure by vehicle. ● In evaluating uncertainties in estimates of obligations, compared the implementation rates of unpaid repairs for each case and the estimated amount of field measure by vehicle in the past fiscal year with the actual results. ● In examining whether obligations are comprehensively recorded, reviewed the minutes of the Quality Assurance & Customer Satisfaction Improvement Committee meetings on major field measures such as recalls held up to the date of the audit report. ● Instructed the auditors of major consolidated subsidiaries to perform the audit procedures related to estimating the expenses of field measures such as recalls and received reports on the results of audit procedures implemented to evaluate whether sufficient and appropriate audit evidence was obtained.

Impairment of property, plant and equipment of the Company's engine manufacturing subsidiary based in China	
Contents of Key Audit Matters and reason for determining them as Key Audit Matters	Audit considerations
<p>The balance of property, plant and equipment in the consolidated balance sheet at the end of the current fiscal year is 975,694 million yen, accounting for 29.9% of total assets. In China, changes in the economic environment have led to changes in the outlook for engine sales, and uncertainty is increasing.</p> <p>Under these changes in the environment, as described in Notes (Significant accounting estimates), the Company identified indications of impairment of the property, plant and equipment of the Company's engine manufacturing subsidiary based in China (hereinafter "the subsidiary") and calculated the recoverable amount.</p> <p>The recoverable amount of property, plant and equipment of the subsidiary is calculated based on the value in use. The value in use is calculated as the discounted present value of future cash flows, and the key assumptions in the estimates are future sales forecasts and a discount rate.</p> <p>As a result of the above, as described in Notes (Consolidated statement of income), the Company recorded an impairment loss of 3,984 million yen on property, plant and equipment of the subsidiary in the current fiscal year due to a decline in profitability.</p> <p>Since the above key assumptions in estimating the value in use are subject to uncertainty, and require management's judgement, we decided to recognize the matter as a Key Audit Matter.</p>	<p>We mainly conducted the following audit procedures in assessing value-in-use estimates in relation to recognition and measurement of the impairment loss on property, plant and equipment of the subsidiary. In addition, we engaged the auditors of the subsidiary as necessary to perform the following procedures.</p> <ul style="list-style-type: none"> ● We compared the estimated period for future cash flows with the economic useful life of major assets and the business licensing period. ● We assessed the consistency of future cash flows with the business plan approved by management. ● By comparing business plans for previous years with actual results, we evaluated the effectiveness of management's estimation process for developing the business plan. ● In relation to future sales forecasts, we held discussions with management and compared them to market forecasts and available external data. ● We engaged experts from our network firm to evaluate the value-in-use valuation model and the discount rate.

Other contents

Other contents are information in the Securities Report other than the consolidated financial statements and the financial statements along with the audit report for these statements. Management is responsible for creating and disclosing other contents. In addition, the Audit and Supervisory Committee is responsible for monitoring the execution of duties by the Directors of the Board in the development and operation of the reporting process for the other contents.

The subject of our audit opinion on the consolidated financial statements does not include the other contents, and we do not express an opinion on the other contents.

Our responsibility in auditing consolidated financial statements is to read through the other contents, and in the process of reading, consider whether there is any significant difference between the other contents and the consolidated financial statements or the knowledge gained through the process of auditing, and also pay attention as to whether there are any other signs of material error in the other contents other than such significant differences.

If we determine that there is a material error in the other contents based on the work performed, we are required to report the fact.

There are no matters to be reported by us regarding the other contents.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting principles generally accepted in Japan. This includes being responsible for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing the matters relating to a going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors of the Board's duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit performed. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures that have been taken to remove obstacles or safeguards that have been put in place to reduce obstacles to an acceptable level.

The auditor determines, among the matters discussed with the Audit and Supervisory Committee, such matters considered to be particularly important in the audit of the consolidated financial statements for the current fiscal year as key audit matters, and states them in the audit report. However, in the cases where the disclosure of any such matter is prohibited under laws and regulations, etc. or, in some exceptional cases, the auditor determines that the matter should not be reported since it is reasonably expected that the disadvantage arising from reporting in an audit report exceeds the public interest, such matter shall not be stated.

Internal Control Audit

Opinion

In order to perform the audit certification pursuant to the provision of Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act, we audited the internal control report of ISUZU MOTORS LIMITED as of March 31, 2024.

In our opinion, the aforesaid internal control report in which ISUZU MOTORS LIMITED states that its internal control over financial reporting as of March 31, 2024 is effective, presents fairly, in all material respects, the results of assessment of internal control over financial reporting in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for the Opinion

We conducted our audit of internal control in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibility under the auditing standards for internal control over financial reporting is stated in "Auditor's Responsibility for the Audit of Internal Control." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management and the Audit and Supervisory Committee for the Internal Control Report

Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the internal control report in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring and verification of the design and operation of internal control over financial reporting.

It is possible that internal control over financial reporting may not be able to completely prevent or detect false statements in financial reporting.

Auditor's Responsibility for the Audit of Internal Control

Our responsibility is to obtain reasonable assurance about whether the internal control report is free from material misstatement and to express an opinion on the internal control report from an independent standpoint in an internal control audit report, based on our audit of internal control performed.

We make professional judgment in the audit process in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Implement audit procedures to obtain audit evidence with respect to the results of assessment of internal control over financial reporting in the internal control report. The audit procedures for the internal control audit shall be selected and applied as determined by the auditor based on the significance of impact on the reliability of financial reporting.
- Examine the presentation of internal control report as a whole, including statements of management with respect to the scope of assessment of internal control over financial reporting, assessment procedures and assessment results.
- Obtain sufficient and appropriate audit evidence regarding the results of assessment of internal control over financial reporting in the internal control report. The auditor is responsible for instructing, supervising, and implementing the audit of the internal control report, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned internal control audit, results of the internal control audit performed, material weaknesses in internal control identified in the course of audit that should be disclosed and results of correction thereof, and other matters required under the auditing standards for internal control.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures that have been taken to remove obstacles or safeguards that have been put in place to reduce obstacles to an acceptable level.

Remuneration

Remuneration for audit attestation services and non-audit services for the Company and its subsidiaries, to our firm and others in the same network as our firm, is described in (3) Status of audits under 4. Status of corporate governance, etc. of IV. Status of Company Submitting Annual Securities Report.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

(Notes) 1. The original of the audit report above is separately stored by the Company (company submitting the securities report).
2. The XBRL data is not in the scope of the audit.

(For Translation Purposes Only)
Independent Auditor's Report

June 26, 2024

To Board of Directors of ISUZU MOTORS LIMITED

Ernst & Young ShinNihon LLC
Tokyo Office
Kiomi Horikoshi [Seal]
Certified Public Accountant
Designated Engagement Partner
Engagement Partner
Atsushi Suganuma [Seal]
Certified Public Accountant
Designated Engagement Partner
Engagement Partner
Keiichiro Ochi [Seal]
Certified Public Accountant
Designated Engagement Partner
Engagement Partner

Audit of Financial Statements

Opinion

In order to perform the audit certification pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the financial statements of ISUZU MOTORS LIMITED listed in the "Financial Information" for the 122nd term commencing on April 1, 2023 and ending on March 31, 2024, which are comprised of the balance sheet, statement of income, statement of changes in net assets, significant accounting policies and other notes and related supplementary schedules.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position as of March 31, 2024 along with the results of operations for the fiscal year ended on the said date of ISUZU MOTORS LIMITED, in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current fiscal year. Key Audit Matters are those matters that were addressed in the course of conducting audits of the financial statements as a whole and forming the auditor's opinion, and we communicate those matters not with the intention to present a separate opinion individual matters.

Obligations related to field measures such as recalls

As stated in “Notes (Significant accounting estimates),” accrued expenses of 8,553 million yen (1.3% of total liabilities) were recorded as obligations related to field measures such as recalls on the balance sheet of the fiscal year ended March 31, 2024.

Description is omitted with respect to the above matter, since the reasons why the auditor determined the matter as a Key Audit Matter and the audit considerations made are the same as the Key Audit Matter (Obligations related to field measures such as recalls) stated in the audit report for the consolidated financial statements.

Other contents

Other contents are information in the Securities Report other than the consolidated financial statements and the financial statements along with the audit report for these statements. Management is responsible for creating and disclosing other contents. In addition, the Audit and Supervisory Committee is responsible for monitoring the execution of duties by the Directors of the Board in the development and operation of the reporting process for the other contents.

The subject of our audit opinion on the financial statements does not include the other contents, and we do not express an opinion on the other contents.

Our responsibility in auditing financial statements is to read through the other contents, and in the process of reading, consider whether there is any significant difference between the other contents and the financial statements or the knowledge gained through the process of auditing, and also pay attention as to whether there are any other signs of material error in the other contents other than such significant differences.

If we determine that there is a material error in the other contents based on the work performed, we are required to report the fact.

There are no matters to be reported by us regarding the other contents.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in Japan. This includes being responsible for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing whether it is appropriate to prepare the financial statements in accordance with the premise of a going concern, and for disclosing matters related to a going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors of the Board’s duties related to designing and operating the financial reporting process.

Auditor’s Responsibility for the Audit of the Financial Statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements from an independent standpoint in an audit report, based on our audit performed. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users of the financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity’s audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements is not to express an opinion on the effectiveness of the entity’s internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements including related notes, and whether the financial statements fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures that have been taken to remove obstacles or safeguards that have been put in place to reduce obstacles to an acceptable level.

The auditor determines, among the matters discussed with the Audit and Supervisory Committee, such matters considered to be particularly important in the audit of the financial statements for the current fiscal year ended as key audit matters, and states them in the audit report. However, in the cases where the disclosure of any such matter is prohibited under laws and regulations, etc. or, in some exceptional cases, the auditor determines that the matter should not be reported since it is reasonably expected that the disadvantage arising from reporting in an audit report exceeds the public interest, such matter shall not be stated.

Remuneration

Remuneration-related information is presented in the auditor's report for the consolidated financial statements.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

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- (Notes) 1. The original of the audit report above is separately stored by the Company (company submitting the securities report).
 2. The XBRL data is not in the scope of the audit.

[Cover page]

[Submitted document]	Internal Control Report
[Applicable law]	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Submitted to]	Director-General of the Kanto Local Finance Bureau
[Date of submission]	June 26, 2024
[Company name]	いすゞ自動車株式会社 (Isuzu Jidosha Kabushiki-Kaisha)
[Company name in English]	ISUZU MOTORS LIMITED
[Title and name of representative]	Shinsuke Minami, President and Representative Director, COO
[Title and Name of Chief Financial Officer]	Not applicable.
[Address of head office]	2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

1. Matters relating to the basic framework for internal control over financial reporting

Shinsuke Minami, President and Representative Director, COO of the Company is responsible for designing and operating internal control over financial reporting of the Company, and designs and operates internal control over financial reporting in accordance with the basic framework for internal control set forth in “On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control over Financial Reporting (Council Opinions)” published by the Business Accounting Council.

Internal control seeks to achieve its goals within a reasonable range through the organic linking and integrated functioning of the basic elements of internal control. Accordingly, it is possible that internal control over financial reporting cannot fully prevent or detect misstatements in financial reports.

2. Matters relating to the scope of assessment, the record date of assessment, and assessment procedures

The assessment of internal control over financial reporting was performed with March 31, 2024, the final day of the current fiscal year, as the record date. The assessment was performed in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan.

In conducting this assessment, we evaluated internal control (entity-level controls) that may have a material impact on overall financial reporting on a consolidated basis, and based on the results of this assessment, we selected the business processes to be evaluated. To assess these business processes, we analyzed the selected business processes, identified key controls that may have a material impact on the reliability of financial reporting, and assessed the status of design and operation of these key controls. By so doing, we evaluated the effectiveness of internal control.

We determined the necessary scope of assessment of internal control over financial reporting for the Company and its consolidated subsidiaries and affiliates accounted for using the equity method from the perspective of the materiality that may affect the reliability of financial reporting. The materiality that may affect the reliability of financial reporting is determined by taking into account the materiality of quantitative and qualitative impacts. In light of the results of assessment of entity-level controls, which covered the Company and 34 consolidated subsidiaries of the Company, we reasonably determined the scope of assessment of internal control over business processes. The consolidated subsidiaries and affiliates accounted for using the equity method that are not included in those referred to above are not included in the scope of evaluating entity-level controls as their influence is deemed to be minimal from the perspective of quantitative and qualitative materiality.

As for the scope of assessment of internal control over business processes, we selected 14 significant locations and/or business units accounting for approximately two-thirds of the consolidated net sales for the previous fiscal year when aggregating the net sales (after elimination of inter-company transactions) for the said fiscal year of each location or business unit. We included in the scope of assessment, at the selected significant business locations and/or business units, the business processes leading to net sales, accounts receivable and inventories as accounts that have a material impact on the business objectives of the Company.

Further, in addition to the selected significant locations and/or business units, we also included in the scope of assessment, as business processes having greater materiality even at other locations and business units, business processes relating to (i) greater likelihood of material misstatements and/or (ii) significant accounts involving estimates and the management’s judgment and/or (iii) a business or operation dealing with high-risk transactions, taking into account their impact on financial reporting.

3. Matters relating to the results of the assessment

As a result of the assessment described above, as of the end of the current fiscal year, we concluded that the Company’s internal control over financial reporting was effectively maintained.

4. Additional notes

Not applicable.

5. Special notes

Not applicable.

[Cover page]

[Submitted document]	Confirmation letter
[Applicable law]	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Submitted to]	Director-General of the Kanto Local Finance Bureau
[Date of submission]	June 26, 2024
[Company name]	いすゞ自動車株式会社 (<i>Isuzu Jidosha Kabushiki-Kaisha</i>)
[Company name in English]	ISUZU MOTORS LIMITED
[Title and name of representative]	Shinsuke Minami, President and Representative Director, COO
[Title and Name of Chief Financial Officer]	Not applicable.
[Address of head office]	2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

1. Matters concerning the appropriateness of the contents of the securities report

Shinsuke Minami, President and Representative Director, COO of the Company has confirmed that the contents in the securities report for the 122nd term (from April 1, 2023 to March 31, 2024) are appropriately stated pursuant to the Financial Instruments and Exchange Act.

2. Special notes

There are no particular items to be recorded.