

Annual Securities Report

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

123rd term

(from April 1, 2024
to March 31, 2025)

ISUZU MOTORS LIMITED

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

(E02143)

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Independent Auditor’s Report

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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 25, 2025
Business term	The 123rd Term (from April 1, 2024 to March 31, 2025)
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
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		International Financial Reporting Standards		
		Transition date	122nd	123rd
Year Ended		April 1, 2023	March 2024	March 2025
Revenue	(millions of yen)	–	3,404,633	3,235,648
Profit before tax	(millions of yen)	–	297,297	244,964
Profit attributable to owners of parent	(millions of yen)	–	168,996	140,062
Comprehensive income attributable to owners of parent	(millions of yen)	–	264,696	138,528
Equity attributable to owners of parent	(millions of yen)	1,232,102	1,381,942	1,372,863
Total assets	(millions of yen)	3,035,459	3,261,538	3,303,310
Equity attributable to owners of parent per share	(yen)	1,589.45	1,845.84	1,928.17
Basic earnings per share	(yen)	–	220.22	190.78
Diluted earnings per share	(yen)	–	219.95	190.75
Ratio of equity attributable to owners of parent to total assets	(%)	40.6	42.4	41.6
Return on equity attributable to owners of parent	(%)	–	12.9	10.2
Price-earnings ratio	(times)	–	9.33	10.57
Net cash provided by (used in) operating activities	(millions of yen)	–	308,738	254,059
Net cash provided by (used in) investing activities	(millions of yen)	–	(140,051)	(202,345)
Net cash provided by (used in) financing activities	(millions of yen)	–	(164,485)	(90,602)
Cash and cash equivalents at end of period	(millions of yen)	358,231	389,227	358,711
Number of employees		44,495	45,034	42,117
[Separately, average number of temporary workers]	(people)	[15,146]	[14,455]	[12,110]

- (Notes)
1. From the 123rd term, we have prepared consolidated financial statements in accordance with the International Financial Reporting Standards (“IFRS Accounting Standards”).
 2. The parenthesis appeared in cash flow represents an outflow.
 3. In computing equity attributable to owners of parent per share, basic earnings per share, and diluted earnings per share, treasury shares as well as the Company’s shares held by the trust whose beneficiaries are Directors of the Board, etc. are deducted.

Term		Japanese GAAP				
		119th	120th	121st	122nd	123rd
Year Ended		March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	(millions of yen)	1,908,150	2,514,291	3,195,537	3,386,676	3,208,084
Ordinary profit	(millions of yen)	104,265	208,406	269,872	313,039	248,231
Profit attributable to owners of parent	(millions of yen)	42,708	126,193	151,743	176,442	134,363
Comprehensive income	(millions of yen)	104,098	208,023	224,390	323,093	179,707
Net assets	(millions of yen)	1,205,013	1,394,425	1,510,232	1,659,029	1,606,413
Total assets	(millions of yen)	2,244,970	2,856,139	3,046,777	3,263,001	3,288,944
Net assets per share	(yen)	1,385.36	1,540.51	1,688.01	1,951.02	2,026.43
Net income per share	(yen)	57.91	162.87	195.75	229.92	183.02
Capital adequacy ratio	(%)	45.5	41.8	42.9	44.8	43.9
Return on equity	(%)	4.3	11.4	12.1	12.7	9.3
Price earnings ratio	(times)	20.53	9.75	8.07	8.94	11.02
Net cash provided by (used in) operating activities	(millions of yen)	222,918	172,056	227,085	298,568	217,658
Net cash provided by (used in) investing activities	(millions of yen)	(93,413)	(420,867)	(80,527)	(155,080)	(177,891)
Net cash provided by (used in) financing activities	(millions of yen)	(55,275)	186,145	(140,372)	(144,977)	(64,591)
Cash and cash equivalents at end of period	(millions of yen)	386,670	341,713	364,396	384,878	371,763
Number of employees		36,224	44,299	44,495	45,034	42,117
[Separately, average number of temporary workers]	(people)	[10,183]	[14,320]	[15,146]	[14,455]	[12,110]

- (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 whose beneficiaries are Directors of the Board, etc. 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.
 5. The figures for the 123rd term based on Japanese GAAP have not been audited in accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

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

Term		119th	120th	121st	122nd	123rd
Year Ended		March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	(millions of yen)	922,628	1,111,891	1,306,768	1,318,030	1,428,208
Ordinary profit	(millions of yen)	60,425	96,297	194,923	157,726	85,143
Profit	(millions of yen)	49,275	88,928	186,650	152,383	77,672
Share capital	(millions of yen)	40,644	40,644	40,644	40,644	40,644
Shares issued	(shares)	777,442,069	777,442,069	777,442,069	777,442,069	713,526,569
Net assets	(millions of yen)	657,786	751,628	871,042	945,807	850,812
Total assets	(millions of yen)	1,117,071	1,444,294	1,528,953	1,621,544	1,661,382
Net assets per share	(yen)	891.79	969.62	1,123.60	1,263.22	1,194.87
Dividend per share		30.000	66.000	79.000	92.000	92.000
[Interim dividend per share, included in the above]	(yen)	[10.000]	[29.000]	[36.000]	[43.000]	[46.000]
Net income per share	(yen)	66.81	114.77	240.77	198.56	105.79
Capital adequacy ratio	(%)	58.9	52.0	57.0	58.3	51.2
Return on equity	(%)	7.8	12.6	23.0	16.8	8.6
Price earnings ratio	(times)	17.80	13.84	6.56	10.35	19.06
Dividend payout ratio	(%)	44.9	57.5	32.8	46.3	87.0
Number of employees		8,149	8,056	8,056	8,491	8,804
[Separately, average number of temporary workers]	(people)	[2,955]	[4,010]	[4,361]	[4,447]	[4,327]
Total shareholder return	(%)	170.4	235.4	245.2	324.6	332.1
[Comparison indicator: TOPIX (including dividends)]	(%)	[142.1]	[145.0]	[153.4]	[216.8]	[213.4]
Highest stock price	(yen)	1,259.0	1,693.0	1,857.0	2,187.0	2,268.5
Lowest stock price	(yen)	612.7	1,070.0	1,419.0	1,502.0	1,640.0

- (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 whose beneficiaries are Directors of the Board, etc. 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.
 5. Of the dividend per share of 92.00 yen for the 123rd term (the fiscal year ended March 31, 2025), the year-end dividend of 46.00 yen is a matter to be resolved at the annual general meeting of shareholders to be held on June 26, 2025.

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 associates 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).
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 (agreement terminated in January 2025).
April 2024	IJTT, Co. Ltd. becomes a company accounted for under the equity method through the transfer of shares.
January 2025	The Company enters into a joint planning agreement with Toyota Motor Corporation, SUZUKI MOTOR CORPORATION, Hino Motors, Ltd., and DAIHATSU MOTOR CO., LTD. on collaboration efforts for the CV business.

3. Businesses

The Group is comprised of the Company, 120 subsidiaries, and 42 associates. 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 associates 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), 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 in Japan and other Asian regions.

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 associates

(Manufacturing)

UD Trucks Corporation, Shonan Unitec Co., Ltd., IJTT 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

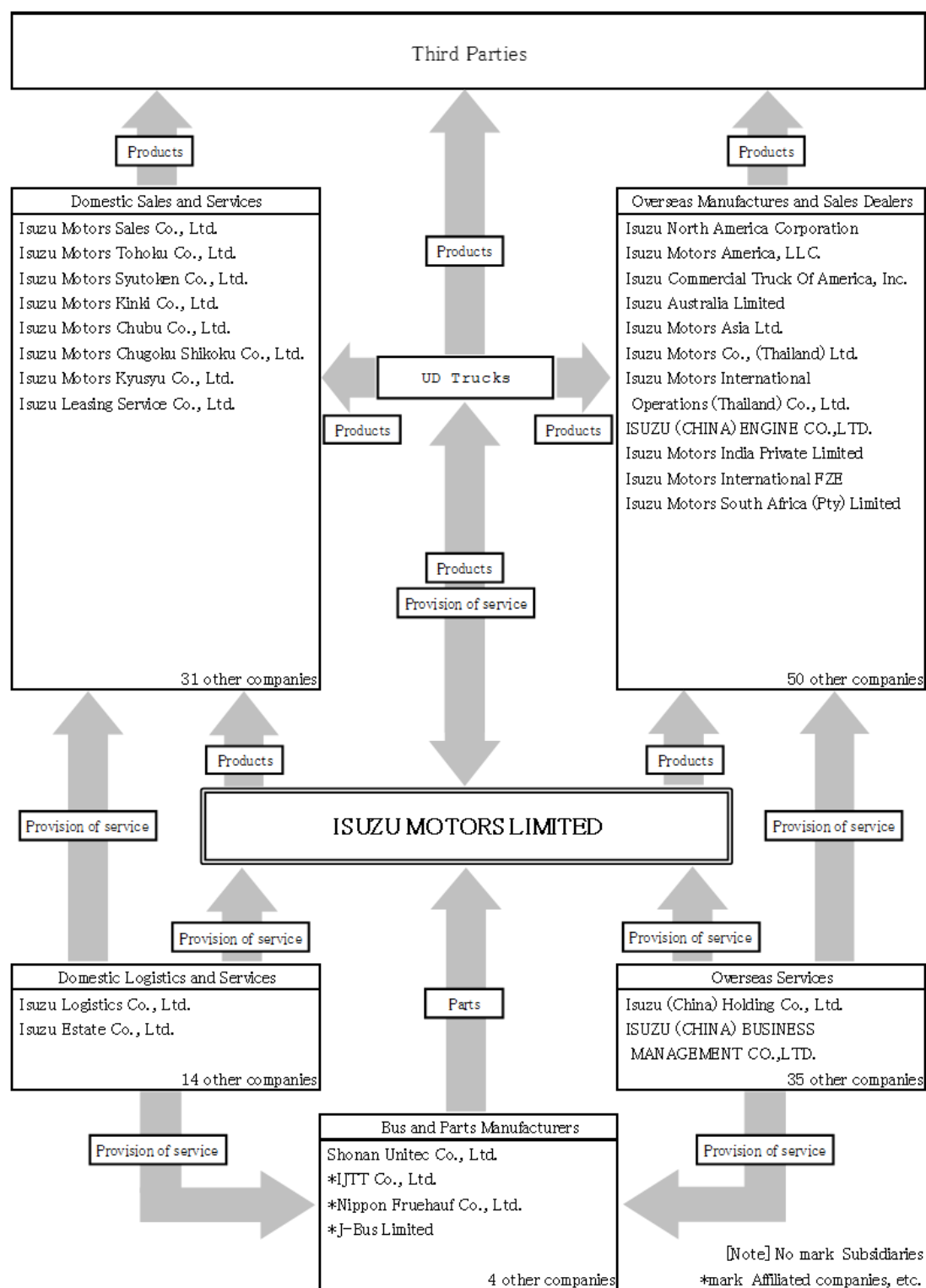
(Logistics, services, and others)

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

Isuzu Estate Co., Ltd. absorbed and merged with ISUZU INSURANCE SERVICE Limited on April 1, 2025, and changed its name to ISUZU BUILDLIFE Co., Ltd.

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

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



4. Status of principal subsidiaries and associates

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, *4	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.
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.*3	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,*2	Nishi-ku, Yokohama-shi, Kanagawa	14,375	Lease sale	51.00 [51.00]	Yes	—
Isuzu North America Corporation*1	Anaheim, California, U.S.A.	thousands of USD 232,776	Selling vehicles	100.00	Yes	The Company supplies vehicles and parts.
Isuzu Motors America, LLC*1	Anaheim, California, U.S.A.	thousands of USD 50,773	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	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, *4	Chatuchak, Bangkok, Thailand	millions of Thai baht 678	Selling vehicles	70.00 [70.00]	Yes	—

Name	Address	Capital (millions of yen)	Main operations	Holding ratio of voting rights (%)	Concurrent positions, etc. of officers	Relationship
ISUZU (CHINA) ENGINE CO., LTD.*1	Jiulongpo District, Chongqing, China	millions of RMB 2,110	Producing, assembling and selling engines; selling parts of vehicles and engines	50.61	Yes	—
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	Jebel Ali Free Zone, 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	Gqeberha, Eastern Cape, South Africa	millions of ZAR 2,708	Producing and selling vehicles	100.00	Yes	The Company supplies vehicles and parts.
67 other companies						

Associates, etc.

Name	Address	Capital (millions of yen)	Main operations	Holding ratio of voting rights (%)	Concurrent positions, etc. of officers	Relationship
IJTT Co., Ltd.	Kanagawa-ku, Yokohama-shi, Kanagawa	100	Producing parts	33.30	No	The Company receives parts supply.
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.
29 other companies						

- (Notes) 1. *1: It is classified as specified subsidiary company.
2. *2: It submits its own annual securities reports or securities registration statements.
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. Associates, etc., include joint operations and joint ventures.
5. *3: Isuzu Estate Co., Ltd. absorbed and merged with ISUZU INSURANCE SERVICE Limited on April 1, 2025, and changed its name to ISUZU BUILDLIFE Co., Ltd.
6. *4: Regarding Isuzu Motors International Operations (Thailand) Co., Ltd. and UD Trucks Corporation, the rate of their revenue (excluding internal revenue between consolidated companies) to consolidated revenue exceeds 10%.
- Main information on profits and losses, etc.

As of March 31, 2025

Name	Revenue (millions of yen)	Profit before tax (millions of yen)	Profit (millions of yen)	Total equity (millions of yen)	Total assets (millions of yen)
Isuzu Motors International Operations (Thailand) Co., Ltd.	501,286	13,506	10,689	35,492	142,037
UD Trucks Corporation	405,778	5,447	1,953	40,655	374,087

5. Status of employees

(1) Status of consolidated companies

As of March 31, 2025

Number of employees (people)	42,117	(12,110)
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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 operating segment, primarily engaged in manufacture and sale of vehicles and their components, and industrial engines. Therefore, the disclosure of segment information is omitted.

(2) Status of reporting company

As of March 31, 2025

Number of employees (people)	Average age (years)	Average years of service (years)	Average annual salary (thousands of yen)
8,804 (4,327)	40.6	16.5	8,071

- (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 operating segment, primarily engaged in manufacture and sale of vehicles and their components, and industrial engines. Therefore, the disclosure of segment information is omitted.

(3) Status of labor unions

As of March 31, 2025, 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
4.9	87.2	84.8	81.9	107.3

- (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 71-6, 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.	—	41.2	—	—	(Note) 2.	83.0	83.5	72.7
Isuzu Motors Syutoken Co., Ltd.	—	28.9	—	—	(Note) 2.	83.7	83.4	70.1
Isuzu Motors Chubu Co., Ltd.	—	15.6	—	—	(Note) 3.	76.9	76.4	78.4
Isuzu Motors Kinki Co., Ltd.	1.8	51.9	—	—	(Note) 3.	77.8	78.6	88.0
Isuzu Motors Chugoku-Shikoku Co., Ltd.	4.3	30.4	—	—	(Note) 3.	78.4	74.2	98.6
Isuzu Motors Kyusyu Co., Ltd.	5.2	73.5	—	—	(Note) 3.	84.5	79.2	50.7
ISUZU A&S Co., Ltd.	11.4	—	—	—	—	—	—	—
Shonan Unitec Co., Ltd.	2.8	—	66.7	—	(Note) 2.	68.2	70.4	58.4
Isuzu Body Co., Ltd.	5.0	—	—	—	—	—	—	—
Isuzu Engineering Co., Ltd.	3.4	—	90.0	—	(Note) 1.	83.6	89.5	82.1
Isuzu System Service Co., Ltd.	—	—	40.0	—	(Note) 1.	—	—	—
ISUZU LOGISTICS Co., Ltd.	2.9	18.8	—	—	(Note) 2.	77.8	80.5	63.7
Isuzu Engine Manufacturing Hokkaido Co., Ltd.	—	20.0	—	—	(Note) 2.	75.2	68.9	52.1
UD Trucks Corporation	6.4	75.0	—	—	(Note) 3.	90.4	90.5	69.2
Isuzu Leasing Service Co., Ltd.	13.9	—	18.0	—	(Note) 2.	57.6	59.1	30.3

- (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 71-6, 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 71-6, 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 and IX, 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 current fiscal year)

For autonomous driving solutions, the Group worked to further expand its initiatives in order to gain technologies and know-how toward the start of truck and bus businesses using Level 4 autonomous driving technology by the fiscal year ending March 31, 2028. For example, we concluded a strategic alliance agreement with Applied Intuition, Inc. in the U.S., which develops autonomous vehicle software, in April 2024, and invested 30 million U.S. dollars in Gatik AI Inc. in the U.S., which operates autonomous driving logistics business, in May 2024. Additionally, as part of our demonstration project, we participated in the "Initiative for the realization of high-performance trucks on expressways, including platooning (Theme 3)" in the Project on Research, Development, Demonstration and Deployment (RDD&D) of Automated Driving toward the Level 4 and its Enhanced Mobility Services (RoAD to the L4) promoted by Ministry of Economy, Trade and Industry and Ministry of Land, Infrastructure, Transport and Tourism. Through this participation, we started a public road demonstration on the Shin-Tomei Expressway by jointly working with three other commercial vehicle manufacturers in Japan. In parallel, we advanced our various initiatives to begin our independent public road demonstration in April 2025.

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." In the current fiscal year, we launched connected services for BEV (*) trucks in North America on a full scale, providing uptime support for peace of mind when using BEVs and charging management functions that facilitate efficient fleet operations.

As for carbon-neutral solutions, we are focusing on the replaceable battery EV field, based on our commitment to developing technologies and supplying products with diverse power sources and improving the price competitiveness of BEVs. In the current fiscal year, we advanced our initiatives toward starting a demonstration project on introducing replaceable battery solutions in Thailand and other activities and launched the project in April 2025. Additionally, in October 2024, we began a demonstration project to achieve both BEV operations and facility energy management in collaboration with Ito En, Ltd. and iGrid Solutions Inc. In this demonstration project, we will develop BEV charging plans and conduct field verification of charging control, aiming to expand the services of our EVision total solution program that supports problem resolution for BEV introduction and decarbonization.

(*) BEV: Battery electric vehicle

(Future plan)

In autonomous driving solutions, the Group aims to launch a truck and bus business by the fiscal year ending March 31, 2028, using Level 4 autonomous driving technology starting in Japan and North America. To realize this initiative, the Group will begin its independent public road demonstration in the fiscal year ending March 31, 2026. By combining this effort 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 the fiscal year ending March 31, 2028.

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 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 35 countries and global sales of over 520,000 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 (450,000 trucks and 400,000 pickup trucks) in the fiscal year ending March 31, 2031.

(Efforts during the current fiscal year)

In the current fiscal year, the Group continued to develop and launch products suitable for the usage patterns, regional conditions, and social trends of each country.

In Japan, to address the driver shortage, we launched the ELF mio, a compact diesel truck that can be operated with an automatic transmission and a regular driver's license, thereby expanding our product lineup from light- to heavy-duty trucks. In selling ELF mio, we introduced digital marketing and offer the product through our web store. Furthermore, we started sales of ERGA EV, a BEV route bus that was first introduced to the world at the Japan Mobility Show 2023, contributing to the realization of carbon neutrality in public transportation.

In overseas markets, the Group is advancing mutual product complementarity with UD Trucks Corporation. In July 2024, we started production of the S&E Series, a new heavy-duty truck series for overseas markets, at UD Trucks Corporation's locations in Thailand. In November 2024, in response to market demand, we began sales of D-MAX and MU-X equipped with 2.2-L diesel engines in Thailand. Additionally, we promoted our initiatives to begin mass production of D-MAX BEV, which made its world debut at the 45th Bangkok International Motor Show held from March to April 2024.

(Future plan)

In Japan, the Group will complete the integration of regional sales locations of Isuzu consolidated sales companies and UD Trucks Corporation by March 2027, improving customer convenience by providing services across brands while aiming to achieve efficient operations through integrated operations and systems. In addition, we will further accelerate digital marketing introduced in sales of ELF mio to propose new ways of using trucks.

In overseas markets, we will launch small- and medium-size trucks that were fully remodeled in Japan in advance, starting with North America, followed by Australia and Europe. We will also realize services that support operations throughout the total life cycle. We will progressively expand and strengthen our maintenance lease business to North America, Australia, and other regions in order to provide services tailored to customer needs. Lastly, in the U.S., we plan to start operating our new production site in South Carolina in 2027, whose construction was decided in January 2025. In parallel, we will advance local procurement of BEV parts with expected increasing demand in the North American market to build supply chains with a capacity of 1,000,000 vehicles.

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 current fiscal year)

In the current fiscal year, the Group established a comprehensive human capital management foundation to realize the transformation into group management from a global perspective and into human capital management set forth in IX. This foundation comprises job setting, optimal human resource allocation, fair evaluation and compensation, and growth support through these initiatives, and was rolled out as a new personnel system for supervisors within the Company.

(Future plan)

In order to transform into human capital management driven by ISUZU ID’s vision and mission, the Group will establish a global standard for human capital management and continue investing in human capital that realizes “Reliability × Creativity,” linking individual employee development to further business growth. In April 2024, we launched a new personnel system that adopted a job-based approach for supervisors in place of the previous competency-based system. From April 2025, we began applying it to non-supervisors and will expand it to the entire Group in the fiscal year ending March 31, 2027. 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.

In addition, we will strengthen human capital development by coordinating with external institutions to resolve issues in logistics. We will dispatch three technicians from the Group every year to the Transport Innovation Research Center established in February 2025 with The University of Tokyo to promote the resolution of social issues in logistics and transportation.

To create a secure management foundation from which we can achieve IX, we will continue to focus on establishing a governance system that enables rapid and appropriate decision-making and strengthening our internal control, such as our risk management.

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 profit ratio of 10% or more in the fiscal year ending March 31, 2031.

(Efforts during the current fiscal year)

The number of vehicles sold in the current fiscal year increased in Japan due to the sales expansion of full-model-changed vehicles. However, the total number of vehicles sold declined by 142,658 units (21.4%) compared to the previous fiscal year to 523,233 units. This was due to decreased CV (commercial vehicles [trucks and buses]) sales, mainly in North America and Europe, where overseas back-orders returned to normal levels, and decreased LCV (pickup trucks and derivative vehicles) sales due to severe market conditions, mainly in Thailand, among other factors. Despite the Group’s efforts in securing revenues and profits through price adjustments and cost reduction, among other measures, the current fiscal year’s revenue was 3,235.6 billion yen, with a ratio of operating profit to revenue of 7.1% and ROE of 10.2%, due in part to the impact of rising material costs.

In terms of investments, we continued to make innovation investments in carbon neutrality and autonomous driving-related areas, as well as current business investments, to strengthen sales and service infrastructure in the current fiscal year. As a result, capital investment and research and development expenditures totaled 279.9 billion yen. For shareholder returns, we kept the dividend per

share unchanged from the previous fiscal year, with total dividends of 70.8 billion yen. We also repurchased 75.6 billion yen of treasury shares, maintaining an appropriate capital adequacy ratio (ratio of equity attributable to owners of parent to total assets) 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 the businesses, while balancing shareholder returns and financial soundness.

In terms of revenue, the Group aims for net sales totaling 4 trillion yen and an operating profit ratio of 9% in the fiscal year ending March 31, 2027, as well as net sales totaling 6 trillion yen, an operating profit ratio of 10% or higher, and an ROE of 15% or higher in the fiscal year ending March 31, 2031.

For investments, we aim to realize sustainable growth over the long term by proactively executing both current business investments and innovation investments while maintaining an appropriate balance between them. Specifically, by the fiscal year ending March 31, 2031, we plan to make innovation investments of 1 trillion yen and current business investments of 1.6 trillion yen, totaling 2.6 trillion yen in investments. From the current fiscal year through the fiscal year ending March 31, 2027, we plan to invest in production sites, sales locations, service infrastructure, and similar areas as current business investments, and in autonomous driving-related research and development expenses as innovation investments. By the fiscal year ending March 31, 2031, we plan to gradually increase the proportion of innovation investments. The Group will promote these 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 (equity attributable to owners of parent). In terms of financial soundness, the Group will maintain its A rating in each rating and utilize interest-bearing liabilities (total of bonds and borrowings, and lease liabilities).

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 25, 2025).

The Group has advanced its sustainability activities toward realizing the goal of being top in the four areas (satisfaction, sustainability, engagement, and social impact) set forth as a mission in the Group's new corporate philosophy ISUZU ID. In May 2024, we announced our Mid-Term Business Plan IX, linking it to the mission set forth in ISUZU ID to clarify the ideal state and path that the Group aims to achieve by 2030.

Based on the business plan set forth in IX, we will continue to actively engage in sustainability activities, including addressing global environmental issues such as climate change and respecting human rights, which serves as the foundation of all our efforts, toward realizing our mission.

(1) Sustainability in general

(i) Governance

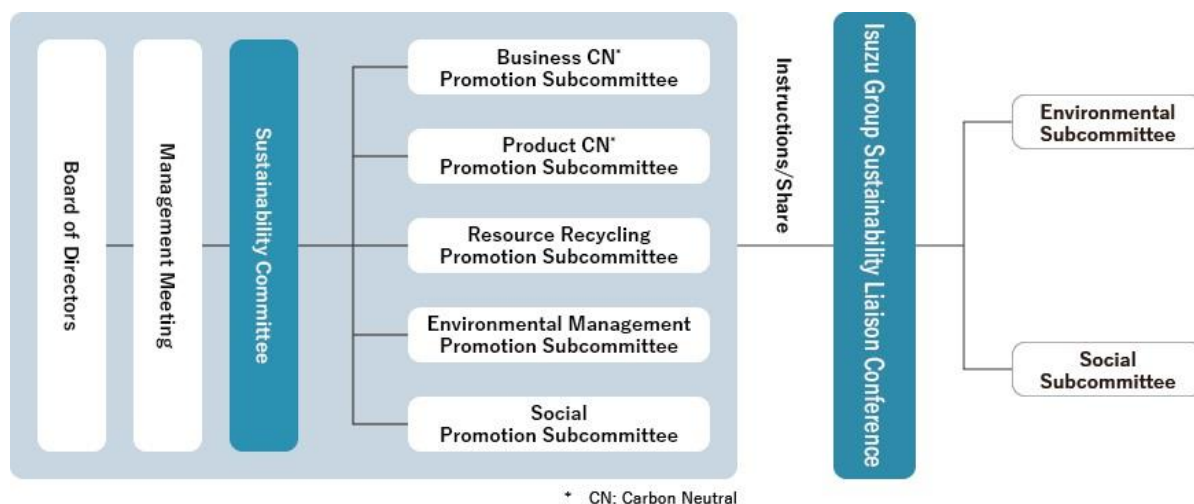
To promote sustainability throughout the Group, the Company has established a Sustainability Committee chaired by a Director of the Board with standing members consisting of officers in charge of individual domains.

The Sustainability Committee meets regularly (at least four times per year) to deliberate on climate change risk, human rights, 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.

Furthermore, in order to build a cross-group sustainability promotion structure, we share information among Group companies by holding Isuzu Group Sustainability Liaison Conference for consolidated subsidiaries.

(Structure of the Sustainability Committee)



(Meetings of the Sustainability Committee)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Number of meetings held	5	5
Major agenda items	<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 	<ul style="list-style-type: none"> • Progress report on carbon neutralization plan for procured electricity • Deliberation and report on promotion of environmental roadmap • Human rights due diligence progress report • Trends in sustainability information disclosure and our response • Report on activities for each subcommittee

(ii) Risk management

The Company has established a risk management system headed by a Chief Risk Management Officer (CRMO) who is responsible for the Group's risk management process. The 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

As a system for steadily promoting efforts to achieve carbon neutrality, the Company deliberates and makes decisions on matters involving climate change through the aforementioned Sustainability Committee. 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.

Isuzu Environmental Vision 2050	2030 Environmental Roadmap	
Aspiration	Goals	Global Actions
Zero greenhouse gas (GHG) emissions from operations	Halve CO ₂ emissions* from the level in the fiscal year ended March 31, 2014 by 2030 * Scope 1 + 2	<ul style="list-style-type: none"> • Reduce total energy use • Install and expand clean energy use • Leverage innovative technologies
Zero GHG emissions across product life cycles	Build a carbon-neutral vehicle lineup that meets diverse needs	<ul style="list-style-type: none"> • Identify necessary technologies by 2025 • Increase the number of mass-production models by 2030 while promoting practical implementation of carbon-neutral vehicles

Additionally, 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.

Furthermore, to realize ISUZU ID, the Group aims to lead to worldwide carbon neutrality by creating and promoting carbon-neutral solutions through technology development with a multi-pathway approach, including improving the cost competitiveness of BEVs and developing internal combustion engines compatible with carbon-neutral fuels. Specifically, we are working on the establishment of The EARTH lab., an electrification development laboratory for BEV implementation (scheduled to commence operations in June 2026), EVision Cycle Concept aimed at utilizing batteries as social infrastructure (verification and social implementation studies commenced in the fiscal year ended March 31, 2025), verification of decarbonization in construction and transportation utilizing carbon-neutral fuels, among other initiatives.

(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)	Policy and legal	<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
	Technology	<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"> 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
	Market	<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
	Reputation	<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

Category	Risk	Opportunity	Measures	Impact on operations
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 long-term environmental scenarios and specific efforts to achieve carbon neutrality in the Group's products, services, and business activities, please see the sections on the environment section in Sustainability Report 2024.

(iii) Risk management

General risks associated with climate change are managed under the Group 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 the level in the fiscal year ended March 31, 2014 by 2030 in the 2030 Environmental Roadmap.

Change in GHG emissions

The Group is advancing company-wide activities toward achieving the Isuzu Environmental Vision and Environmental Roadmap.

In the fiscal year ended March 31, 2024, the Company reduced Scope 2 emissions by more than 30,000 tons compared to the fiscal year ended March 31, 2023, through procurement of non-fossil fuel certificate-attached electricity, in addition to existing solar power generation facilities. Moreover, we plan to procure electricity from 100% net renewable energy at Fujisawa Plant in the fiscal year ending March 31, 2026, and at Tochigi Plant in the fiscal year ending March 31, 2028, expecting to reduce about 50,000 tons of annual CO₂ emissions at both plants.

Among GHG emissions calculated in the fiscal year ended March 31, 2024, about 90% are accounted for by emissions due to “Category 11: Usage of sold products” in Scope 3 (indirect emissions due to other activities). Based on this, the Company has established a goal of achieving zero GHG emissions across product life cycles by 2050, as mentioned above. To realize this goal, we are advancing various initiatives, including implementing carbon-neutral vehicles and developing related technologies.

Third-party assurance

The Company's Scope 1, 2, and 3 results for the fiscal years ended March 31, 2023 and 2024 have been verified by third-party entities to ensure data reliability and accuracy.

The actual GHG emissions in the fiscal year ended March 31, 2025 are expected to be published in the sustainability report (<https://www.isuzu.co.jp/company/sustainability/report.html>) to be released in August 2025.

(Reporting company's actual CO₂ emissions in the fiscal year ended March 31, 2024)

Item measured		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Total GHG emissions (t-CO ₂ e)		94,683,737	102,675,760	79,434,151
Scope 1	Direct emissions	128,074	119,189	115,370
Scope 2	Indirect emissions*1	78,192	75,847	44,452
Scope 3	Total	94,477,471	102,480,724	79,274,329
	Category 1: Purchased goods and services	4,903,215	6,006,103	6,765,119
	Category 2: Capital goods*2	0	21,510	130,375
	Category 3: Fuel- and energy-related activities outside of Scope 1 and 2	44,081	46,263	48,266
	Category 4: Upstream transportation and distribution	37,402	40,733	42,255
	Category 5: Waste generated in operations	5,312	1,533	1,360
	Category 6: Business travel	1,050	1,050	1,107
	Category 7: Employee commuting	3,486	3,476	3,624
	Category 10: Processing of sold products	166,537	184,204	205,080
	Category 11: Usage of sold products	89,314,699	96,174,036	72,075,304
	Category 12: Disposal of sold products	1,689	1,816	1,839
	No activities relevant to Categories 8, 9, 13, 14, or 15			

*1 Emissions decreased due to our increasing use of renewable energy.

*2 Emissions increased due to our revised activity calculation method from the fiscal year ended March 31, 2024.

(3) Human capital and diversity

(3)-1. Human capital management

(i) Governance

The Group has established ISUZU ID as its corporate philosophy, defining its mission to achieve top engagement with a focus on people.

Additionally, IX, which was formulated in the Mid-Term Business Plan in April 2024, declares the transformation into human capital management, presenting the vision for 2030. Furthermore, in April 2025, we appointed our first CHRO to clarify our structure for promoting human capital strategy.

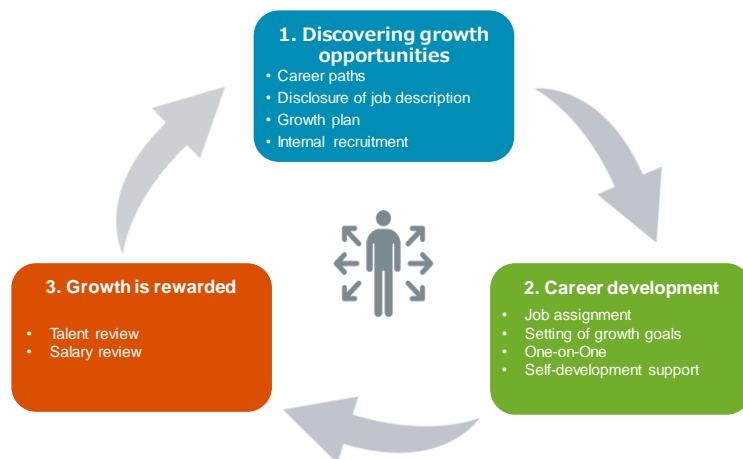
Our human capital strategies and initiative policies are discussed and reviewed by the human resource leadership team, with resolutions made at management meetings as appropriate.

(ii) Strategy

For our human capital strategy, we are advancing our efforts in three areas: enhancing our human capital portfolio, improving engagement, and strengthening the foundation for the future.

To enhance our human capital portfolio, we have introduced a new job-based personnel system for supervisors. From April 2025, this new system has been applied to all non-supervisory employees. The concept of this system is to drive a human resource growth cycle that 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 for the entire Group by the fiscal year ending March 31, 2027.

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



To improve engagement, we introduced surveys for all employees in 2024 that quantitatively visualize the strengths and challenges of each workplace. This has enabled all employees at each workplace to discuss and take improvement actions together. In particular, we will designate front-line management engagement as a Company-wide priority and implement various initiatives going forward.

To strengthen the foundation for the future, we are working to realize diverse workstyles, recognizing the need to develop an environment where diverse human capital can thrive. In particular, we will establish human resource measures for employees who need to balance work with childcare or eldercare to provide work-life balance support.

(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 items as indicators to measure the progress of our initiatives. Going forward, we will review and set additional indicators as we execute each initiative.

To effectively implement the human resource growth cycle, which is at the core of the new personnel system, management (supervisors) subject to the system are given one-on-one training and team members are provided with career training over a two-year period, and the number of participants in training is used as indicators. From this fiscal year, we have set positive engagement response rates as an indicator, targeting 70% by 2030. We will conduct annual surveys and improvement initiatives to achieve this goal.

As for workstyles, through system enhancements and usage promotion, all employees who wish to take childcare or nursing care leave have been able to take such leave and utilize the reduced working hours system.

From the fiscal year ending March 31, 2027 onward, we plan to expand various initiatives focused on personnel system to the Group companies. The indicators below show the results of the Company.

Indicators for human resource development

Indicator	Result (current fiscal year)
Number of participants in management (supervisor) training	571 people
Number of people trained as team members	4,148 people

Indicators for engagement

Indicator	Result (current fiscal year)
Positive engagement response rate	47 %

Indicators for strengthening the workstyle foundation

Indicator	Result (current fiscal year)
Number of people who used the family care support program	Child care leave 178 people (Male 138, Female 40)
	Nursing care leave 8 people (Male 6, Female 2)
	Reduced working hours (nursing/child care) 30 people (Male 2, Female 28)

(3)-2. Occupational safety and health

(i) Governance

Based on the Group's Health and Safety Philosophy, we are advancing safety promotion activities with employee safety and health as the foundation of our business activities. As part of this initiative, we have established the Safety Promotion Special Committee under CRMO supervision, headed by the President and Representative Director, COO. 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

Health and safety policy

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

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

To reduce disaster risks, the Company conducts risk assessments when introducing new facilities and chemical substances in manufacturing and development. This process involves collaboration among user departments, planning departments, and health and safety departments.

We also conduct risk assessments for existing processes to identify any issues, such as unsafe conditions and behaviors, through legally required workplace inspections and regular safety patrols conducted by plant managers and workplace representatives. By promptly addressing identified issues, we work to create a safe workplace.

(iv) Indicators and targets

The Company has set the following indicators to measure the status of efforts related to the health and safety policy. The indicators below show the results of the Company.

Indicators for the health and safety policy

Indicator		Result (current fiscal year)
Number of work-related accidents	Total number of accidents (Target: 13 accidents)	37 accidents

3. Business and other risks

In order to improve responsibility sharing and effectiveness of Group-wide risk management activities, the Group has established a risk governance structure based on the Three Lines of Defense system. This structure designates Company departments and their respective Group companies as the first line, the Risk Management Department (a specialized organization under CRMO supervision responsible for Group-wide risk management) as the second line, and the Audit Department as the third line. These lines work together through mutual coordination to conduct risk management activities.

Additionally, to ensure the effectiveness of our risk management activities, we conduct monthly risk management confirmation meetings to review the progress of preventive measures and incident response across the departments and Group companies, with a focus on priority risks. These results are then reported to management.

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

If there is a risk of it becoming a serious crisis that could affect business, the 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 25, 2025).

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 revenue is 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.

Also, in the commercial vehicle market, 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. For this reason, economic conditions of some emerging markets could also affect our performance and financial position.

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. However, given the increasing global uncertainty in the economic environment due to additional tariff measures and other factors, 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.

(2) Competition in the automotive market

The automotive market, where a major portion of our worldwide revenue 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 tariff measures, and conditions vary from one market to another in each country.

To maintain or enhance 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 that the Company loses its competitive advantage due to industry restructuring, or if policies of individual countries become unfavorable to the Group, our performance and financial position could be materially adversely affected.

(3) Occurrence of geopolitical risks

The Group's procurement, 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 conflicts and regime changes, and economic disruptions due to protective policies (including tariff policies) for economic security 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 occur, it could materially adversely affect the performance and financial position of the Group.

- Interstate conflicts, civil wars, revolutions, coups, riots, and terrorism
- Changes in potentially disadvantageous tax policies (including tariff measures)
- Restrictions on imports and exports as well as technology transfers
- Changes in laws and regulations of a country on business and related matters (exhaust gas and fuel economy/CO₂ regulations)
- Restrictions on the use and procurement of facilities, software, cloud services, and contractors that pose security risks
- Changes in licensing standards for business and investments
- Direct or indirect expropriation of the Group's assets
- Restrictions on information and data management and transfer
- Regulation of remittance and exchange
- Exchange rates and interest rate policies
- 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 the above geopolitical risks become apparent, it could materially adversely affect our performance and financial position.

(4) 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, Thai baht, etc., 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, creating fluctuations in raw materials and product prices.

Although we make daily efforts to manage our cash flows, the costs associated with financing could result in 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.

(5) Fluctuations in raw material prices

The Group uses external products, including raw materials such as iron, non-ferrous metal, and resin, as well as semiconductors, 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 prices of these raw materials, external products, energy, as well as transportation and other costs, increase due to tight global supply and demand, procurement and 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 a material and adverse effect on our performance and financial position.

2. Business risks

(6) 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 social demands for 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 innovations and social demands, 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 innovations and social demands, our performance and financial position may be materially adversely affected.

(7) Failure and delay of 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 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 materially adversely affected.

(8) Failure to achieve the purposes of collaboration with joint ventures and other alliance partners

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, if alliance partners fail to provide or are delayed in providing appropriate technologies and products in a timely manner due to changes in management policies or business environments of joint venture partners or alliance partners, or if the Group fails to achieve or is delayed in achieving technology standards required by alliances, our performance and financial position could be materially adversely affected.

(9) Dependence on specific channels for sales and supply

We supply our products, such as automobiles and their component parts, to major customer companies, including Tri Petch Isuzu Sales Co., Ltd. (Bangkok, Thailand) and General Motors Corporation (Detroit, Michigan, United States), as well as their group companies. The Group maintains relationships with major customer companies while distributing risks by acquiring new customers. However, if such risks cannot be tolerated even with the measures above due to factors beyond the Group's control, including production or sales fluctuations of customer companies, our performance and financial position could be materially adversely affected.

(10) Shortfalls or delays in the procurement of materials, parts, and other supplies

Our Group procures raw materials, as well as parts and products including semiconductors, necessary for production from external suppliers. However, 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 labor disputes or similar incidents occur at suppliers or at the logistics network
- 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, ensuring that suppliers are in compliance with laws and regulations and addressing climate change or other issues to prevent procurement obstacles. However, if events other than those above occur, it could materially adversely affect our performance and financial position.

(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, if we conduct a large-scale recall, and if actual costs incurred significantly exceed the provisions recorded in advance, or if product liability insurance does not cover the amount of damage claims, our performance and financial position could be materially adversely affected.

(12) Human rights violations

The Group respects the human rights of its employees, related parties, business partners, and all other stakeholders in conducting its business activities. We are also working on human rights due diligence in accordance with the Isuzu Group's Human Rights Policy to ensure that there are no human rights violations related to work environments or health and safety in our supply chain. Through this initiative, we identify and assess negative impacts on human rights to prevent and mitigate them.

However, accurately monitoring human rights compliance of supply chains worldwide in real time is challenging. As a result, if human rights violations occur at the Group or in the supply chains, our performance and financial position could be materially adversely affected due to business suspension, penalties for violating laws and regulations, damage to reputation, or other factors.

(13) Difficulty in recruiting and retaining talented workforce

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.

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 rolling out 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. By the fiscal year ending March 31, 2027, we will expand this initiative to the entire Group. (For details, see “(3) Human capital and diversity” in “2. Sustainability approach and efforts.”)

(14) Occurrence of labor accidents

In producing automobiles and automobile parts, conducting development experiments, and selling products, the Group engages in assembly, machining, pressing, painting, automobile and facility maintenance, and other operations. In these operations, we position securing the labor safety of employees as the Group’s material management challenge. To address this issue, we have established the Safety Promotion Special Committee, headed by the President and Representative Director, COO to develop safety policies and to continuously monitor implementation and take corrective actions. We also work on thoroughly complying with laws and regulations, strengthening safety management structures, conducting safety patrols, developing improvement measures for facility safety specifications, and introducing practical safety education using VR and other technologies to reduce accident risks. When labor accidents occur, a special committee is formed to investigate the causes of individual incidents and implement countermeasures to prevent recurrence.

Despite our efforts in building safe labor environments through these initiatives, if labor accidents occur, disruptions due to operation suspension and other factors could materially adversely affect our performance and financial position.

(15) Compliance violations

The Group thoroughly ensures compliance, including adherence to related laws and regulations as well as internal norms and ethical standards.

The Company regularly holds the Compliance Committee, chaired by the President and Representative Director, COO and comprised of department heads responsible for important laws and regulations, to monitor the status of the Group’s compliance activities and provide appropriate instructions and advice. Furthermore, we have established a system to promptly report to CRMO and implement corrections/prevent recurrence in cases of compliance violations or potential violations within the Group. The Group also conducts regular compliance education for management and employees.

However, despite our thorough compliance, we cannot completely eliminate the possibility that a compliance violation will occur in the future, and if the severity of such compliance 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 materially 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-corruption, antitrust/competition, subcontracting, or financial instrument transaction laws or regulations in countries in which we operate and receive warnings from authorities or other entities, or are subject to significant fines, our performance and financial position could be materially adversely affected.

(16) Insufficient response to information security

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.

The Group also implements various risk measures as described above for managing confidential information with business partners including alliance partners. 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 alliance partners, etc., which could have a material adverse effect on our performance and financial position.

(17) Insufficient protection of intellectual property, violations, or infringement of such property

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 materially adversely affected.

(18) Delayed response to social demands on climate change

The Group considers climate change measures to be a pressing managerial challenge, and 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.

The Group has established "Isuzu Environmental Vision 2050" and is 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 our efforts in decarbonization innovation fail or are delayed, or if our efforts to address the impacts of climate change are not sufficient, our performance and financial position may be materially adversely affected.

For details, see "(2) Climate change" in "2. Sustainability approach and efforts."

(19) Occurrence of disasters, etc.

Operating around the world, our Group is exposed to various disaster risks in Japan and overseas. 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, or in Thailand and other countries with many of our key ASEAN region sites, our performance and financial position may be materially adversely affected. Additionally, man-made disasters such as equipment trouble, accidents due to operational errors, fires, etc., may adversely affect the production, sales, or other business activities of the Group. In preparation for natural and man-made disasters, the Group has developed a business continuity plan and conducts training based on this plan to prevent damage spreading and enable swift recovery. 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.

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

(1) Overview of results of operations

The Group has adopted IFRS Accounting Standards from the current fiscal year. Values from the previous fiscal year are restated to conform to IFRS Accounting Standards for comparative analysis.

(i) Results of operations

Total unit sales in Japan and overseas markets in the current fiscal year decreased by 142,658 units (-21.4%) year-on-year to 523,233 units.

Vehicle unit sales in Japan increased by 14,535 units (+23.1%) year-on-year to 77,467 units in the current fiscal year, driven by the expansion of sales of full-model-changed vehicles. As for unit sales abroad, CVs (commercial vehicles, including trucks and buses) decreased by 26,611 units (-10.9%) year-on-year to 216,816 units, primarily in North America and Europe, where back-orders have normalized. LCVs (pick-up trucks and variants) decreased by 130,582 units (-36.3%) to 228,950 units, primarily due to tough market conditions in Thailand and for exports, as well as inventory adjustments by sales operations in Thailand.

Industrial engine revenue decreased by 7.5 billion yen (-6.6%) year-on-year to 105.4 billion yen, while other revenues increased by 22.4 billion yen (+2.9%) year-on-year to 785.0 billion yen, mainly due to growth in the vehicle life-cycle management business.

Consequently, revenue totaled 3,235.6 billion yen, decreased by 169.0 billion yen (-5.0%) year-on-year. This includes 1,275.4 billion yen of revenue in Japan (an increase of 12.8% year-on-year) and 1,960.3 billion yen of revenue in the rest of the world (a decrease of 13.8% year-on-year).

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

		(Billions of yen)	
	Current fiscal year	Year-on-year	
Revenue	3,235.6	(169.0)	(5.0)%
Operating profit	229.5	(52.2)	(18.5)%
Profit before tax	245.0	(52.3)	(17.6)%
Profit attributable to owners of parent	140.1	(28.9)	(17.1)%
(Exchange rates)			
	(yen)		
USD/JPY	152.5 (144.6)		
AUD/JPY	99.5 (95.1)		
EUR/JPY	163.7 (156.8)		
THB/JPY	4.38 (4.10)		

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

On the profit and loss front, the Company suffered a decrease in operating profit, which amounted to 229.5 billion yen, down 18.5% year-over-year, due to the negative impacts of the decrease in the unit sales in overseas markets and the increase in material costs, outweighing the positive impacts of the price realization and the weaker yen. Profit before tax reached 245.0 billion yen, down 17.6% year-over-year, and profit attributable to owners of parent stood at 140.1 billion yen, down 17.1% year-over-year.

The Group is composed of a single operating segment, primarily engaged in manufacture and sale of vehicles and their components, and 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 41.8 billion yen from the previous fiscal year to 3,303.3 billion yen.

Liabilities grew 39.8 billion yen from the previous fiscal year to 1,765.7 billion yen.

Equity grew 1.9 billion yen from the previous fiscal year to 1,537.7 billion yen.

Capital adequacy ratio (ratio of equity attributable to owners of parent to total assets) was 41.6% (42.4% in the previous fiscal year).

Interest-bearing liabilities (total of bonds and borrowings, and lease liabilities) grew 131.7 billion yen from the previous fiscal year, to 758.8 billion yen.

(iii) Cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) as of the end of the current fiscal year decreased by 30.5 billion yen from the end of the previous fiscal year to 358.7 billion yen; more specifically, out of the funds from operating activities of 254.1 billion yen, 202.3 billion yen was used for investing activities and 90.6 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 51.7 billion yen, against an outflow of funds of 168.7 billion yen as of the end of the previous fiscal year.

Cash flows from operating activities

Funds provided by operating activities amounted to 254.1 billion yen, down 17.7% from the previous fiscal year.

This was mainly due to inflows of funds of 245.0 billion yen and 151.2 billion yen recorded for profit before income taxes and depreciation and amortization, respectively, partially offset by outflows of funds of 34.2 billion yen derived from a decrease in trade and other payables, 15.3 billion yen from an increase in inventories, and 81.3 billion yen from income taxes paid.

Cash flows from investing activities

Funds used in investing activities reached 202.4 billion yen, up 44.5% from the previous fiscal year.

This was mainly due to outflows of funds of 213.5 billion yen from acquisition of non-current assets.

Cash flows from financing activities

Funds used in financing activities fell to 90.6 billion yen, down 44.9% from the previous fiscal year.

This was mainly due to outflows of funds of 138.1 billion yen from repayment of long-term borrowings, 75.6 billion yen from purchase of treasury shares, 70.7 billion yen from dividend payment, and 38.5 billion yen from dividend payment to non-controlling interests, partially offset by inflows of 193.6 billion yen from execution of long-term borrowings, 50.0 billion yen from an increase in commercial paper, and 29.9 billion yen from the issuance of bonds payable.

(iv) Production results, orders received, and sales

a. Production results

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

	Current fiscal year (Fiscal year ended March 31, 2025)		Year-on-year	
	Volume (units)	Amount (millions of yen)	Volume (%)	Amount (%)
Heavy-duty (and medium-duty) CVs	95,932	—	4.5	—
Light-duty CVs	197,682	—	0.6	—
LCVs	271,458	—	(34.0)	—
Total	565,072	—	(19.3)	—
Industrial engines	—	93,226	—	(4.4)
Other	—	225,541	—	10.8

(Notes) 1. Industrial engines and others amounts depend on the sales price.

2. The above table does not include the production results of associates, etc.

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 (Fiscal year ended March 31, 2025)	Year-on-year
		Amount (millions of yen)	Change (%)
Total heavy-duty (and medium-duty) CVs	Japan	475,890	22.1
	Overseas	386,640	(7.6)
	Total	862,530	6.7
Total light-duty CVs	Japan	184,561	37.9
	Overseas	558,016	(5.7)
	Total	742,577	2.4
Total LCVs	Overseas	740,098	(25.6)
	Total	740,098	(25.6)
Total vehicles	Japan	660,451	26.1
	Overseas	1,684,754	(16.0)
	Total	2,345,206	(7.3)
Industrial engines	Japan	52,944	(18.3)
	Overseas	52,464	9.1
	Total	105,408	(6.6)
Other	Japan	561,987	3.7
	Overseas	223,046	1.1
	Total	785,033	2.9
Total revenue	Japan	1,275,383	12.8
	Overseas	1,960,265	(13.8)
	Total	3,235,648	(5.0)

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

Buyer	Previous fiscal year (Fiscal year ended March 31, 2024)		Current fiscal year (Fiscal year ended March 31, 2025)	
	Amount (millions of yen)	Percentage (%)	Amount (millions of yen)	Percentage (%)
Tri Petch Isuzu Sales Co., Ltd.	433,384	12.7	196,863	6.0

(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 25, 2025).

(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 12,076 units (-3.9%) year-on-year to total 294,283 units.

Sales in Japan increased by 14,535 units (+23.1%) year-on-year to 77,467 units in the current fiscal year, driven by the expansion of sales of full-model-changed vehicles. Overseas sales decreased by 26,611 units (-10.9%) year-on-year to 216,816 units as back-orders have normalized mainly in North America and Europe.

Notably, our market share for heavy-duty and medium-duty trucks in Japan increased by 0.4% from the previous fiscal year to 41.0% (or 56.1% when we include UD Trucks). Also, our market share for light-duty trucks increased by 2.7% year-on-year to 45.1%, Isuzu's highest share in history.

• Sales units of CV

		Previous fiscal year (units)	Current fiscal year (units)	Change (units)	Change (%)
Japan	Heavy-duty/medium-duty	33,931	39,301	5,370	15.8
	Light-duty	29,001	38,166	9,165	31.6
	Total	62,932	77,467	14,535	23.1
North America	Heavy-duty/medium-duty	5,289	2,965	(2,324)	(43.9)
	Light-duty	38,299	24,013	(14,286)	(37.3)
	Total	43,588	26,978	(16,610)	(38.1)
Asia	Heavy-duty/medium-duty	25,694	19,958	(5,736)	(22.3)
	Light-duty	70,089	54,160	(15,929)	(22.7)
	Total	95,783	74,118	(21,665)	(22.6)
Other	Heavy-duty/medium-duty	27,998	30,343	2,345	8.4
	Light-duty	76,058	85,377	9,319	12.3
	Total	104,056	115,720	11,664	11.2
Total	Heavy-duty/medium-duty	92,912	92,567	(345)	(0.4)
	Light-duty	213,447	201,716	(11,731)	(5.5)
	Total	306,359	294,283	(12,076)	(3.9)

LCVs

Total LCV unit sales for the current fiscal year were down 130,582 units (-36.3%) year-on-year to total 228,950 units.

In Asia, inventory adjustments were made on the sales side for the domestic market in Thailand, resulting in a significant decrease compared to the previous fiscal year. As a result, sales were down 92,984 units (-58.9%) year-on-year to reach 64,845 units. In other regions, due to challenging market conditions, overall sales decreased by 37,598 units (-18.6%) from the previous fiscal year to 164,105 units.

- Sales units of LCV

	Previous fiscal year (units)	Current fiscal year (units)	Change (units)	Change (%)
Asia	157,829	64,845	(92,984)	(58.9)
Other	201,703	164,105	(37,598)	(18.6)
Total	359,532	228,950	(130,582)	(36.3)

Powertrains

The shipment volume of industrial engines for the current fiscal year decreased by 1,730 units (-1.5%) year-on-year to total 113,465 units due to continued challenging market conditions.

- Shipment units of industrial engines

	Previous fiscal year (units)	Current fiscal year (units)	Change (units)	Change (%)
Total	115,195	113,465	(1,730)	(1.5)

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

Revenue

For revenue, progress of yen depreciation and price revisions resulted in increased sales, and vehicle unit sales in Japan also increased. However, overseas, mainly due to back-order clearance and inventory adjustments, as well as challenging market conditions in Thailand, overall revenue decreased by 169.0 billion yen from the previous fiscal year to 3,235.6 billion yen. This includes 1,275.4 billion yen of revenue in Japan (an increase of 12.8% year-on-year) and 1,960.3 billion yen of revenue in the rest of the world (a decrease of 13.8% year-on-year).

Operating profit

Operating profit for the current fiscal year came to 229.5 billion yen (down 18.5% from the previous fiscal year).

The impact of sales/model mix due to decreased sales units in the current fiscal year significantly affected our bottom line, resulting in a 77.0-billion-yen year-on-year decrease in operating profit. Additionally, steel, oil price etc. fluctuation led to a 38.0-billion-yen year-on-year decrease. Meanwhile, the impact of price realization resulted in a 40.0-billion-yen year-on-year increase, cost reduction activity resulted in a 17.0-billion-yen increase, and FX resulted in a 24.5-billion yen increase due to the weakening of the yen.

As a result, the ratio of operating profit to revenue for the current fiscal year came to 7.1% (compared with 8.3% for the previous fiscal year).

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

- Analysis of the changes in operating profit (year-on-year)

	(Billions of yen)
Price realization	+40.0
Cost reduction activity	+17.0
FX	+24.5
Sales/model mix	(77.0)
Fixed cost fluctuation	(18.7)
Steel, oil price etc. fluctuation	(38.0)
Total	(52.2)

Finance income

Financial income of 6.3 billion yen was recognized in the current fiscal year, down 7.0 billion yen compared to the previous fiscal year.

The decline was attributable to an 8.0-billion-yen deterioration in foreign exchange gains and losses from the previous fiscal year.

Income tax expense

Income tax expense for the current fiscal year was 64.0 billion yen while income tax expense for the previous fiscal year was 82.3 billion yen.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests consists primarily of profits attributable to non-controlling interests of Isuzu's locally incorporated subsidiaries in the ASEAN region and North America, as well as a leasing company in Japan. Profit attributable to non-controlling interests for the current fiscal year totaled 40.9 billion yen, compared to 46.0 billion yen in the previous fiscal year.

Profit attributable to owners of parent

Profit attributable to owners of parent for the current fiscal year was 140.1 billion yen, down 28.9 billion yen from the previous fiscal year. Basic earnings per share came to 190.78 yen.

- c. Analysis of financial condition for the current fiscal year

Assets

Total assets as of the end of the current fiscal year rose 41.8 billion yen from the previous fiscal year to 3,303.3 billion yen.

This increase was primarily due to growth in property, plant and equipment of 53.4 billion yen, trade and other receivables of 24.0 billion yen, and intangible assets of 21.4 billion yen, while assets held for sale decreased by 89.6 billion yen.

Liabilities

Liabilities grew 39.8 billion yen from the previous fiscal year to 1,765.7 billion yen.

This increase was primarily due to interest-bearing liabilities (total of bonds and borrowings, and lease liabilities) increasing by 131.7 billion yen, while liabilities directly associated with assets held for sale decreased by 81.7 billion yen.

Equity

Equity grew 1.9 billion yen from the previous fiscal year to 1,537.7 billion yen.

This increase was primarily due to recording 140.1 billion yen in profit attributable to owners of parent and 40.9 billion yen in profit attributable to non-controlling interests, while it was

partially offset by dividends of surplus of 70.8 billion yen and purchase of treasury shares of 75.6 billion yen.

d. Analysis of progress on business objectives

The Group's quantitative targets set for achieving IX (running from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2031) and progress toward achieving them are as follows.

	Current fiscal year (Fiscal year ended March 31, 2025)	Quantitative targets (Fiscal year ending March 31, 2027)
Revenue	3,235.6 billion yen	4,000.0 billion yen
Operating profit	229.5 billion yen	360.0 billion yen
ROE	10.2 %	15 %
Dividend payout ratio	48.2 %	40.0 %

Among the quantitative targets set for achieving IX, revenue reached 3,235.6 billion yen, due to challenging overseas market conditions. Given that world market conditions, except for Thailand, Indonesia, and China, have remained steady and that the expansion of the product lineup and the strengthening of sales power for CVs and LCVs for export have progressed, we will review the possibility of increasing sales units toward the fiscal year ending March 31, 2027. We will also closely examine the market recovery and growth for LCVs in Thailand and CVs in North America, which will be a significant factor in increasing profit.

Operating profit came to 229.5 billion yen, impacted by decreased sales units in overseas markets, as well as the negative effects of surging material costs and other factors. In addition to increasing sales units, price realization, and promoting cost reduction activity, we will strive to achieve an operating profit of 360.0 billion yen.

ROE also fell to 10.2% in the current fiscal year as profit attributable to owners of parent decreased. To achieve our goal, we will continue shareholder returns through dividends and flexible share buybacks, in addition to revenue growth in line with IX. Through these approaches, we aim to achieve our quantitative target of 15% while maintaining an appropriate equity level.

The dividend payout ratio, standing at 48.2%, exceeded the target as a result of paying dividends from retained earnings after 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 funding status at the end of the current fiscal year is provided in Notes “20. Bonds payable, borrowings, and lease liabilities” and “35. Financial instruments (4) Liquidity risk management” in “V. Financial information, 1. Consolidated financial statements, etc., (1) Consolidated financial statements.”

Fund liquidity

The Group set its vision for 2030 as transforming into a commercial mobility solutions company that leads the global commercial vehicle market by offering solutions to customers and society through transportation with “Reliability × Creativity” in IX, its Mid-Term Business Plan announced in April 2024. The financial targets of this Mid-Term Business Plan include net sales of 6 trillion yen and an operating income ratio of 10% or higher in the fiscal year ending March 31, 2031, 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 capital adequacy ratio (ratio of equity attributable to owners of parent to total assets).

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

In preparing consolidated financial statements in accordance with IFRS Accounting Standards, management is required to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and their underlying assumptions are reviewed on an ongoing basis. The effects of revisions to accounting estimates are recognized in the accounting period in which the estimates are revised and in subsequent future accounting periods.

Information on accounting estimates and assumptions, which may significantly affect the Company’s consolidated financial statements, is provided in Note “4. Significant accounting estimates and judgments” in “V. Financial information, 1. Consolidated financial statements, etc., (1) Consolidated financial statements.”

(3) Parallel disclosure information

Condensed consolidated financial statements prepared in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (excluding Chapters 7 and 8, hereinafter referred to as “Japanese GAAP”) are as follows.

Note that the condensed consolidated financial statements of the current fiscal year prepared in accordance with Japanese GAAP have not been audited pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

(i) Condensed consolidated balance sheet (Japanese GAAP)

(Millions of yen)

	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Assets		
Current assets	1,817,568	1,840,370
Non-current assets		
Property, plant and equipment	975,694	955,256
Intangible assets	89,584	105,077
Investments and other assets	380,153	388,239
Total non-current assets	1,445,432	1,448,573
Total assets	3,263,001	3,288,944
Liabilities		
Current liabilities	1,083,144	1,109,889
Non-current liabilities	520,827	572,641
Total liabilities	1,603,972	1,682,530
Net assets		
Shareholders' equity	1,163,027	1,146,498
Accumulated other comprehensive income	297,668	296,325
Non-controlling interests	198,333	163,589
Total net assets	1,659,029	1,606,413
Total liabilities and net assets	3,263,001	3,288,944

(ii) Condensed consolidated statement of income and condensed consolidated statement of comprehensive income (Japanese GAAP)

Condensed consolidated statement of income

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Net sales	3,386,676	3,208,084
Cost of sales	2,706,443	2,567,437
Gross profit	680,233	640,646
Selling, general and administrative expenses	387,147	411,536
Operating profit	293,085	229,109
Non-operating income	31,789	34,535
Non-operating expenses	11,835	15,413
Ordinary profit	313,039	248,231
Extraordinary income	5,526	2,357
Extraordinary losses	12,974	10,462
Profit before income taxes	305,591	240,126
Income taxes	84,235	65,488
Profit	221,356	174,638
Profit attributable to non-controlling interests	44,913	40,274
Profit attributable to owners of parent	176,442	134,363

Condensed consolidated statement of comprehensive income

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Profit	221,356	174,638
Other comprehensive income	101,737	5,069
Comprehensive income	323,093	179,707
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	266,834	133,020
Comprehensive income attributable to non-controlling interests	56,259	46,687

(iii) Condensed consolidated statement of changes in net assets (Japanese GAAP)

Previous fiscal year (Fiscal year ended March 31, 2024)

(Millions of yen)

	Shareholders' equity	Accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of period	1,101,230	207,276	201,725	1,510,232
Changes during period	61,797	90,391	(3,392)	148,796
Balance at end of period	1,163,027	297,668	198,333	1,659,029

Current fiscal year (Fiscal year ended March 31, 2025)

(Millions of yen)

	Shareholders' equity	Accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of period	1,163,027	297,668	198,333	1,659,029
Changes during period	(16,529)	(1,343)	(34,744)	(52,615)
Balance at end of period	1,146,498	296,325	163,589	1,606,413

(iv) Condensed consolidated statement of cash flows (Japanese GAAP)

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Net cash provided by (used in) operating activities	298,568	217,658
Net cash provided by (used in) investing activities	(155,080)	(177,891)
Net cash provided by (used in) financing activities	(144,977)	(64,591)
Effect of exchange rate changes on cash and cash equivalents	25,434	10,690
Net increase (decrease) in cash and cash equivalents	23,944	(14,133)
Cash and cash equivalents at beginning of period	364,396	384,878
Increase (decrease) in cash and cash equivalents resulting from changes in accounting period of consolidated subsidiaries	(3,462)	1,018
Cash and cash equivalents at end of period	384,878	371,763

- (v) Changes in significant matters forming the basis for preparation of condensed consolidated financial statements (Japanese GAAP)

Previous fiscal year (Fiscal year ended March 31, 2024)

(Changes in scope of consolidation)

The newly established Isuzu Global Service Systems, LLC has been included in 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.

(Changes in scope of equity method accounting)

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. Isuzu Sollers LLC, an associate 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.

(Changes in matters concerning the fiscal years of consolidated subsidiaries)

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.

Current fiscal year (Fiscal year ended March 31, 2025)

(Changes in scope of consolidation)

As a result of a share repurchase by IJTT Co., Ltd. (hereinafter referred to as “Former IJTT”) in which the Company transferred all ordinary shares of Former IJTT held by the Company, and the reinvestment in ARTS-1 Co., Ltd. (hereinafter referred to as “ARTS-1”), which is wholly owned by the Japan Monozukuri Mirai Investment Limited Partnership and of which SPARX Group Co., Ltd. is a general partner, Former IJTT and PT Asian Isuzu Casting Center have been changed from consolidated subsidiaries to companies accounted for by the equity method. In addition, TOKAI CORPORATION, IJTT (Thailand) Co., Ltd., and PT Jidosha buhin Indonesia have been excluded from the scope of consolidation.

IC Engineering Corp. has been changed from a company accounted for by the equity method to a consolidated subsidiary following the acquisition of additional shares.

Isuzu Diesel Services of America, Inc. has been excluded from the scope of consolidation following the completion of its liquidation. UD Financial Services Co., Ltd. has also been excluded from the scope of consolidation because it was subject to an absorption-type merger by Isuzu Leasing Services Co., Ltd.

(Changes in scope of equity method accounting)

As a result of a share repurchase by Former IJTT in which the Company transferred all ordinary shares of Former IJTT held by the Company, and the reinvestment in ARTS-1, which is wholly owned by the Japan Monozukuri Mirai Investment Limited Partnership and of which SPARX Group Co., Ltd. is a general partner, ARTS-1 became an associate accounted for under the equity method. In addition, Former IJTT and PT Asian Isuzu Casting Center have been changed from consolidated subsidiaries to companies accounted for by the equity method. Subsequently, through

an absorption-type merger in which ARTS-1 became the surviving company and Former IJTT the absorbed company, Former IJTT was excluded from the scope of equity method accounting. ARTS-1, an associate of the Company accounted for under the equity method, has changed its name to IJTT Co., Ltd.

IC Engineering Corp. has been changed from a company accounted for by the equity method to a consolidated subsidiary following the acquisition of additional shares.

(Changes in matters concerning the fiscal years of consolidated subsidiaries)

ISUZU MOTORS OFF-HIGHWAY DIESEL ENGINE (SHANGHAI) LIMITED, and Isuzu Motors Saudi Arabia Company Limited previously had an accounting date of December 31, and the Company used the respective financial statements as of that accounting date and made any necessary adjustments for significant transactions between that accounting date and the consolidated accounting date. However, from the current fiscal year, these consolidated subsidiaries have performed a provisional settlement of accounts equivalent to the full settlement of accounts on March 31, the consolidated accounting date, for the Company to use for consolidation.

Accordingly, regarding ISUZU MOTORS OFF-HIGHWAY DIESEL ENGINE (SHANGHAI) LIMITED, the current fiscal year consolidates the 12 months from April 1, 2024, to March 31, 2025. Profits and losses for these consolidated subsidiaries in the period from January 1, 2024, to March 31, 2024, are reconciled through changes in retained earnings.

Regarding Isuzu Motors Saudi Arabia Company Limited, its fiscal year lasted for a period of 15 months, from January 1, 2024, to March 31, 2025. The impact of the change on the consolidated financial statements is immaterial.

(Changes in accounting policies)

(Adoption of the Accounting Standard for Current Income Taxes)

The Company has adopted the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the current fiscal year.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of Paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policies has no influence on the consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the current fiscal year. This change in accounting policies has been applied retrospectively, and is reflected in the consolidated financial statements for the previous fiscal year. This change in accounting policies has no influence on the consolidated financial statements for the previous fiscal year.

(Adoption of the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules)

The Company has adopted the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (Practical Solution No. 46, March 22, 2024), etc. from the beginning of the current fiscal year. This change in accounting policies has no material impact on the consolidated financial statements.

(4) Information on differences in key items regarding the overview of results of operations

Items concerning differences between key items in consolidated financial statements prepared in accordance with IFRS Accounting Standards and equivalent items in consolidated financial statements prepared in accordance with Japanese GAAP are as follows.

Previous fiscal year (Fiscal year ended March 31, 2024)

The item is as provided in Note “40. First-time adoption” in “V. Financial information, 1. Consolidated financial statements, etc., (1) Consolidated financial statements.”

Current fiscal year (Fiscal year ended March 31, 2025)

(Adjustments to carrying amounts of property, plant and equipment)

The land revaluation performed under Japanese GAAP has been reversed, and the land is measured at acquisition cost. Additionally, for certain items of property, plant and equipment, the Group has applied the exemption for first-time adoption under IFRS Accounting Standards, measuring them at deemed cost.

Due to this impact, under IFRS Accounting Standards, “Property, plant and equipment” decreased by 130,226 million yen compared to Japanese GAAP.

(Leased assets and lease liabilities)

Under Japanese GAAP, leases by lessees were classified as either finance leases or operating leases. Operating leases were accounted for in a manner similar to ordinary rental transactions. Under IFRS Accounting Standards, there is no distinction between finance leases and operating leases for lessees. Therefore, in principle, lessees recognize “Right-of-use assets” and “Lease liabilities” for all lease transactions.

Due to this impact, under IFRS Accounting Standards, “Right-of-use assets” increased by 80,804 million yen, “Lease liabilities (current)” by 17,216 million yen, and “Lease liabilities (non-current)” by 65,024 million yen compared to Japanese GAAP.

(Capitalization of research and development expenses)

Under Japanese GAAP, all research and development costs were expensed as incurred. However, under IFRS Accounting Standards, those costs that meet specific criteria are capitalized as “Intangible assets.” Due to this impact, under IFRS Accounting Standards, “Intangible assets” increased by 35,186 million yen compared to Japanese GAAP.

(Unused paid leave and other long-term employee benefits)

Under Japanese GAAP, accounting treatment was not required for unused paid leave and other long-term employee benefits. However, under IFRS Accounting Standards, these are recognized as either “Other current liabilities” or “Other non-current liabilities.”

Due to this impact, under IFRS Accounting Standards, “Other current liabilities” and “Other non-current liabilities” increased by 12,261 million yen and 942 million yen, respectively, compared to Japanese GAAP.

(Adjustments to net sales and cost of sales)

For lease income for finance leases in which the entity acts as a manufacturer or dealer lessor, under Japanese GAAP, “Net sales” and “Cost of sales” were recognized when lease payments were received. However, under IFRS Accounting Standards, “Revenue” and “Cost of sales” are recognized at the commencement date of the lease.

Due to this impact, under IFRS Accounting Standards, “Revenue” and “Cost of sales” on the consolidated statement of profit or loss increased by 32,807 million yen and 32,807 million yen, respectively, compared to Japanese GAAP.

(Adjustments related to other expenses)

Under Japanese GAAP, regarding the assets and liabilities owned by Former IJTT and its subsidiaries, the Company recorded a loss on sale of shares of subsidiaries of 6,389 million yen in the current fiscal year when all shares of Former IJTT owned by the Company were transferred. Under IFRS Accounting Standards, a loss of 6,244 million yen was recorded in the previous fiscal year, when the relevant assets and liabilities were measured at fair value, following the conclusion of the transfer agreement.

Due to this impact, under IFRS Accounting Standards, profit before tax on the consolidated statement of profit or loss increased by 6,389 million yen compared to Japanese GAAP.

5. Important 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 associates 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.
January 2025	Japan	Toyota Motor Corporation SUZUKI MOTOR CORPORATION Hino Motors, Ltd. DAIHATSU MOTOR CO., LTD.	Joint planning agreement	Isuzu, Toyota Motor Corporation, SUZUKI MOTOR CORPORATION, Hino Motors, Ltd., and DAIHATSU MOTOR CO., LTD. agreed to collaborate on CASE technologies for commercial vehicles. (The joint project agreement between Isuzu, Toyota Motor Corporation, SUZUKI MOTOR CORPORATION, and Hino Motors entered into in February 2024 was terminated with the above agreement.)

Due to the transitional measures specified in Article 3, Paragraph 4 of the “Cabinet Office Order Partially Amending the Cabinet Office Order on Disclosure of Corporate Affairs and the Cabinet Office Order on Disclosure of Information on Regulated Securities” (Cabinet Office Order No. 81 of 2023, December 22, 2023) enacted on April 1, 2024, among the items required to be disclosed under this cabinet office order, those concerning the agreements concluded before the enforcement of the order are omitted.

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, and pickup trucks (including xEVs), diesel engines, etc., and use these technologies to develop optimal products that meet the needs of customers in various countries and regions.

As part of our initiatives to develop new businesses outlined in the Mid-Term Business Plan, we have positioned (i) autonomous driving, (ii) connected services, and (iii) carbon neutrality as three pillars to accelerate our business as new profit sources for the future.

For the development of (i) autonomous driving technology, the Group participated in the Project on Research, Development, Demonstration and Deployment (RDD&D) of Automated Driving toward the Level 4 and its Enhanced Mobility Services (RoAD to the L4) promoted by the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism, in its efforts to create new businesses as part of research and development in the current fiscal year. Under the same initiatives, we are also advancing our development to realize trucks and buses with Level 4 automated driving through collaboration with alliance partners. In pursuing the “Initiative for the realization of high-performance trucks on expressways, including platooning” under RoAD to the L4, we have started public road demonstration from November 2024 on the Shin-Tomei Expressway jointly with three other commercial vehicle manufacturers in Japan. In those demonstrations, we confirm and validate the multiple functions necessary for social implementation. We tested the ability of autonomous driving trucks to drive safely and smoothly in the dedicated lane for autonomous vehicles that was newly installed on the highway in March 2025. For autonomous driving of route buses, we started demonstration testing of Level 2 automated driving of large-sized route buses in Hiratsuka City, Kanagawa Prefecture, in December 2024. This project is carried out in collaboration with five entities (*1), including Hiratsuka City, with the goal of realizing Level 4 automated driving. In addition, we conducted autonomous driving testing of road sign vehicles following behind snowplows under actual operating conditions in collaboration with East Nippon Expressway Company Limited. Furthermore, to acquire advanced autonomous driving technologies, we concluded a strategic alliance agreement with Applied Intuition, Inc., and invested in Gatik AI Inc. to build partnerships in the autonomous driving business in North America. The Group will continue to proactively advance its initiatives toward the social implementation of Level 4 automated driving for trucks and buses in the fiscal year ending March 31, 2028, in collaboration with its partners.

For the development of (ii) connected technology, the Group began demonstrations in October 2024 to achieve both BEV truck operations and facility energy management in collaboration with Ito En, Ltd. and iGrid Solutions Inc. (hereinafter referred to as “iGrid”). By integrating the commercial vehicle information infrastructure GATEX with iGrid’s energy management platform, we will develop charging plans and demonstrate charging control on the vehicle side. We have also launched connected services for BEVs, starting with North America, the Group’s first such services in overseas markets.

For the development of (iii) carbon-neutral technology, the Group started internal demonstration testing of its battery swapping solution “EVision Cycle Concept” in October 2024. In the demonstrations, we will validate the battery swapping operations and continue to make further improvements for social implementation, including reducing the time required for these operations. Additionally, Isuzu was selected for the Global South Future-Oriented Co-Creation Project by the Ministry of Economy, Trade and Industry, together with Mitsubishi Corporation. Starting from the fiscal year ending March 31, 2026, we will introduce a battery swapping solution in Thailand and conduct a demonstration project of sector coupling in partnership with electric power infrastructure operators. In the U.S., we concluded a supply agreement with Accelera by Cummins for battery powertrain systems to be used in BEV models of the F Series, a medium-duty truck planned for launch in the North American market in 2027. As for fuels, the “Development of new HVO (*3) blended fuel, construction of supply chain and its social implementation,” a joint project with eight other companies (*2), including euglena Co., Ltd., was selected for the “Technology Development Support Project for the Promotion of New Energy” by the Tokyo Metropolitan Government. In this project, we will develop, manufacture, store, transport, and demonstrate HVO-based new biofuels.

In addition to these technology developments, we held the ISUZU AI Innovation Challenge 2024, a program to collect new AI technologies and utilization ideas, in September 2024 with a global open call for applications. In February 2025, the Transport Innovation Research Center was established at the University of Tokyo as a permanent research organization. The center aims to advance research activities that address challenges across wide areas in logistics.

Next, as a result of strengthening current businesses, the Group launched ELF mio in July 2024, Japan's only light-duty diesel truck that can be driven with an automatic transmission-only regular driver's license in the ELF light-duty truck series. Achieving both high load capacity and class-leading fuel efficiency, this new product delivers powerful and smooth driving with its 6-speed automatic transmission. Through this solution, we aim to address social challenges such as the driver shortage. Additionally, in February 2025, we added a chassis for special-purpose vehicles (dust collection vehicles and high-reach vehicles) to the ELF EV lineup, our mass production BEV. Our proprietary electric PTO (*4) is used to supply power to the mounted equipment. Furthermore, our newly added charging management function in PREISM, an uptime support service through connected technology, has enabled BEV charging that reduces the impact on electricity bills.

For the medium-duty truck series FORWARD, we added models with a total vehicle weight of 15 tons or more equipped with new inline six-cylinder diesel engines jointly developed with Cummins Inc., which were launched in July 2024. The models deliver ample power while achieving significant weight reduction compared to previous six-cylinder engines. We also added the medium-duty truck FORWARD type-Re to our remanufactured vehicle (*5) lineup and began offering it through maintenance leases in March 2025. By using many recycled parts, the model contributes to resource cycling and is estimated to reduce CO₂ emissions by approximately 28 tons (*6) compared to manufacturing new vehicles.

For the heavy-duty truck GIGA, we have launched the S&E Series, a new heavy-duty truck designed for export, manufactured at the facility of our Group company, UD Trucks Corporation, in Thailand. In March 2025, we also announced the GIGA TRACTOR, a heavy-duty truck compliant with regulations to be enforced in 2026.

Regarding route buses, the Group launched an urban model of ERGA EV, Japan's first BEV full-flat route bus in May 2024, and a suburban model in October 2024. The models offer barrier-free access with no steps to the rear of the vehicle, significantly enhancing passenger convenience and safety. As an advanced safety feature, an automatic parking brake function has been added to the emergency driving stop system (EDSS) to enable safe vehicle stopping even on slopes. The models are also equipped with a front blind spot monitor that detects pedestrians and bicycles in front of the vehicle and alerts the driver, contributing to improved safety and reduced accidents. In addition, the models have adopted PREISM for the first time in buses. Furthermore, the vehicles are provided through the EVision PREISM Contract, a full-maintenance lease product dedicated to BEVs using PREISM, which enables users to remotely check battery charge levels, charging progress, cruising range, and equipment failures, such as from an office.

Regarding sightseeing buses, we launched the improved GALA mio medium-duty sightseeing bus in June 2024. In this improvement, a backup camera with a monitor was added as standard equipment to meet regulatory compliance requirements.

Regarding LCVs, we launched MU-X with significant upgrades in Thailand in June 2024. This new model features a redesigned exterior design based on the concept of "Bold and Dynamic," introducing the highest grade, RS, which emphasizes both luxury and sportiness. We also launched the D-MAX and MU-X models, equipped with our newly developed 2.2 L diesel engines and 8-speed automatic transmission, in Thailand in November 2024. These models achieve excellent acceleration, power performance, and fuel efficiency while maintaining their outstanding quietness and durability.

The research and development expenses incurred in the current fiscal year were 137.0 billion yen.

Note that the Group capitalizes part of research and development expenses as intangible assets. For the details of research and development expenses recognized in the consolidated statement of profit or loss, please see Note "28. Research and development expenses" in "V. Financial information, 1. Consolidated financial statements, etc., (1) Consolidated financial statements."

(*1) Hiratsuka City, Kanagawa Chuo Kotsu Co., Ltd., Mitsubishi Corporation, AISAN TECHNOLOGY Co., Ltd., and A-Drive, Inc

(*2) euglena Co., Ltd., TOKYU BUS CORPORATION, SHIMIZU CORPORATION, TAKENAKA CORPORATION, Asahi Corporation, Kamei Corporation, SINANEN Co., Ltd., and Hirano Sekiyu Co., Ltd.

(*3) Abbreviation for hydrotreated vegetable oil. A fuel made from hydro-processed biomass (biological resource) materials, which can be used blended with diesel fuel or as a standalone fuel. The fuel achieves higher CO₂ emission reductions compared to petroleum-based diesel fuel.

(*4) Abbreviation for power take off. A device to transfer power from the vehicle's power sources (engines, batteries, etc.) to the mounted equipment.

- (*5) Vehicles that ensure reliability and durability equivalent to new vehicles through function restoration by replacing suspension components and comfort restoration by interior cleaning and parts replacement, in addition to rebuilding drive units such as engines and transmissions after lease expiration.
- (*6) Demonstrated with a FORWARD medium-duty truck that had been driven approximately 700,000 kilometers in five years.

III. Status of Facilities

1. Overview of capital investment, etc.

Isuzu Group made a total of 142.9 billion yen in capital investment for the current fiscal year. Our key ongoing capital investments include innovation investments in carbon neutrality initiatives and autonomous driving-related areas, as well as current business investments in sales and service infrastructure enhancement. 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	17,133	23,413	33,966 (1,120)	2,694	77,188	1,288
Fujisawa Plant (Fujisawa-shi, Kanagawa)	Total assembly of trucks and manufacturing parts	32,972	33,792	[2] 110,665 (816)	24,211	201,641	6,004
Engine manufacturing facility (Tomakomai-shi, Hokkaido)	Manufacturing engines (Loaned to Isuzu Engine Manufacturing Hokkaido Co., Ltd.)	1,730	1,741	10,218 (1,480)	593	14,283	—
Comprehensive testing facility (Mukawa-cho, Yufutsu-gun, Hokkaido)	Automobile comprehensive test site (Loaned to ISUZU HOKKAIDO PROVING GROUND Co., Ltd.)	4,370	469	3,180 (4,428)	177	8,198	—
Head Office (Nishi-ku, Yokohama-shi, Kanagawa)	Activities of Head Office	6,550	572	—	2,516	9,639	1,512
Sales/logistics facilities Welfare facilities Other	Motor pool, retail facilities, and welfare facilities	17,674	399	[391] 75,644 (1,173)	4,908	98,626	—

(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) 5 domestic sales subsidiaries in total	Sales facilities	159	1,012	11 (1)	3,664	4,848	7,161
Isuzu Motors Sales Co., Ltd. (Nishi-ku, Yokohama-shi, Kanagawa)	Sales facilities (Loaned to the sales subsidiaries above)	41,374	4,886	63,123 (1,230)	29,241	138,626	214
Shonan Unitec Co., Ltd. (Samukawa-machi, Koza-gun, Kanagawa)	Press parts production facility	1,984	1,865	1,338 (135)	1,402	6,590	457

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 LOGISTICS Co., Ltd. (Nishi-ku, Yokohama- shi, Kanagawa)	Warehouse and parts packing facility	4,429	1,019	31 (3)	5,887	11,366	765
Isuzu Estate Co., Ltd. (Nishi-ku, Yokohama- shi, Kanagawa)	Land and buildings for rent	1,095	0	1,218 (14)	611	2,924	52
Isuzu Engine Manufacturing Hokkaido Co., Ltd. (Tomakomai-shi, Hokkaido)	Engine manufacturing facility	569	2,707	–	939	4,216	386
Isuzu Leasing Service Co., Ltd. (Nishi-ku, Yokohama- shi, Kanagawa)	Sales facilities, vehicles on operating leases (others)	98	0	–	143,627	143,725	323
UD Trucks Corporation (Ageo-shi, Saitama)	Facility for total assembly of trucks and manufacturing and selling engines	32,496	3,710	63,323 (1,432)	12,468	111,998	6,269

(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	290	47	562 (60)	131	1,031	44
Isuzu Motors Co., (Thailand) Ltd. (Papaden City, Samut Prakan Province, Thailand)	Automobile assembly facility	7,430	19,603	8,669 (987)	9,700	45,404	3,389
Isuzu Engine Manufacturing Co., (Thailand) Ltd. (Lat Krabang, Bangkok, Thailand)	Parts assembly facility	3,151	16,340	3,890 (106)	1,481	24,864	1,017
Isuzu Autoparts Manufacturing Corporation (Laguna, Philippines)	Parts assembly facility	370	1,265	–	1,785	3,421	480
ISUZU (CHINA) ENGINE CO., LTD. (Jiulongpo District, Chongqing, China)	Engine processing plant and others	90	4,882	–	5,789	10,762	348
Isuzu Motors India Private Limited (Tamil Nadu, India)	Vehicle assembly facility	4,916	8,359	–	1,669	14,945	399
P.T. TJForge Indonesia (West Java, Republic of Indonesia)	Forging plant and others	1,281	4,476	1,384 (117)	375	7,518	270
ISUZU MOTORS INTERNATIONAL FZE	Parts warehouse and others	2,773	0	–	1,470	4,244	89

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	
(Jebel Ali Free Zone, Dubai, United Arab Emirates)							
Isuzu East Africa Limited (Nairobi City, Kenya)	Automobile assembly facility	1,427	688	–	2,565	4,680	460
Isuzu Australia Limited (Truganina, Victoria and Brisbane, Queensland)	Parts warehouse and others	447	76	618 (4)	1,649	2,793	160
Isuzu North America Corporation (Greenville County, South Carolina, United States)	Land, buildings, and others	3	1,105	4,090 (567)	20,543	25,742	164

- (Notes) 1. The book value of the company submitting the Annual Securities Report is based on Japanese GAAP, while the book values of domestic subsidiaries and overseas subsidiaries are based on IFRS Accounting Standards, respectively.
2. The amounts shown are rounded down to the nearest million yen.
3. 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 391,000 m² for an annual rent of 104 million yen), and they are used as offices, factory land and logistics facilities of our business partners.
4. The “Other” item in the book value column includes right-of-use assets or leased assets, construction in progress, and vehicles on operating leases.
5. The number of employees shown denotes full-time employees.
6. 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)	546	2,703
Each operating base	Automobile manufacturing facility, computer equipment/office equipment, and others (lease)	–	64
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	65
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	59
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

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)
Ditto	Suminoe Branch / Suminoe Service Center (Suminoe-ku, Osaka-shi)	Ditto	11	74
Ditto	Himeji Branch / Himeji Service Center (Himeji-shi, Hyogo)	Ditto	13	62
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	81
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 160.0 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 Welfare facilities	10,000	January 2025	March 2026
Ditto	Fujisawa Plant (Fujisawa-shi, Kanagawa)	Facility for producing truck engines/facility for development and testing	60,000	Ditto	Ditto
Ditto	Head Office (Yokohama-shi, Kanagawa)	Sales facilities Systems and head office equipment	40,000	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 (Ageo-shi, Saitama) and other places	Production facility and others	12,300	April 2025	March 2026
ISUZU LOGISTICS Co., Ltd.	Logistics center (Fujisawa-shi, Kanagawa) and other places	Logistics facility and others	2,500	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 North America Corporation	Production base (Greenville County, South Carolina, United States)	Production facility and equipment	11,000	January 2025	December 2026
Isuzu Motors Co., (Thailand) Ltd.	Head office (Papaden City, Samut Prakan Province, Thailand)	Vehicle assembly facility	17,000	April 2025	March 2026

IV. Status of Company Submitting Annual Securities Report

1. Status of shares, etc.

(1) Total number of shares, etc.

(i) Total number of shares

Class	Total number of authorized shares (shares)
Ordinary shares	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, 2025)	Number of shares issued as of submission date (shares) (As of June 25, 2025)	Name of financial instruments exchange listed on or of authorized financial instruments firms association	Description
Ordinary shares	713,526,569	713,526,569	Tokyo Stock Exchange, Inc. Prime Market	These are the Company's standard shares with no restrictions on rights, and the number of shares constituting one unit is 100.
Total	713,526,569	713,526,569	—	—

(2) Share acquisition rights

(i) Details of stock option system

Not applicable.

(ii) Details of the rights plan

Not applicable.

(iii) Status of other share 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
April 26, 2024 (Note) 2	(26,568,600)	750,873,469	—	40,644,857	—	49,855,132
March 27, 2025 (Note) 3	(37,346,900)	713,526,569	—	40,644,857	—	49,855,132

(Notes) 1. Based on the resolution of the Board of Director on March 24, 2021, the Company cancelled its treasury shares consisting of 70,980,600 ordinary shares.

2. Based on the resolution of the Board of Directors on November 10, 2023, the Company cancelled its treasury shares consisting of 26,568,600 ordinary shares.

3. Based on the resolution of the Board of Directors on August 7, 2024, the Company cancelled its treasury shares consisting of 37,346,900 ordinary shares.

As a result, the total number of issued shares as of the date of submission is 713,526,569 shares.

(5) Status by shareholder

As of March 31, 2025

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)	—	94	46	778	741	232	100,815	102,706	—
Number of shares held (unit)	—	2,371,062	253,830	1,823,031	2,015,735	719	664,216	7,128,593	667,269
Percentage of shares held (%)	—	33.23	3.56	25.55	28.25	0.01	9.40	100.00	—

- (Notes) 1. Regarding treasury shares of 42,887 shares, 428 units are included in “Individuals and others” and 87 shares in “Status of shares less than one unit.”
2. The “Financial institutions” column includes 14,304 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, 2025

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	106,058	14.86
Mitsubishi Corporation	2-3-1, Marunouchi, Chiyoda-ku, Tokyo	63,633	8.92
Itochu Automobile Investment LLC	2-5-1, Kita-Aoyama, Minato-ku, Tokyo	52,938	7.42
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	51,037	7.15
Toyota Motor Corporation	1 Toyota-cho, Toyota-shi, Aichi	39,000	5.47
State Street Bank and Trust Company 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, Massachusetts (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	17,446	2.45
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)	11,961	1.68
The Nomura Trust and Banking Co., Ltd. (Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	10,090	1.41
National Mutual Insurance Federation of Agricultural Cooperatives (Standing proxy: The Master Trust Bank of Japan, Ltd.)	JA Kyosai Building, 2-7-9 Hirakawa-cho, Chiyoda-ku, Tokyo (Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo)	10,000	1.40
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)	9,831	1.38
Total	—	371,998	52.14

- (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 105,398,600 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 45,008,950 shares.

3. The above number of shares held by The Nomura Trust and Banking Co., Ltd. (Trust Account) is the total number of shares related to the trust business.
4. 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, 2025, 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

5. 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 February 29, 2024. However, we cannot confirm the actual number of shares held as of March 31, 2025, 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

6. 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, 2025, 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	5.04

(7) Status of voting rights

(i) Issued shares

As of March 31, 2025

Category	Number of shares (shares)	Number of voting rights (rights)	Description
Non-voting shares	—	—	—
Voting-restricted shares (treasury shares, etc.)	—	—	—
Voting-restricted shares (others)	—	—	—
Full-voting-rights shares (treasury shares, etc.)	(Own-held shares) Ordinary shares 42,800 (Cross-held shares) Ordinary shares 141,900	—	Company's standard shares with no restrictions on rights
Full-voting-rights shares (others)	Ordinary shares 712,674,600	7,126,746	Same as the above
Shares less than one unit	Ordinary shares 667,269	—	Same as the above
Shares issued	713,526,569	—	—
Voting rights of all shareholders	—	7,126,746	—

- (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 1,430,430 shares (14,304 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, 2025

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	42,800	—	42,800	0.01
(Cross-held shares) Takada Syatai Co., Ltd.	1959-1 Iwafune-machi, Maganoshima, Tochigi-shi, Tochigi	79,000	35,400	114,400	0.02
Yamagata Isuzu Motors Ltd.	5-1-5 Narisawanishi, Yamagata-shi, Yamagata	27,500	—	27,500	0.00
Total	—	149,300	35,400	184,700	0.03

- (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 share 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 share 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 share 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 shares, etc. Acquisition of ordinary shares that falls under Article 155, Item 3 of the Companies Act and acquisition of ordinary shares 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 (August 7, 2024) (Acquisition period: August 8, 2024 to March 31, 2025)	45,000,000 (maximum)	75,000 (maximum)
Treasury shares acquired prior to the current fiscal year	—	—
Treasury shares acquired in the current fiscal year	37,346,900	74,999
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 purchase of treasury shares by the resolution was completed on February 27, 2025 (trade date basis).

Category	Number of shares (shares)	Total value (millions of yen)
Resolutions of the Board of Directors (May 29, 2025) (Acquisition period: June 18, 2025 to March 31, 2026)	35,000,000 (maximum)	50,000 (maximum)
Treasury shares acquired prior to the current fiscal year	—	—
Treasury shares acquired in the current fiscal year	—	—
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 (%)	100.0	100.0

(Note) The treasury shares acquired during the period do not include shares acquired based on the resolution during the period from June 1, 2025 to the date of submission of the Annual Securities Report.

(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	4,636	9,479,085
Treasury shares acquired during the period	177	331,111

(Note) The treasury shares acquired during the period do not include shares less than one unit acquired during the period from June 1, 2025 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	63,915,500	124,999,967,508	—	—
Acquired treasury shares that have undergone a merger, share exchange, share issuance, or company split	—	—	—	—
Other (-)	—	—	—	—
Number of treasury shares held	42,887	—	—	—

- (Notes)
1. The number of treasury shares held during the period does not include treasury shares acquired during the period from June 1, 2025 to the date of submission of the Annual Securities Report.
 2. The number of treasury shares held does not include 1,430,430 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 ordinary shares for the current fiscal year, we plan to pay an interim dividend of 46 yen per share and a year-end dividend of 46 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 11, 2024 Board resolution	34,132	46
June 26, 2025 Annual shareholders' meeting resolution (planned)	32,820	46

4. Status of corporate governance, etc.

(1) Overview of corporate governance

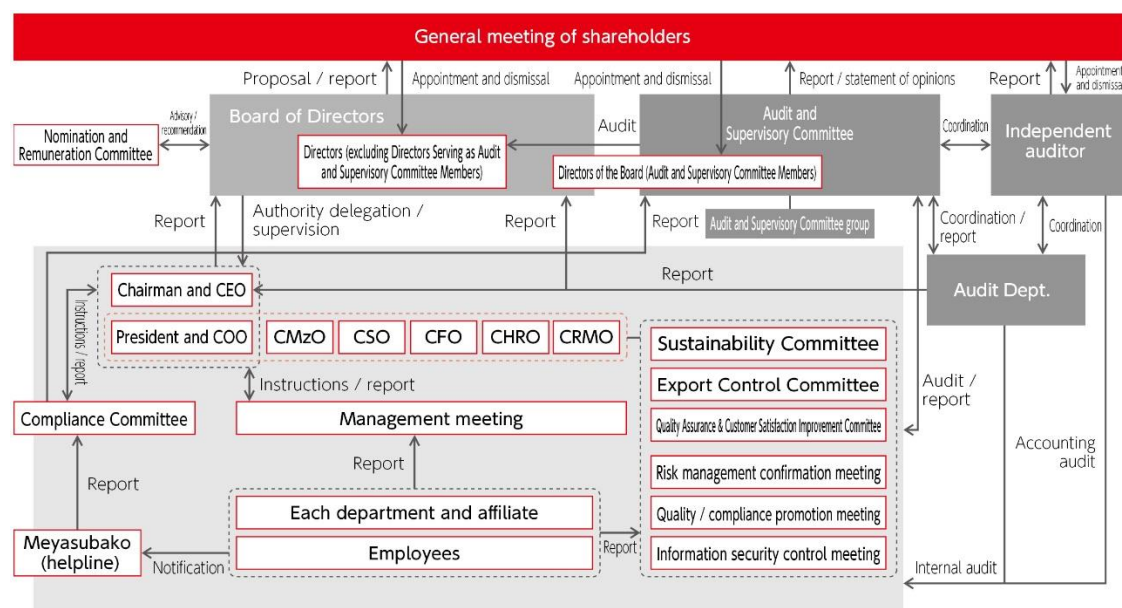
As for Isuzu's basic concept of corporate governance, we believe that it is indispensable to put in place the system of corporate governance, which is the framework that governs our activities, in order for us to continuously earn profits and increase corporate value through our corporate activities.

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 (June 25, 2025), 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.

At the 123rd Annual General Meeting of Shareholders to be held on June 26, 2025, the Company proposes the following agenda items (items to be resolved): “Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” and “Election of Five (5) Directors Who Are Audit and Supervisory Committee Members.”

If these agenda items are approved as originally proposed, the Board of Directors will consist of 13 Directors (of which six are Outside Directors, all of whom are Independent Officers reported to Tokyo Stock Exchange, Inc.). In addition, if the above agenda items are approved as originally proposed and approved at the Board of Directors meeting scheduled to be held immediately after the General Meeting of Shareholders, Chairman and Representative Director, CEO Masanori Katayama will continue serving as the chair of the Board of Directors.

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

During the 123rd Term (from April 1, 2024 to March 31, 2025), a total of 15 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 123rd Term was as follows:

Category	Name	Attendance status
Representative Director	Masanori Katayama	15 out of 15 meetings
Representative Director	Shinsuke Minami	15 out of 15 meetings
Director of the Board	Shinichi Takahashi	15 out of 15 meetings
Director of the Board	Shun Fujimori	15 out of 15 meetings
Director of the Board	Tetsuya Ikemoto	15 out of 15 meetings
Director of the Board	Naohiro Yamaguchi	15 out of 15 meetings
Outside Director of the Board	Mitsuyoshi Shibata	15 out of 15 meetings
Outside Director of the Board	Kozue Nakayama	4 out of 4 meetings (through her resignation on June 26, 2024)
Outside Director of the Board	Machiko Miyai	11 out of 11 meetings (since her appointment on June 26, 2024)
Outside Director of the Board	Tetsuya Nakano	11 out of 11 meetings (since his appointment on June 26, 2024)
Outside Director of the Board*1	Makoto Anayama	15 out of 15 meetings
Director of the Board*1	Kenji Miyazaki	15 out of 15 meetings
Director of the Board*1	Masao Watanabe	15 out of 15 meetings
Outside Director of the Board*2	Kanji Kawamura	15 out of 15 meetings
Outside Director of the Board*2	Kimie Sakuragi	15 out of 15 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 123rd 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 progress report on the 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 (June 25, 2025), 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.

At the 123rd Annual General Meeting of Shareholders to be held on June 26, 2025, the Company proposes the following agenda item (an item to be resolved): “Election of Five (5) Directors Who Are Audit and Supervisory Committee Members.” If this agenda item is approved as originally proposed, the Committee will consist of five members: Outside Director Hirotomo Abe, Director Masao Watanabe, Director Masato Kawanami, Outside Director Kimie Sakuragi, and Outside Director Yumiko Hosoi. If approved at the Audit and Supervisory Committee scheduled to be held immediately after the above General Meeting of Shareholders, Outside Director Hirotomo Abe will serve as the chair of the Committee. In addition, the Company plans to appoint Directors Masao Watanabe and Masato Kawanami as Standing Audit and Supervisory Committee Members, with all five members expected to serve as selected members of the Audit and Supervisory Committee.

For the meetings of the Audit and Supervisory Committee, attendees 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 (June 25, 2025), 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.

At the 123rd Annual General Meeting of Shareholders to be held on June 26, 2025, the Company proposes the following agenda items (items to be resolved): “Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” and “Election of Five (5) Directors Who Are Audit and Supervisory Committee Members.” If these agenda items are approved as originally proposed, and when approved at the Board of Directors meeting scheduled to be held immediately after the above General Meeting of Shareholders, the Committee will consist of five members: Chairman and Representative Director, CEO Masanori Katayama; Executive Vice President and Director, CMzO Shinichi Takahashi; and three Outside Directors of the Board (Mitsuyoshi Shibata, Machiko Miyai, and Hirotomo Abe). In addition, when approved at the Nomination and Remuneration Committee scheduled to be held immediately after the above Board of Directors meeting, Outside Director Mitsuyoshi Shibata will continue to serve as the chair of the Committee.

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

During the 123rd Term (from April 1, 2024 to March 31, 2025), 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 123rd Term was as follows:

Category	Position	Name	Attendance status
Member (Chairperson)	Outside Director of the Board*	Mitsuyoshi Shibata	9 out of 9 meetings
Member	Outside Director of the Board*	Machiko Miyai	7 out of 7 meetings (since her appointment on June 26, 2024)
Member	Outside Director of the Board*	Kozue Nakayama	2 out of 2 meetings (through her resignation on June 26, 2024)
Member	Outside Director of the Board, and Standing Audit and Supervisory Committee Member*	Makoto Anayama	9 out of 9 meetings
Member	Chairman and Representative Director, CEO	Masanori Katayama	9 out of 9 meetings
Member	President and Representative Director, COO	Shinsuke Minami	2 out of 2 meetings (through his resignation on June 26, 2024)
Member	Executive Vice President and Director, CMZO	Shinichi Takahashi	7 out of 7 meetings (since his appointment on June 26, 2024)

* Independent Officer

Specific considerations of the Nomination and Remuneration Committee

During the 123rd Term, the Nomination and Remuneration Committee deliberated over 14 proposals that constitute matters to be reported, deliberated over, and resolved. The Committee selected candidates for Outside Directors of the Board and considered individual specific nomination and remuneration proposals, succession plans, etc.

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, Executive Vice President and Director, CMZO Shinichi Takahashi, 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 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

In response to the occurrence of serious violations of laws and regulations, such as type approval test fraud, in the automotive industry to which the Isuzu Group belongs, the Company's Board of Directors positions the prevention and elimination of violations of laws and regulations, which must never be committed in business operations, as the most important management issue, and the Board of Directors adopted the following resolution in March 2025 regarding reviews of the basic policies of the internal control system and establishment of a system for ensuring the propriety of operations to reaffirm the commitment of the management, including Directors, to lead by example in resolving issues.

Guided by "ISUZU ID," its corporate philosophy, the Company fosters a sound and open corporate culture throughout the Isuzu Group to resolve social issues in unison with each and every employee of the Group taking a broader perspective and sharing the same values.

In addition, in order to establish a system to support compliance, the Company will strengthen the system that controls irregularities in business processes and encourage improvements, and continue to make constant improvements while striving to develop a human resource base and foster human resources able to put these into practice.

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 Directors of the Board and employees comply with the laws, and behave in line with high ethical standards to gain the trust of society and places the highest priority on thorough compliance, regardless of costs, schedules, or any other circumstances related to the performance of duties. Management, including Directors, leads by example and makes continuous efforts for thorough compliance.
- To secure thorough compliance, we will make sure that all Directors of the Board 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," chaired by the President COO and comprising each Division Head in charge of important laws and regulations, meets regularly to formulate effective measures to prevent and eliminate violations of various laws and regulations, and to provide instructions and advice to each division and the Risk Management Department regarding the promotion of compliance activities and the development of compliance systems.
- The Risk Management Department manages and promotes compliance activities based on instructions and advice from the Compliance Committee, and these are developed across the Company through the "Quality and 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.
- By independently, fairly, and objectively assessing the status of management activities related to "compliance," "risk management structure," and "corporate governance," and issuing directives and requests for improvement, the Corporate Audit Dept. conducts internal audits with the goal of helping the Company gain recognition and trust from society and achieve its management objectives.
- 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 for consultation available at the office level, division level, and Companywide level as the points of contact for internal reporting and consultation on compliance-related matters. In addition, the Company has set up the meyasubako (external point of contact) sited at an outside law firm as a countermeasure for

cases where it is difficult to consult or resolve an issue through the internal points of contact for some reason. In addition, the Company strives to ensure the thorough protection of whistleblowers by preventing any discrimination against those who report any wrongdoing to these points of contact, and by ensuring the psychological safety of whistleblowers, enabling them to feel safe reporting compliance problems, concerns, and violations.

b. System for maintaining and managing information relating to Directors' 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, it becomes available for viewing at the request of the Audit and Supervisory Committee.
- The "Information Security Management Meeting" composed of the CRMO and division representatives evaluates the implementation status of measures for managing information and information security at each division, putting into place an appropriate information management system and reports on its status to the Board of Directors when needed to implement thorough information management in accordance with the "Group Information Security Policy."
- The Company has established the "Rules for Handling Collaboration Information" to prevent situations that could damage the trust between the Company and our collaboration partners. These rules are designated to ensure that employees rigorously prevent the leakage of collaborative partners' confidential information from the Company to any outside parties, including other collaborative partners, and prevent the unauthorized use and incorporation into R&D 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 Head as a risk owner at the first line implements risk preventive measures and responds to emerging incidents related to the Group companies through business operations. The CRMO and Risk Management Department at the second line develop the Group's overall risk management structure, and manage and supervise the first line's risk responses. Additionally, the Corporate Audit Department at the third line, which is independent from divisions and the CRMO, decides rationality of risk management structure and systems.
- The CRMO regularly reports the status of risk management to the Representative Director and the Board of Directors and follows their instructions when given. The CRMO reports to the Representative Director and the Board of Directors on the status of risk management from time to time when deemed necessary.
- The CRMO convenes the "Risk Management Confirmation Meeting" on a regular basis to set up preventive initiatives for risks, follow up the progress of these initiatives, and identify the risks that are manifested upon identifying risks surrounding each of the Company's businesses, taking into account the situation of other companies' fraudulent activities and others, and to 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 major crises that significantly impact management, the CRMO oversees such risk managements, determines, and implements proper crisis responses (including implementation systems) to minimize the impact and reduce damage to corporate value.

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 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 a 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 according to the Company’s “Internal Auditing Manual,” and necessary notifications, requests, and reports are made to the departments in charge of business management of the Group companies. However, the results of internal audits are depended upon for Group companies with an auditing function.
 - 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 (excluding Directors who are 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 the 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 (excluding Directors who are Audit and Supervisory Committee Members) and Executive Officers and those of equivalent rank and employees of the Company and the Group companies report to the 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 the 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 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 have made a report to the Audit and Supervisory Committee Members in accordance with the preceding Paragraph, and ensures that all Directors of the Board, Audit and Supervisory Committee Members 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 who is 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/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 who are 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 who are Audit and Supervisory Committee Members to attend Management Meetings.
 - 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 associates, 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) The status of officers as of the date of submission of the Annual Securities Report (June 25, 2025) is as follows:

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)	201
			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.		
President and Representative Director, COO	Shinsuke Minami	September 29, 1959	April 1983	Joined ISUZU MOTORS LIMITED	(Note 2)	74
			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		

Job title	Name	Date of birth	Brief career history		Term	Number of shares held (1,000 shares)
Executive Vice President and Director, CMzO	Shinichi Takahashi	January 28, 1958	April 1980	Joined ISUZU MOTORS LIMITED	(Note 2)	93
			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 EVP of Corporate Strategy Division EVP of Corporate Planning & Finance Division EVP of Systems Division	Naohiro Yamaguchi	December 8, 1962	April 1986	Joined ISUZU MOTORS LIMITED	(Note 2)	29
			April 2019	Executive Officer, Associate Division Executive of Sales No. 2, Sales Planning Dept., Sales Headquarters, ISUZU MOTORS LIMITED		
			April 2021	Senior Executive Officer, and Division in charge Executive of LCV Business Dept., Executive of LCV Business Dept. Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED		
			June 2022	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		
			April 2023	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		
			April 2024	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		
			April 2025 to present	Director of the Board, CSO, EVP of Corporate Strategy Division, EVP of Corporate Planning & Finance Division, EVP of Systems 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 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)	37
			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	Tetsuya Ikemoto	February 8, 1960	April 1983	Joined ISUZU MOTORS LIMITED	(Note 2)	47
			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	Director of the Board, EVP of Sales Division, ISUZU MOTORS LIMITED		
			April 2025 to present	Director of the Board, ISUZU MOTORS LIMITED and Chairman and Representative Director, UD Trucks Corporation		

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	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		
			September 2024 to present	Auditor, Ochanomizu University		

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 June 2024 to present June 2025 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. (resigned in March 2025) Outside Director of the Board, ISUZU MOTORS LIMITED Director, Kyosan Electric Manufacturing Co., Ltd.	(Note 2)	—

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 (Note 1)	Makoto Anayama	March 14, 1963	April 1986	Joined Japan Development Bank (current Development Bank of Japan Inc.)	(Note 3)	1
			September 2013	Executive Officer and Head of Business Planning & Coordination Department, Development Bank of Japan Inc.		
			June 2015	Managing Executive Officer, Development Bank of Japan Inc.		
			June 2018	Member of the Board of Directors, Managing Executive Officer, Development Bank of Japan Inc. (resigned in June 2022)		
			March 2019	Member of the Board of Directors, Managing Executive Officer, Executive Director of the Research Institute of Capital Formation, Development Bank of Japan Inc.		
			June 2022	Executive Director of the Research Institute of Capital Formation, Development Bank of Japan Inc.		
			June 2023 to present	Outside Director of the Board, and Standing Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED		
			April 2025 to present	Company auditor, ISUZU LOGISTICS Co., Ltd.		
Director of the Board Standing Audit and Supervisory Committee Member	Kenji Miyazaki	January 31, 1959	April 1981	Joined ISUZU MOTORS LIMITED	(Note 3)	13
			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		

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	Masao Watanabe	March 9, 1961	April 1983	Joined ISUZU MOTORS LIMITED	(Note 3)	6
			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 Dept., ISUZU MOTORS LIMITED		
			June 2023 to present	Director of the Board, and Standing Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED		
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		

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)	Kimie Sakuragi	September 6, 1958	<p>March 1981 Joined Fukutake Shoten Co., Ltd. (currently Benesse Holdings, Inc.)</p> <p>June 2003 Standing Audit & Supervisory Board Member, Benesse Holdings, Inc. (resigned in June 2019)</p> <p>April 2007 to present Adjunct Professor, The University of Aizu Graduate School</p> <p>June 2019 Outside Director, Toyobo Co., Ltd. (resigned in June 2025)</p> <p>June 2021 to present Outside Director, Kumagai Gumi Co., Ltd.</p> <p>Outside Director of the Board, and Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED</p>	(Note 3)	—
Total					506

- (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 the 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 two Executive Officers who concurrently serve as Directors of the Board and listed above (Managing Executive Officers Naohiro Yamaguchi and Shun Fujimori), Executive Officers are appointed as follows:

The Managing Executive Officers consist of the following two members.

Takashi Oodaira EVP of Carbon Neutral Strategy Division

Satoshi Yamaguchi Light Commercial Vehicle Business Management, EVP of LCV Business Dept.

The Senior Executive Officers consist of the following 12 members.

Kenichi Asahara CRMO, EVP of Administration Division

Naohiko Yanagawa EVP of Quality Assurance Division

Masato Arisawa CHRO, EVP of HR Division

Tsuguo Fukumura EVP of Business Process Development Division

Hidekazu Noto EVP of Japan Sales Division

Koji Nakamura EVP of International Sales Division, VP of International Sales Division

Kazutaka Ooishi EVP of Industrial Solutions & Powertrain Business Division, SVP, Product Executive CE (PT Executive CE)

Akira Kamijo EVP of Purchasing Division

Ken Ueda EVP of Engineering Division, SVP, Product Executive CE (MD/LD/BUS Executive CE)

Masayuki Umeda EVP of Manufacturing Division

Satoshi Okuyama SVP of Corporate Strategy Division, SVP, Chief Officer for External Affairs

Hiroshi Sato SVP, Chief Officer for External Affairs, VP of Engineering Division

The Executive Officers consist of the following seven members.

Fumiya Yamakita CFO, VP of Corporate Planning & Finance Division

Kazuhiro Nishi	SVP, Product Executive CE (HD Executive CE), VP of Engineering Division, SVP, UD Trucks Corporation
Jun Konnai	VP of Manufacturing Division
Kazunari Furukawa	SVP, Chief Officer for External Affairs
Taro Kunifusa	SVP, Product Executive CE (Executive Chief Engineer of LCV), President and Representative Director, Isuzu Motors Co., (Thailand) Ltd.
Noboru Murakami	Chairman and CEO, Isuzu North America Corporation
Shaun Skinner	President and COO, Isuzu Commercial Truck of America, Inc., President, Isuzu Commercial Truck of Canada, Inc.

- (ii) At the 123rd Annual General Meeting of Shareholders to be held on June 26, 2025, the Company proposes the following agenda items (items to be resolved): “Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” and “Election of Five (5) Directors Who Are Audit and Supervisory Committee Members.” If these agenda items are approved as originally proposed, the status of the Company’s officers will be as follows. Note that the job titles and brief career history reflect the items to be resolved at the Board of Directors meeting scheduled to be held immediately after the 123rd Annual General Meeting of Shareholders.

10 males and 3 females (23.0% 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)	201
			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)	74
			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)	93
			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 EVP of Corporate Strategy Division EVP of Corporate Planning & Finance Division EVP of Systems Division	Naohiro Yamaguchi	December 8, 1962	April 1986	Joined ISUZU MOTORS LIMITED	(Note 2)	29
			April 2019	Executive Officer, Associate Division Executive of Sales No. 2, Sales Planning Dept., Sales Headquarters, ISUZU MOTORS LIMITED		
			April 2021	Senior Executive Officer, and Division in charge Executive of LCV Business Dept., Executive of LCV Business Dept. Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED		
			June 2022	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		
			April 2023	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		
			April 2024	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		
			April 2025 to present	Director of the Board, CSO, EVP of Corporate Strategy Division, EVP of Corporate Planning & Finance Division, EVP of Systems 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 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)	37
			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 (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.		

Job title	Name	Date of birth	Brief career history		Term	Number of shares held (1,000 shares)
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	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		
			September 2024 to present	Auditor, Ochanomizu University		

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 June 2024 to present June 2025 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. (resigned in March 2025) Outside Director of the Board, ISUZU MOTORS LIMITED Outside Director, Kyosan Electric Manufacturing Co., Ltd.	(Note 2)	—

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)	Hiroto Abe	November 1, 1957	April 1980 April 2002 October 2002 May 2005 April 2009 April 2011 June 2019 to present April 2021 to present March 2022 June 2024 to present June 2025 (planned)	Joined MITSUI & CO., LTD. General Manager of Overseas Legal Office No. 1, Legal Department, MITSUI & CO., LTD. Seconded to London Legal Division, MITSUI & CO. EUROPE PLC General Counsel & Chief Compliance Officer of Europe, Africa and the Middle East Business Unit, MITSUI & CO., LTD. (resigned in March 2009) Professor, Faculty of Law, Meijigakuin University (resigned in March 2011) Professor, Graduate School of Law, Hitotsubashi University Outside Director, Audit and Supervisory Committee Member, CASIO COMPUTER CO., LTD. Professor Emeritus, Graduate School of Law, Hitotsubashi University Professor, Business School, Nagoya University of Commerce and Business External Director, Outsourcing Inc. External Director, Audit Committee member, Outsourcing Inc. Outside Director of the Board, and Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED	(Note 3)	—
Director of the Board Standing Audit and Supervisory Committee Member	Masao Watanabe	March 9, 1961	April 1983 April 2008 April 2013 April 2019 June 2023 to present	Joined ISUZU MOTORS LIMITED General Manager of General Affairs & HR Dept., ISUZU MOTORS LIMITED Executive Vice President and Director, Isuzu Motors Co., (Thailand) Ltd. Chief Executive of Audit Dept., ISUZU MOTORS LIMITED Director of the Board, and Standing Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED	(Note 3)	6

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	Masato Kawanami	September 30, 1960	April 1983	Joined ISUZU MOTORS LIMITED	(Note 3)	5
			January 2006	Vice Chairman, Taiwan Isuzu Motors Co., Ltd.		
			April 2008	General Manager of Overseas Sales Dept. No. 7, ISUZU MOTORS LIMITED		
			April 2015	Associate Division Executive of Sales Division No. 1, ISUZU MOTORS LIMITED		
			April 2016	Executive of Sales Control Dept., Sales Promotion Dept., and Product & Rear Body Policy Dept., ISUZU MOTORS LIMITED		
			April 2017	Executive of Audit Dept., ISUZU MOTORS LIMITED		
			April 2019	President and Representative Director, Isuzu Motors Tohoku Co., Ltd.		
			April 2024	Chairman and Representative Director, Isuzu Motors Tohoku Co., Ltd. (resigned in March 2025)		
			June 2025 (planned)	Director of the Board, and Standing 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	Outside Director, Toyobo Co., Ltd. (resigned in June 2025)		
			June 2021 to present	Outside Director, Kumagai Gumi Co., Ltd. Outside Director of the Board, and 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)	Yumiko Hosoi	January 1, 1967	<p>October 1993 Joined Asahi & Co. (Predecessor of KPMG AZSA LLC)</p> <p>April 1997 to present Registered as a Certified Public Accountant</p> <p>July 2010 to present Partner, KPMG AZSA LLC (scheduled to resign on June 30, 2025)</p> <p>June 2025 (planned) Outside Director of the Board, and Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED</p>	(Note 3)	—
Total					447

- (Notes) 1. Directors of the Board Mitsuyoshi Shibata, Machiko Miyai, Tetsuya Nakano, Hirotomo Abe, Kimie Sakuragi, and Yumiko Hosoi 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 the Annual General Meeting of Shareholders held on June 26, 2025.
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 26, 2025.
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 two Executive Officers who concurrently serve as Directors of the Board and listed above (Managing Executive Officers Naohiro Yamaguchi and Shun Fujimori), Executive Officers are appointed as follows:

The Managing Executive Officers consist of the following two members.

Takashi Oodaira EVP of Carbon Neutral Strategy Division
Satoshi Yamaguchi Light Commercial Vehicle Business Management, EVP of LCV Business Dept.

The Senior Executive Officers consist of the following 12 members.

Kenichi Asahara CRMO, EVP of Administration Division
Naohiko Yanagawa EVP of Quality Assurance Division
Masato Arisawa CHRO, EVP of HR Division
Tsuguo Fukumura EVP of Business Process Development Division
Hidekazu Noto EVP of Japan Sales Division
Koji Nakamura EVP of International Sales Division, VP of International Sales Division
Kazutaka Ooishi EVP of Industrial Solutions & Powertrain Business Division, SVP, Product Executive CE (PT Executive CE)
Akira Kamijo EVP of Purchasing Division
Ken Ueda EVP of Engineering Division, SVP, Product Executive CE (MD/LD/BUS Executive CE)
Masayuki Umeda EVP of Manufacturing Division
Satoshi Okuyama SVP of Corporate Strategy Division, SVP, Chief Officer for External Affairs
Hiroshi Sato SVP, Chief Officer for External Affairs, VP of Engineering Division

The Executive Officers consist of the following seven members.

Fumiya Yamakita	CFO, VP of Corporate Planning & Finance Division
Kazuhiro Nishi	SVP, Product Executive CE (HD Executive CE), VP of Engineering Division, SVP, UD Trucks Corporation
Jun Konnai	VP of Manufacturing Division
Kazunari Furukawa	SVP, Chief Officer for External Affairs
Taro Kunifusa	SVP, Product Executive CE (Executive Chief Engineer of LCV), President and Representative Director, Isuzu Motors Co., (Thailand) Ltd.
Noboru Murakami	Chairman and CEO, Isuzu North America Corporation
Shaun Skinner	President and COO, Isuzu Commercial Truck of America, Inc., President, Isuzu Commercial Truck of Canada, Inc.

(iii) 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).

At the 123rd Annual General Meeting of Shareholders to be held on June 26, 2025, the Company proposes the following agenda items (items to be resolved): “Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” and “Election of Five (5) Directors Who Are Audit and Supervisory Committee Members.” However, if these agenda items are approved as originally proposed, there will be no changes to the respective numbers of Directors of the Board.

Criteria to determine the independence of Outside Directors of the Board of the Company are based on the independence criteria prescribed by the Tokyo Stock Exchange. The Company judges, in principle, that a person who is an executive of a major business partner of the Company, a person whose major business partner is the Company or an executive of such partner, or a consultant, an accounting professional, a legal professional, or similar person who receives substantial amounts of money, etc. from the Company other than remuneration for directors is not independent.

“Major” business partner refers to a business partner in which the transaction amount with the Company accounts for 2% or more of consolidated revenue in the previous consolidated fiscal year of either the business partner or the Company, and criteria of “substantial amounts” refer to an annual amount of 10 million yen (in the case of an organization, 2% of the organization’s total annual revenue during the previous fiscal year) or more.

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 as 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, compliance, and corporate governance, 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.

At the 123rd Annual General Meeting of Shareholders to be held on June 26, 2025, the Company proposes the following agenda items (items to be resolved): "Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" and "Election of Five (5) Directors Who Are Audit and Supervisory Committee Members." If these agenda items are approved as originally proposed, the status of each Outside Director of the Board and their relationship with the Company will be as follows.

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, 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. If approved at the Board of Directors meeting scheduled to be held immediately after the 123rd Annual General Meeting of Shareholders, and when approved at the Nomination and Remuneration Committee scheduled to be held immediately after the Board of Directors meeting, he is scheduled to continue serving as the chair of the 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. 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. If approved at the Board of Directors meeting scheduled to be held immediately after the 123rd Annual General Meeting of Shareholders, she is scheduled to continue serving as a member of the Nomination and Remuneration Committee, which is the advisory body to the Board of Directors.

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. Hirotomo Abe as Outside Director Serving as Audit and Supervisory Committee Member, in the expectation that, because he has a wealth of insights 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.

If approved at the Audit and Supervisory Committee to be held immediately after the 123rd Annual General Meeting of Shareholders, he is scheduled to serve as the chair of the Committee.

In addition, if approved at the Board of Directors meeting to be held immediately after the above Audit and Supervisory Committee, he is scheduled to serve as a member of the Nomination and Remuneration Committee, which is the advisory body to 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 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, compliance, and corporate governance, 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.

We have appointed Ms. Yumiko Hosoi as Outside Director Serving as Audit and Supervisory Committee Member, in the expectation that, because she has a wealth of experience in auditing and risk management operations as a Certified Public Accountant and insights in finance and accounting, 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.

- (iv) 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 “CFO,” “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 participating in 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 periodically 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 CFO, CHRO, and CRMO attend the Board of Directors Meeting as explanatory assistants every time from the standpoint of supervising the entire Group in their respective domains of responsibility and 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 (June 25, 2025), 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. Outside

Director Makoto Anayama, who serves as an Audit and Supervisory Committee Member, possesses extensive expertise and a wealth of experience in finance and corporate finance. Director Kenji Miyazaki, who serves as an Audit and Supervisory Committee Member, has extensive experience managing the Company's Corporate Planning & Finance Division. Accordingly, both Directors of the Board possess substantial knowledge in finance and accounting.

At the 123rd Annual General Meeting of Shareholders to be held on June 26, 2025, the Company proposes the following agenda item (an item to be resolved): "Election of Five (5) Directors Who Are Audit and Supervisory Committee Members." If this agenda item is approved as originally proposed, the Committee will consist of five members: Outside Director Hiroto Abe, Director Masao Watanabe, Director Masato Kawanami, Outside Director Kimie Sakuragi, and Outside Director Yumiko Hosoi. Outside Director Yumiko Hosoi has a wealth of experience in auditing and risk management operations as a Certified Public Accountant, and possesses substantial knowledge in finance and accounting. If approved at the Audit and Supervisory Committee scheduled to be held immediately after the above General Meeting of Shareholders, Outside Director Hiroto Abe will serve as the chair of the Committee. In addition, the Company plans to appoint Directors Masao Watanabe and Masato Kawanami as Standing Audit and Supervisory Committee Members, with all five members expected to serve as selected members of the Audit and Supervisory Committee.

Furthermore, 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 two hours 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	15 out of 15 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	15 out of 15 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

(Note) The Chairperson of the Audit and Supervisory Committee is Mr. Makoto Anayama.

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:

- Development and operation status of the corporate governance system
- Development and operation status of risk management system
- Development and operation status of Group internal control system
- Status of response to strengthening quality control system

- e. Efforts on occupational safety issues
- f. Progress on human capital management

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 business audit group and the internal control assessment 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 14 (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 Chairman and CEO 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, Keiichiro Ochi, and Shuhei Okuma, 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 24 certified public accountants, 15 people who have passed the certified public accountant exam, and 41 others.

(Continuous audit period)

53 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 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	188	80	226	21
Consolidated subsidiary	315	0	266	—
Total	504	81	492	21

(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	—	26	—	7
Consolidated subsidiary	398	168	423	146
Total	398	195	423	154

(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 associate.

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 (interim 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.

As of the date of submission of the Annual Securities Report (June 25, 2025), 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).

At the 123rd Annual General Meeting of Shareholders to be held on June 26, 2025, the Company proposes the following agenda item (an item to be resolved): "Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)." If this agenda item is approved as originally proposed, the number of Directors of the Board of the Company (excluding Directors of the Board who are Audit and Supervisory Committee Members) will be eight (of which three are 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).

At the 123rd Annual General Meeting of Shareholders to be held on June 26, 2025, the Company proposes the following agenda item (an item to be resolved): "Election of Five (5) Directors Who Are Audit and Supervisory Committee Members." However, if this agenda item is approved as originally proposed, there will be no changes to the respective numbers of 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.

At the Board of Directors meeting scheduled for June 26, 2025, the Company plans to revisit and update the decision policy regarding the content of individual remuneration for Directors of the Board.

- 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 target period. 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, CSO, and CHRO) 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 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 net sales, consolidated operating profit, 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 each performance indicator 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 net sales, consolidated operating profit, 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 Directors of the Board, etc., and the Company pays an amount within the scope.

As of the date of submission of the Annual Securities Report (June 25, 2025), the Share-Based Remuneration Plan covers a total of 27 people, including 6 Directors of the Board

(excluding Directors Serving as Audit and Supervisory Committee Members) and 21 Executive Officers (excluding Executive Officers who are Directors of the Board).

At the 123rd Annual General Meeting of Shareholders to be held on June 26, 2025, the Company proposes the following agenda items (items to be resolved): “Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” and “Election of Five (5) Directors Who Are Audit and Supervisory Committee Members.” If these agenda items are approved as originally proposed, the Share-Based Remuneration Plan will cover a total of 26 individuals, including five Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) and 21 Executive Officers (excluding Executive Officers who are also 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 (*1) during the Target Period (June 26, 2024 through March 31, 2027) 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. (*2) 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 (*3).

The Share-Based Remuneration Plan reflects malus and clawback provisions (*4).

Each evaluation index is the target value set in the Mid-term Business Plan’s Target Period (June 26, 2024 through March 31, 2027) announced by the Company, and is selected because each is an important index showing the progress of the Plan.

- *1 GHG reduction target for the fiscal year ending March 31, 2027: 12% reduction (compared with the fiscal year ended March 31, 2014)
- *2 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.
- *3 The average closing price of Company shares 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
- *4 The system whereby, in case of material improper acts or breaches by the persons eligible to the performance-linked share-based remuneration plan, eligible persons may lose or the Company may confiscate the right to receive the grant, etc. of the Company’s shares, etc. under the plan or demand the return of money equivalent to the Company’s shares, etc. delivered

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 share 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.

The performance indicators for determining share-based remuneration are set respectively for financial indicators of consolidated net sales, consolidated operating profit and ROE, and non-financial indicator of GHG emission reduction rate (compared with the fiscal year ended March 31, 2014). The results of the financial indicators are 3,208.1 billion yen, 229.1 billion yen and 9.3%, respectively. The non-financial indicator of reduction in GHG is progressing in line with the plan during the applicable period.

- 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 26, 2024 and payment of the bonuses for them at the Board of Directors meeting held on May 29, 2025, 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 2025)
- Succession plan

- (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
		Base 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)	616	379	148	88	88	6
Audit and Supervisory Committee Members (excluding Outside Directors of the Board)	68	68	—	—	—	2
Outside officers	113	113	—	—	—	7

(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 four 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 1,300 million yen per year (of which, Outside Directors of the Board shall be within 131 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 300 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 4,900 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 shares, etc. (8) Details of the officer/employee share 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.
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	180	99	51	28	28
Shinsuke Minami	Director of the Board	Company submitting the Annual Securities Report	119	73	27	18	18
Shinichi Takahashi	Director of the Board	Company submitting the Annual Securities Report	106	67	24	14	14

(Note) 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 18, 2025.

Number of stocks and carrying amounts on balance sheet

	Number of stocks (stock)	Total carrying amounts on balance sheet (millions of yen)
Unlisted shares	60	7,935
Shares other than unlisted shares	40	143,503

(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
Unlisted shares	—	—	—
Shares other than unlisted shares	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)
Unlisted shares	1	99
Shares other than unlisted shares	9	2,029

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

(Specified investment shares)

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
	66,651	96,614		
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
	29,620	37,679		

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)		
NIKKON Holdings Co., Ltd.	3,385,970	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
	9,115	5,001		
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
	6,091	4,633		
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
	5,674	7,258		
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	No
	3,770	3,514		
Keisei Electric Railway Co., Ltd.	1,916,250	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
	2,582	3,934		
Fukuyama Transporting Co., Ltd.	614,078	613,750	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. (Increase due to employee shareholding plan)	Yes
	2,219	2,224		
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
	2,154	2,566		
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
	2,007	908		

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)		
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
	1,607	1,373		
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
	1,497	2,039		
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
	1,440	1,648		
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
	1,295	1,768		
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
	1,077	1,493		
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
	844	782		
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
	831	1,055		
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
	690	659		

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)		
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
	610	556		
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
	514	490		
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
	473	554		
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
	328	411		
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
	321	319		
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
	292	403		
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
	272	211		

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)		
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
	204	149		
AIRMAN CORPORATION	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
	193	205		
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
	181	232		
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
	155	129		
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
	145	256		
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
	143	137		
Ito En, Ltd.	40,000	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
	127	148		

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)		
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
	96	112		
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
	71	90		
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
	62	68		
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
	43	52		
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
	33	31		
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		
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	17		

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)		
Dynamic Map Platform Co., Ltd.	10,000	10,000	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
	14	10		
Nippon Express Holdings, Inc.	—	30	—	No
	—	0		
Keikyu Corporation	—	392,664	—	Yes
	—	546		
KYB Corporation	—	104,300	—	Yes
	—	539		
Air Water Inc.	—	150,000	—	No
	—	359		
Meiji Holdings Co., Ltd.	—	60,840	—	No
	—	206		
Chilled & Frozen Logistics Holdings Co., Ltd.	—	75,000	—	No
	—	231		
Kanda Holdings Co., Ltd.	—	112,200	—	No
	—	95		
S LINE GROUP CO., LTD.	—	19,885	—	No
	—	17		
Tohbu Network Co., Ltd.	—	20,000	—	No
	—	22		

- (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).
- (Note) 5. The number of shares of NIKKON Holdings Co., Ltd. is stated on a post-split basis following the 2-for-1 share split conducted on October 1, 2024.
- (Note) 6. The number of shares of Keisei Electric Railway Co., Ltd. is stated on a post-split basis following the 3-for-1 share split conducted on January 1, 2025.

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 International Financial Reporting Standards (hereinafter referred to as “IFRS Accounting Standards”) pursuant to Article 312 of 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, 2024 to March 31, 2025) and non-consolidated financial statements for the fiscal year (from April 1, 2024 to March 31, 2025) 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.

4. Establishment of a system that enables the proper preparation of consolidated financial statements, etc., in accordance with IFRS Accounting Standards

The Company stays current with the latest standards by obtaining press releases and standards issued by the International Accounting Standards Board as they become available. In addition, to prepare the proper consolidated financial statements in accordance with IFRS Accounting Standards, the Company has established group-wide accounting policies and guidelines that comply with IFRS Accounting Standards and keeps accounting records based on these policies and guidelines.

1. Consolidated financial statements, etc.

(1) Consolidated financial statements

(i) Consolidated statement of financial position

		(Millions of yen)		
	Notes	As of April 1, 2023 (transition date)	As of March 31, 2024	As of March 31, 2025
Assets				
Current assets				
Cash and cash equivalents	7, 35	358,231	367,315	358,711
Trade and other receivables	8, 35	597,142	636,482	660,512
Other financial assets	9, 35	28,039	22,362	29,910
Inventories	10	620,857	662,659	681,798
Income taxes receivable		5,804	6,327	7,978
Other current assets	18	70,277	65,184	73,124
Subtotal		1,680,352	1,760,332	1,812,036
Assets held for sale	11	—	92,951	3,306
Total current assets		1,680,352	1,853,283	1,815,343
Non-current assets				
Property, plant and equipment	12	808,267	785,354	838,723
Goodwill	13, 15	15,213	15,213	15,213
Intangible assets	13	103,094	111,979	133,401
Right-of-use assets	14	111,410	109,572	108,696
Investments accounted for using equity method	16	101,342	99,591	132,763
Other financial assets	9, 35	169,595	229,989	196,013
Retirement benefit asset	22	2,583	9,015	12,876
Deferred tax assets	17	38,992	42,915	45,987
Other non-current assets	18	4,604	4,623	4,291
Total non-current assets		1,355,106	1,408,254	1,487,966
Total assets		3,035,459	3,261,538	3,303,310

		(Millions of yen)		
	Notes	As of April 1, 2023 (transition date)	As of March 31, 2024	As of March 31, 2025
Liabilities and equity				
Liabilities				
Current liabilities				
Trade and other payables	19, 35	701,652	682,160	684,051
Bonds and borrowings	20, 35	118,119	192,777	262,484
Lease liabilities	20, 35	21,866	25,180	24,437
Other financial liabilities	21, 35	7,573	8,678	9,266
Income taxes payable		31,489	31,611	22,302
Provisions	23	30,025	39,579	44,179
Other current liabilities	24	82,477	86,536	89,204
Subtotal		993,204	1,066,525	1,135,926
Liabilities directly associated with assets held for sale	11	—	81,734	—
Total current liabilities		993,204	1,148,259	1,135,926
Non-current liabilities				
Bonds and borrowings	20, 35	365,211	318,995	381,829
Lease liabilities	20, 35	93,303	90,174	90,094
Other financial liabilities	21, 35	1,258	1,199	1,195
Retirement benefit liability	22	96,369	88,668	86,750
Provisions	23	43,389	50,410	51,020
Deferred tax liabilities	17	1,788	20,567	10,647
Other non-current liabilities	24	6,529	7,527	8,188
Total non-current liabilities		607,850	577,543	629,724
Total liabilities		1,601,054	1,725,803	1,765,651
Equity				
Share capital	25	40,644	40,644	40,644
Capital surplus	25	42,775	44,383	42,160
Treasury shares	25	(3,234)	(53,133)	(2,364)
Retained earnings	25	1,103,085	1,213,034	1,162,408
Other components of equity		48,831	135,382	128,215
Accumulated other comprehensive income associated with assets held for sale		—	1,630	1,797
Total equity attributable to owners of parent		1,232,102	1,381,942	1,372,863
Non-controlling interests		202,301	153,792	164,796
Total equity		1,434,404	1,535,735	1,537,659
Total liabilities and equity		3,035,459	3,261,538	3,303,310

(ii) Consolidated statement of profit or loss and consolidated statement of comprehensive income

Consolidated statement of profit or loss

		(Millions of yen)	
	Notes	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue	6, 27	3,404,633	3,235,648
Cost of sales		2,709,113	2,573,346
Gross profit		695,520	662,302
Selling, general and administrative expenses		398,051	430,265
Other income	29	8,858	6,257
Other expenses	29	24,685	8,832
Operating profit		281,641	229,461
Finance income	30	20,871	18,836
Finance costs	30	7,507	12,503
Share of profit of investments accounted for using equity method	16	2,291	9,169
Profit before tax		297,297	244,964
Income tax expense	17	82,254	64,043
Profit		215,042	180,920
Profit attributable to			
Owners of parent		168,996	140,062
Non-controlling interests		46,046	40,858
Profit		215,042	180,920
Earnings per share			
Basic earnings per share (yen)	32	220.22	190.78
Diluted earnings per share (yen)	32	219.95	190.75

Consolidated statement of comprehensive income

		(Millions of yen)	
	Notes	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit		215,042	180,920
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net change in fair value of financial assets measured at fair value through other comprehensive income	31	42,694	(24,191)
Remeasurements of defined benefit plans	31	6,496	3,629
Share of other comprehensive income of investments accounted for using equity method	16, 31	136	(226)
Total		49,327	(20,789)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	31	58,608	22,879
Cash flow hedges	31	(265)	223
Total		58,342	23,102
Other comprehensive income, net of tax		107,670	2,313
Comprehensive income		322,713	183,233
Comprehensive income attributable to			
Owners of parent		264,696	138,528
Non-controlling interests		58,016	44,705
Comprehensive income		322,713	183,233

(iii) Consolidated statement of changes in equity

Previous fiscal year (Fiscal year ended March 31, 2024)

(Millions of yen)

		Equity attributable to owners of parent					Other components of equity	
	Notes	Share capital	Capital surplus	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Cash flow hedges	
Balance as of April 1, 2023		40,644	42,775	(3,234)	1,103,085	—	204	
Profit		—	—	—	168,996	—	—	
Other comprehensive income	31	—	—	—	—	47,170	(265)	
Total comprehensive income		—	—	—	168,996	47,170	(265)	
Purchase of treasury shares	25	—	—	(50,013)	—	—	—	
Disposal of treasury shares	25	—	4	115	—	—	—	
Dividends of surplus	26	—	—	—	(66,671)	—	—	
Share-based payment transactions	34	—	624	—	—	—	—	
Loss of control of subsidiaries		—	—	—	—	—	—	
Changes in ownership interest in subsidiaries		—	978	—	—	37	—	
Transactions with non-controlling interests	11	—	—	—	—	—	—	
Transfer from other components of equity to retained earnings		—	—	—	7,624	—	—	
Reclassification of accumulated other comprehensive income associated with assets held for sale	11	—	—	—	—	(1,058)	—	
Balance as of March 31, 2024		40,644	44,383	(53,133)	1,213,034	46,150	(60)	

Equity attributable to owners of parent								
Other components of equity								
	Notes	Net change in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Accumulated other comprehensive income associated with assets held for sale	Total	Non-controlling interests	Total equity
Balance as of April 1, 2023		48,627	—	48,831	—	1,232,102	202,301	1,434,404
Profit		—	—	—	—	168,996	46,046	215,042
Other comprehensive income	31	42,414	6,380	95,699	—	95,699	11,970	107,670
Total comprehensive income		42,414	6,380	95,699	—	264,696	58,016	322,713
Purchase of treasury shares	25	—	—	—	—	(50,013)	—	(50,013)
Disposal of treasury shares	25	—	—	—	—	119	—	119
Dividends of surplus	26	—	—	—	—	(66,671)	(52,866)	(119,538)
Share-based payment transactions	34	—	—	—	—	624	—	624
Loss of control of subsidiaries		—	—	—	—	—	(1,747)	(1,747)
Changes in ownership interest in subsidiaries		68	—	105	—	1,084	(5,613)	(4,528)
Transactions with non-controlling interests	11	—	—	—	—	—	(46,298)	(46,298)
Transfer from other components of equity to retained earnings		(1,243)	(6,380)	(7,624)	—	—	—	—
Reclassification of accumulated other comprehensive income associated with assets held for sale	11	(572)	—	(1,630)	1,630	—	—	—
Balance as of March 31, 2024		89,293	—	135,382	1,630	1,381,942	153,792	1,535,735

Current fiscal year (Fiscal year ended March 31, 2025)

(Millions of yen)

	Notes	Equity attributable to owners of parent					Other components of equity	
		Share capital	Capital surplus	Treasury shares	Retained earnings		Exchange differences on translation of foreign operations	Cash flow hedges
Balance as of April 1, 2024		40,644	44,383	(53,133)	1,213,034		46,150	(60)
Profit		—	—	—	140,062		—	—
Other comprehensive income	31	—	—	—	—		19,002	223
Total comprehensive income		—	—	—	140,062		19,002	223
Purchase of treasury shares	25	—	—	(75,605)	—		—	—
Disposal of treasury shares	25	—	48	1,388	—		—	—
Cancellation of treasury shares	25	—	(124,986)	124,986	—		—	—
Dividends of surplus	26	—	—	—	(70,754)		—	—
Transfer from retained earnings to capital surplus		—	124,986	—	(124,986)		—	—
Share-based payment transactions	34	—	(1,212)	—	—		—	—
Loss of control of subsidiaries		—	—	—	—		—	—
Changes in ownership interest in subsidiaries		—	(1,058)	—	—		(413)	—
Transfer from other components of equity to retained earnings		—	—	—	5,052		—	—
Reclassification of accumulated other comprehensive income associated with assets held for sale	11	—	—	—	—		1,058	—
Balance as of March 31, 2025		40,644	42,160	(2,364)	1,162,408		65,797	162

	Notes	Equity attributable to owners of parent					Other components of equity	
		Net change in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Accumulated other comprehensive income associated with assets held for sale	Total	Non-controlling interests	Total equity
Balance as of April 1, 2024		89,293	—	135,382	1,630	1,381,942	153,792	1,535,735
Profit		—	—	—	—	140,062	40,858	180,920
Other comprehensive income	31	(24,514)	3,755	(1,534)	—	(1,534)	3,847	2,313
Total comprehensive income		(24,514)	3,755	(1,534)	—	138,528	44,705	183,233
Purchase of treasury shares	25	—	—	—	—	(75,605)	—	(75,605)
Disposal of treasury shares	25	—	—	—	—	1,437	—	1,437
Cancellation of treasury shares	25	—	—	—	—	—	—	—
Dividends of surplus	26	—	—	—	—	(70,754)	(38,452)	(109,207)
Transfer from retained earnings to capital surplus		—	—	—	—	—	—	—
Share-based payment transactions	34	—	—	—	—	(1,212)	—	(1,212)
Loss of control of subsidiaries		—	—	—	—	—	(3,021)	(3,021)
Changes in ownership interest in subsidiaries		—	—	(413)	—	(1,471)	7,771	6,300
Transfer from other components of equity to retained earnings		(1,297)	(3,755)	(5,052)	—	—	—	—
Reclassification of accumulated other comprehensive income associated with assets held for sale	11	(1,225)	—	(167)	167	—	—	—
Balance as of March 31, 2025		62,255	—	128,215	1,797	1,372,863	164,796	1,537,659

(iv) Consolidated statement of cash flows

		(Millions of yen)	
	Notes	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities			
Profit before tax		297,297	244,964
Depreciation and amortization		149,366	151,201
Impairment losses		4,661	620
Loss on business of subsidiaries		4,145	—
Loss on measurement to fair value less costs to sell of disposal groups held for sale		6,244	—
Finance income		(16,090)	(18,100)
Finance costs		4,935	5,752
Share of loss (profit) of investments accounted for using equity method		(2,291)	(9,169)
Loss (gain) on sale and retirement of fixed assets		(972)	3,200
Loss (gain) on sale of shares of subsidiaries and investments in capital of subsidiaries		2,098	—
Decrease (increase) in inventories		(24,654)	(15,319)
Decrease (increase) in trade and other receivables		(23,146)	(11,351)
Increase (decrease) in trade and other payables		(42,560)	(34,237)
Increase (decrease) in provisions and retirement benefits		12,141	2,235
Other		24,670	15,574
Subtotal		395,845	335,370
Income taxes paid		(87,107)	(81,311)
Net cash provided by (used in) operating activities		308,738	254,059
Cash flows from investing activities			
Purchase of other investments		(6,610)	(4,798)
Proceeds from sale of other investments		4,661	2,807
Payments for acquisition of subsidiaries	33	—	(469)
Expenditure from loss of control of subsidiaries	33	(1,758)	(10,977)
Payments for long-term loans receivable		(307)	(485)
Collection of long-term loans receivable		409	304
Purchase of property, plant and equipment		(144,453)	(158,816)
Proceeds from sale of property, plant and equipment		9,779	9,239
Purchase of intangible assets		(31,602)	(54,711)
Net decrease (increase) in time deposits		4,794	(9,416)
Interest received		9,953	11,856
Dividends received		13,936	12,881
Other		1,146	240
Net cash provided by (used in) investing activities		(140,051)	(202,345)

		(Millions of yen)	
	Notes	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	33	64,500	(3,603)
Net increase (decrease) in commercial papers	33	—	50,000
Proceeds from long-term borrowings	33	92,474	193,577
Repayments of long-term borrowings	33	(115,916)	(138,099)
Proceeds from issuance of bonds	33	—	29,857
Repayments of lease liabilities	33	(26,825)	(32,359)
Refunds to non-controlling interests		(3,375)	—
Purchase of treasury shares		(50,012)	(75,604)
Dividends paid		(66,625)	(70,725)
Dividends paid to non-controlling interests		(52,866)	(38,452)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation		(980)	—
Interest paid	33	(4,857)	(5,190)
Net cash provided by (used in) financing activities		(164,485)	(90,602)
Effect of exchange rate changes on cash and cash equivalents		26,794	8,372
Net increase (decrease) in cash and cash equivalents		30,995	(30,515)
Cash and cash equivalents at beginning of period	7	358,231	389,227
Cash and cash equivalents at end of period	7	389,227	358,711

Notes to consolidated financial statements

1. Reporting entity

ISUZU MOTORS LIMITED (hereinafter referred to as the “Company” or the “parent”) is a company located in Japan.

The Company’s consolidated financial statements comprise the financial statements of the Company and its consolidated subsidiaries (hereinafter collectively referred to as the “Group”) and the Group’s interests in its associates, joint operations, and joint ventures.

The Group is primarily engaged in the manufacture and sale of vehicles, vehicle components, and industrial engines.

2. Basis of preparation

(1) Compliance with IFRS Accounting Standards and matters regarding the first-time adoption

The consolidated financial statements of the Company are prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board. The Group applies the provisions of Article 312 of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976) as it meets the requirements for a “specified company complying with any designated international accounting standards” as stipulated in Article 1-2 of the same regulation.

These consolidated financial statements were approved by Shinsuke Minami, President and Representative Director, COO, on June 25, 2025.

The Group adopted IFRS Accounting Standards for the first time for the fiscal year ended March 31, 2025, with the transition date to IFRS Accounting Standards being April 1, 2023. The impact of the transition to IFRS Accounting Standards on the Group’s financial position, operating results, and cash flows on the date of transition to IFRS Accounting Standards and for the previous fiscal year is provided in Note “40. First-time adoption.”

Except for the exemptions permitted under IFRS 1, “First-time Adoption of International Financial Reporting Standards” (hereinafter, “IFRS 1”), the Group’s accounting policies are in accordance with IFRS Accounting Standards effective as of March 31, 2025. The exemptions applied are described in Note “40. First-time adoption.”

(2) Functional currency and presentation currency

The Company’s consolidated financial statements are presented in Japanese yen, which is the Company’s functional currency. Figures are rounded down to the nearest million yen unless otherwise stated.

3. Material accounting policies

(1) Basis of consolidation

(i) Subsidiaries

A subsidiary refers to an entity controlled by the Group. The Group determines that it controls an entity when it has exposure or rights to variable returns arising from its involvement with that entity, and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date when the Group gains control until the date when it loses control.

If the accounting policies applied by a subsidiary differ from those applied by the Group, adjustments are made to the subsidiary’s financial statements as necessary.

The balances of intra-group receivables and payables, as well as the amounts of intra-group transactions and any unrealized gains or losses that arise from the intra-group transactions, are eliminated in preparing the consolidated financial statements.

Comprehensive income of subsidiaries is attributed to owners of the parent and non-controlling interests, even if this results in a negative balance in non-controlling interests.

When the ownership interest in a subsidiary is partially disposed of, the transaction is accounted for as an equity transaction if the Group retains control of the subsidiary. Any difference between the adjusted amount of non-controlling interests and the fair value of the consideration is recognized directly in equity as equity attributable to owners of the parent.

When control is lost, a gain or loss arising from the loss of control is recognized in profit or loss.

(ii) Associates

An associate is defined as an entity over which the Group has significant influence on financial and operating policy decisions but does not have control or joint control. The Group is presumed to have significant influence over another entity when it holds at least 20% but no more than 50% of the voting rights of that entity.

Investments in associates are accounted for using the equity method from the date on which the investee is determined to be an associate until the date on which it is no longer determined to be an associate.

If the accounting policies applied by an associate differ from those applied by the Group, adjustments are made to the associate's financial statements as necessary.

When an entity ceases to be an associate and the use of the equity method is discontinued, any gain or loss arising from the discontinuation of the equity method is recognized in profit or loss.

(iii) Joint arrangement

A joint arrangement refers to an agreement that requires the unanimous consent of all parties that have shared control over decision-making regarding related activities. Joint arrangements are classified as either joint ventures or joint operations based on the rights and obligations of the parties having joint control.

Joint ventures are joint arrangements in which the parties that have joint control over the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method.

Joint operations are joint arrangements in which the parties that have joint control over the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Investments in joint operations are recognized at the amount of the share of the respective assets, liabilities, revenues, and expenses related to the arrangement.

(2) Business combinations

Business combinations are accounted for using the acquisition method. The consideration for an acquisition is measured as the sum of the acquisition-date fair values of the assets transferred, the liabilities assumed, and the equity instruments issued by the Company in exchange for control over an acquiree.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net fair value of the identifiable assets and liabilities acquired. When goodwill is negative, it is recognized immediately in profit or loss in the consolidated statement of profit or loss.

Whether to measure non-controlling interests at fair value or at the proportionate share of the recognized amount of identifiable net assets is determined for each business combination.

Transaction costs incurred in connection with a business combination, such as brokerage fees, attorney fees, and due diligence costs, are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the fiscal year in which the combination occurs, the items for which the accounting is incomplete are reported at provisional amounts.

If information about facts and circumstances that existed as of the acquisition date is obtained during the period in which it is determined to have affected the measurement of the amount recognized (hereinafter referred to as the "measurement period") if such information had been known at the acquisition date, the provisional amount recognized at the acquisition date is retrospectively adjusted to reflect such

information. When the newly obtained information leads to the recognition of new assets and liabilities, additional assets and liabilities are recognized accordingly.

The measurement period is a maximum of one year. Since additional acquisitions of non-controlling interests after the acquisition of control are accounted for as equity transactions, goodwill is not recognized from such transactions.

The identifiable assets and liabilities of the acquiree are measured at their acquisition-date fair values, except for the following:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements
- Share-based payment arrangements of the acquiree
- Assets or disposal groups classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”

When a business combination is achieved in stages, previously held interest in the acquiree by the Group is remeasured at its acquisition-date fair value, and any resulting gain or loss is recognized in profit or loss.

(3) Foreign currency translation

(i) Foreign currency transactions

Each company in the Group has designated its own functional currency as the primary currency of the economic environment in which it operates. Transactions of each company are measured at its functional currency.

In preparing the separate financial statements of each company, transactions denominated in currencies other than the company’s functional currency are translated into its functional currency using the exchange rate on the transaction date.

Foreign currency-denominated monetary assets and liabilities as of the reporting date are translated using the exchange rates prevailing on that date.

Any exchange differences arising from translation or settlement are generally recognized in profit or loss.

However, for equity instruments designated as measured at fair value through other comprehensive income, exchange differences are recognized in the other comprehensive income.

(ii) Financial statements of foreign operations

Assets and liabilities of the Group’s foreign operations are translated using the exchange rates prevailing at the reporting date.

Revenues and expenses are translated into Japanese yen using the average exchange rates unless exchange rates fluctuate significantly during the period.

If exchange rates fluctuate significantly, transactions are translated using the exchange rates prevailing at the transaction date.

Exchange differences arising from the translation of the financial statements of foreign operations are recognized in other comprehensive income.

Exchange differences in translation of foreign operations are reclassified to profit or loss for the period in which the foreign operations are disposed of.

(4) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits able to be withdrawn any time, and short-term investments maturing within three months from acquisition that can be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

(5) Financial instruments

(i) Financial assets

A. Initial recognition and measurement

The Group classifies financial assets into those measured at fair value through profit or loss or other comprehensive income and those measured at amortized cost.

This classification is determined at initial recognition.

The Group initially recognizes trade and other receivables on the date they arise.

All other financial assets are initially recognized on the transaction date when the Group becomes a party to the contract for the financial asset.

All financial assets are measured at fair value plus transaction costs, except for those classified in a category measured at fair value through profit or loss.

However, trade receivables that do not contain a significant financing component are measured at transaction prices.

Financial assets are classified as those measured at amortized cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets other than those measured at amortized cost are classified as financial assets measured at fair value.

Regarding equity financial assets measured at fair value, except for those held for trading purposes that must be measured at fair value through profit or loss, the Group has made an irrevocable election to present subsequent changes in fair value in other comprehensive income at the time of initial recognition for each equity financial asset.

Debt financial assets measured at fair value are classified as debt financial assets measured at fair value through other comprehensive income if the following conditions are met:

- They are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets other than financial assets measured at amortized cost, equity financial assets measured at fair value through other comprehensive income, or debt financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss.

B. Subsequent measurement

After initial recognition, financial assets are measured based on the following classifications:

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured using the effective interest method.

(b) Financial assets measured at fair value

Changes in the fair value of financial assets measured at fair value are recognized in profit or loss.

However, for equity financial assets designated as measured at fair value through other comprehensive income, changes in the fair value are recognized in other comprehensive income.

If equity financial assets measured at fair value through other comprehensive income are derecognized, or if the fair value has declined significantly, the cumulative amount of fair value changes is reclassified to retained earnings.

Additionally, dividends from equity financial assets are recognized in profit or loss for the current fiscal year as part of finance income.

C. Derecognition of financial assets

The Group derecognizes its financial asset when the contractual rights to cash flows from the financial asset are extinguished or when the Group transfers almost all of the risks and rewards of ownership of the financial asset.

If the Group continues to have control over the transferred financial assets, it recognizes the assets and related liabilities to the extent that it has a continuing involvement.

D. Impairment of financial assets

For financial assets measured at amortized cost, the Group recognizes an allowance for doubtful accounts for expected credit losses.

The Group evaluates at each reporting date whether the credit risk associated with each financial asset has increased significantly since its initial recognition. If the credit risk has not significantly increased since initial recognition, the Group recognizes 12-month expected credit losses as an allowance for doubtful accounts.

On the other hand, if the credit risk has significantly increased since initial recognition, the Group recognizes an allowance for doubtful accounts at an amount equal to the lifetime expected credit losses.

When contractual payments are more than 30 days past due, the credit risk is, in principle, deemed to have significantly increased. However, when evaluating whether credit risk has increased significantly, the Group considers not only the information on the past due date but also other information that is reasonably available to the Group and supportable.

When the credit risk associated with financial assets is determined to be low as of the reporting date, the Group assesses that the credit risk of such financial assets has not increased significantly since initial recognition.

However, for trade receivables and contract assets that do not contain a significant financing component, the Group always recognizes an allowance for doubtful accounts at an amount equal to the lifetime expected credit losses, regardless of whether there has been a significant increase in credit risk since initial recognition.

Expected credit losses are measured as the present value of the difference between all contractual cash flows that should be paid to the company in accordance with the contract and all cash flows that the company expects to receive.

The Group estimates expected credit losses on financial assets in a way that reflects the following:

- An unbiased and probability-weighted amount determined by evaluating a range of possible outcomes
- The time value of money
- Reasonable and supportable information on past events, current conditions, and forecasts of future economic conditions, available at the reporting date without incurring excessive costs or efforts

In the event of significant economic fluctuations or other factors affecting the expected credit losses measured above, necessary adjustments are made.

The provision of allowance for doubtful accounts related to financial assets is recognized in profit or loss. If an event occurs that reduces the allowance for doubtful accounts, the reversal of the allowance for doubtful accounts is recognized in profit or loss.

(ii) Financial liabilities

A. Initial recognition and measurement

The Group classifies financial liabilities into those measured at fair value through profit or loss and those measured at amortized cost. This classification is determined at initial recognition.

The Group initially recognizes issued debt securities on the date of issuance.

All other financial liabilities are initially recognized on the transaction date when the Group becomes a party to the contract for the financial instrument.

All financial liabilities are initially measured at fair value, except for financial liabilities measured at amortized cost, which are measured at the amount obtained after deducting directly attributable transaction costs.

B. Subsequent measurement

After initial recognition, financial liabilities are measured based on the following classifications:

(a) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss are measured at fair value, with subsequent changes recognized in profit or loss for the current fiscal year. Gains or losses arising from the derecognition of such financial liabilities are recognized in profit or loss for the current fiscal year.

(b) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are measured using the effective interest method. Amortization under the effective interest method and gains or losses on derecognition are recognized in profit or loss for the current fiscal year as part of finance costs. Gains or losses arising from the derecognition of such financial liabilities are recognized in profit or loss for the current fiscal year.

C. Derecognition of financial liabilities

The Group derecognizes financial liabilities when they are extinguished, i.e., when the obligations specified in the contract are discharged, cancelled, or expire.

(iii) Presentation of financial assets and financial liabilities

Financial assets and financial liabilities are offset and presented at a net amount in the consolidated statement of financial position only when the Group has a legal right to set off the balance and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(iv) Derivatives and hedge accounting

The Group utilizes derivative transactions, including forward foreign exchange contracts, currency option contracts, interest rate swaps, and interest rate option contracts, to manage risks associated with fluctuations in exchange rates and interest rates.

These derivatives are initially recognized at fair value at that time when a derivative contract is entered into and are subsequently remeasured at fair value.

At the inception of a hedge, the Group formally designates and documents the hedging relationships to which hedge accounting is applied, as well as the risk management objectives and strategies for implementing the hedge.

The documentation includes specific hedging instruments, the hedged items or transactions, the nature of the risks being hedged, and how the effectiveness of changes in the fair value of hedging instruments is assessed in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risks.

Specifically, a hedge is determined to be effective if all of the following conditions are met:

- There is an economic relationship between the hedged item and the hedging instrument;

- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as the ratio resulting from the quantity of the hedged item that the company actually hedges and the quantity of the hedging instrument that the company actually uses to hedge the quantity of the hedged item.

The Group continuously evaluates whether the hedging relationship is effective on a prospective basis. Any ineffective portion of the hedge may occur when the changes in the value of the hedging instrument exceed or fall below the changes in the value of the hedged item.

The hedge ratio is set appropriately in light of the economic value of the hedged item and hedging instrument, as well as the Group's risk management strategy. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the hedge ratio is readjusted so that the hedging relationship meets the qualifying criteria again.

Additionally, if the risk management objective of a hedging relationship changes, the hedging relationship is discontinued.

Hedges that meet the requirements for hedge accounting are accounted for as follows:

A. Cash flow hedges

The effective portion of gains or losses on hedging instruments is recognized in other comprehensive income in the consolidated statement of comprehensive income, while the ineffective portion is recognized immediately in profit or loss in the consolidated statement of profit or loss.

The amounts related to hedging instruments reported in other comprehensive income are reclassified to profit or loss when the hedged transaction affects profit or loss.

If a forecast transaction or firm commitment is no longer expected to occur, cumulative gains or losses previously recognized in equity through other comprehensive income are reclassified to profit or loss.

If a hedged future cash flow is still expected to occur, the amount previously recognized in equity through other comprehensive income remains in equity until the future cash flow occurs.

(6) Inventories

Inventories are measured at the lower of cost and the net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs to sell.

The cost is primarily determined by the weighted average method and includes purchase costs, conversion costs, and all costs incurred in bringing the inventories to their present location and condition.

(7) Property, plant and equipment

Property, plant and equipment are recognized using the cost model and stated at acquisition cost less accumulated depreciation and impairment losses.

Acquisition cost includes expenses directly attributable to the acquisition of the asset, costs for dismantling, removal, and restoration of land to its original condition, and borrowing costs that should be capitalized.

Depreciation expense for each asset other than land and construction in progress is recognized using the straight-line method over the respective estimated useful life. The estimated useful lives of major asset items are as follows:

- Buildings and structures: 3 to 65 years
- Machinery, equipment and vehicles: 3 to 15 years

Vehicles on operating leases are depreciated on a straight-line basis over a lease term of primarily 5 to 7 years, with the estimated disposal value at the end of the lease term as the residual value and the lease term as the estimated useful life.

The estimated useful lives, residual values, and depreciation methods are reviewed at the end of the fiscal year, and any changes are applied prospectively as changes in accounting estimates.

(8) Goodwill and intangible assets

(i) Goodwill

The Group initially measures goodwill as the amount obtained by deducting the net amount recognized for identifiable assets acquired and liabilities assumed at the acquisition date from the total of the fair value of the consideration transferred, the amount recognized at the acquisition date of the non-controlling interests in the acquiree, and the fair value at the acquisition date of the previously held equity interest in the acquiree.

Goodwill is not amortized and is tested for impairment annually, as well as whenever there is an indication of impairment.

Impairment losses on goodwill are recognized in the consolidated statement of profit or loss, and no subsequent reversal is made.

Additionally, goodwill is stated at acquisition cost less accumulated impairment losses in the consolidated statement of financial position.

(ii) Intangible assets

Intangible assets are recognized using the cost model and stated at acquisition cost less accumulated amortization and impairment losses.

A. Capitalized development costs

Expenditures incurred for research activities conducted to acquire new scientific or technical knowledge are recognized as expenses when incurred.

Expenditures incurred for development activities are capitalized as intangible assets only when they are reliably measurable, technically and commercially feasible, and likely to generate future economic benefits, and when the Group has the intention and sufficient capability to complete the development and utilize or sell the asset.

Capitalized development costs are amortized using the straight-line method over their estimated useful lives.

The estimated useful lives of capitalized development costs are as follows:

- Capitalized development costs: 4 to 15 years

B. Other intangible assets

Intangible assets acquired individually are measured at their acquisition cost at the time of initial recognition. Intangible assets acquired in a business combination are measured at fair value as of the acquisition date.

Other intangible assets are amortized on a straight-line basis over their respective estimated useful lives after initial recognition.

The estimated useful lives of major intangible assets are as follows:

- Software: 5 to 15 years

The estimated useful lives, residual values, and amortization methods are reviewed at the end of the fiscal year, and any changes are applied prospectively as changes in accounting estimates. Intangible assets that are not yet available for use are not amortized and are tested for impairment individually or by cash-generating units annually and whenever there is an indication of impairment.

(9) Leases

(i) Lessee's leases

When entering into a contract, the Group determines whether a contract is, or contains, a lease. The contract is deemed to be, or contain, a lease if it transfers the right to control the use of an identified asset for a specified period in exchange for consideration. If the contract is determined to be, or to contain, a lease, right-of-use assets and lease liabilities are recognized at the commencement date of the lease.

The lease term is determined as the period that includes the non-cancellable period of the lease, plus the period covered by an option to extend the lease if it is reasonably certain to be exercised and the period covered by an option to terminate the lease if it is reasonably certain not to be exercised.

Lease liabilities are initially measured at the present value of the total outstanding lease payments. Right-of-use assets are measured at the acquisition cost, which is the amount of the initial measurement of the lease liability adjusted for lease payments, etc., made before the commencement date, initial direct costs incurred by the lessee, and costs required by the lease agreement, such as restoration obligations.

After initial recognition, right-of-use assets are measured using the cost model and are depreciated using the straight-line method over the shorter of their useful lives or the lease term. On the other hand, for lease liabilities, the carrying amount is increased to reflect the added amount equivalent to interest, and the carrying amount is reduced to reflect the lease payments made. When applicable, revisions to lease liabilities or changes in lease terms are also reflected in the carrying amount of the lease.

Lease payments are allocated between finance costs and repayment of the lease liability based on the effective interest method. Finance costs are recognized in the consolidated statement of profit or loss.

However, for short-term leases ending within 12 months and leases for which the underlying asset is of low value, right-of-use assets and lease liabilities are not recognized, and lease payments are recognized as expenses over the lease term either by the straight-line method or on another systematic basis.

(ii) Lessor's leases

The Group classifies leases as either operating leases or finance leases. Leases are classified as finance leases if they transfer almost all of the risks and rewards associated with ownership of the underlying asset, and as operating leases if they do not transfer almost all of the risks and rewards associated with ownership of the underlying asset.

Finance lease receivables are initially recognized at the present value of the total uncollectible amount of the lease investment discounted at the lease calculation interest rate, and are recorded in "Trade and other receivables" and "Other financial assets" on the consolidated statement of financial position.

Revenue from leases is described in "(14) Revenue (ii) Lease revenue."

(10) Impairment of non-financial assets

(i) Recognition and measurement of impairment losses

The carrying amounts of the Group's non-financial assets, excluding inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If there is an indication of impairment, the recoverable amount of the asset is estimated. For goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated at the same time annually, regardless of whether there is an indication of impairment.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs of disposal. In assessing the value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the inherent risks of the asset.

Assets that are not individually tested in impairment testing are integrated into the smallest cash-generating unit that generates cash inflows largely independent of the cash inflows from other assets

or asset groups when they are used continually. When testing goodwill for impairment, the cash-generating units to which goodwill is allocated are integrated so that impairment is tested to reflect the smallest unit to which the goodwill is directly related. Goodwill acquired in a business combination is allocated to the cash-generating unit that is expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate independent cash inflows. If there is an indication that corporate assets may be impaired, the recoverable amount is determined for the cash-generating unit to which the corporate assets belong.

Impairment losses are recognized in profit or loss when the carrying amount of an asset or a cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognized in relation to a cash-generating unit are first allocated to reduce the carrying amount of goodwill allocated to that unit and then allocated to reduce the carrying amounts of other assets within the cash-generating unit on a pro-rata basis.

(ii) Reversal of impairment losses

Impairment losses recognized in the past are reversed to the recoverable amount when there is an indication of a reversal of impairment and a change in the estimates used to determine the recoverable amount. The amount of impairment loss reversal is recognized in profit or loss. However, impairment losses on goodwill are not reversed. The amount of impairment loss reversal is limited to the carrying amount after deducting necessary depreciation and amortization expenses from the carrying amount that would have been determined had no impairment loss been recognized.

(11) Employee benefits

(i) Short-term employee benefits

For short-term employee benefits, no discount calculation is made, and the costs are recognized in expenses when the related services are provided.

For bonuses and paid leave expenses, the amount estimated to be paid based on the relevant plans is recognized as a liability when the Group has legal or constructive obligations to pay them and when a reliable estimate can be made.

(ii) Retirement benefits

A. Defined benefit plans

The Group has adopted a corporate pension fund plan and a lump-sum retirement benefit plan as its employee retirement benefit plans.

The Group calculates the present value of defined benefit obligations and the related current service cost and prior service cost using the projected unit credit method.

For the discount rate, the discount period is determined based on the period until the expected date of future benefit payment in each fiscal year. The discount rate is determined by reference to market yields on high-quality corporate bonds at the reporting date corresponding to the discount period.

Liabilities or assets related to defined benefit plans are calculated by deducting the fair value of plan assets from the present value of defined benefit obligations. However, if the defined benefit plan is overfunded, the net amount of defined benefit assets is limited to the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The rereasurement amounts of the defined benefit plans are recognized in full in other comprehensive income in the period in which they occur and are immediately reclassified from other components of equity to retained earnings.

Prior service costs are recognized in profit or loss for the period in which they occur.

B. Defined contribution plan

Expenses related to defined contribution retirement benefits are recognized as expenses when the contributions are made.

C. Multi-employer plan

Some consolidated subsidiaries participate in the corporate pension fund under the multi-employer plan. However, the plan has been accounted for in the same manner as a defined contribution plan, as sufficient information is not available to account for it as a defined benefit plan.

(iii) Other long-term employee benefits

Obligations for long-term employee benefits other than post-employment benefits are determined by discounting the future benefits that employees have earned in return for services rendered in the prior and current fiscal years to their present value.

(12) Share-based payment

The Group has adopted equity-settled and cash-settled share-based payment plans for Directors, etc.

(i) Equity-settled share-based payment

For equity-settled share-based payment, the consideration received for services rendered is measured at the fair value of the Company's shares on the grant date and recognized as an expense over the vesting period from the grant date, with an equal amount recognized as an increase in equity and liabilities.

(ii) Cash-settled share-based payment

For cash-settled share-based payment, the fair value of the payment is recognized as a liability, and changes in the fair value of the liability are recognized in profit or loss until the liability is settled.

(13) Provisions

Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligations, and reliable estimates can be made of the amount of the obligations. When the time value of money is significant, estimated future cash flows are discounted to their present value using a pre-tax interest rate that reflects both the time value of money and the specific risks associated with the liability. The unwinding of the discount due to the passage of time is recognized as finance costs.

(i) Provision for product warranties

To prepare for warranty repair costs for products sold, the total amount of the following is recognized as a provision:

- A. The estimated amount is calculated based on past performance with consideration given to future warranty estimates in accordance with the terms and conditions of the warranties, etc.
- B. The estimated amount calculated in relation to field measures (e.g., recalls) to cover expenses incurred in the event of a product recall, etc.

Provisions for product warranties are adjusted as necessary in response to customer and dealer claims, etc. The Group believes that it has recorded sufficient provisions based on currently available information for warranty repair costs that are expected to be incurred. However, since the calculation of provision for product warranties involves estimating warranty repair costs that would be incurred over multiple years in the future, the actual warranty repair costs may deviate from the estimates, which may require the addition or reversal of provision for product warranties.

(ii) Asset retirement obligations

Asset retirement obligations are recognized as provisions for estimated future expenditures to fulfill legal obligations to remove hazardous substances associated with plant facilities, etc., and obligations to restore property to its original condition under real estate lease agreements. These expenses are primarily expected to be paid after one year or more but may be affected by future business plans and other factors.

(14) Revenue

(i) Revenue from contracts with customers

The Group recognizes revenue from contracts with customers based on the following five-step approach, except for interest and dividend income, etc., as defined in IFRS 9 “Financial Instruments” (hereinafter, “IFRS 9”), and revenue recognized in accordance with IFRS 16 “Leases” (hereinafter, “IFRS 16”).

Step 1: Identify the contract with the customer.

Step 2: Identify the performance obligations under the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations under the contract.

Step 5: Recognize revenue when (or as) the company satisfies the performance obligations.

The Group’s principal business activities, both domestically and overseas, include the sale of heavy-duty and medium-duty trucks/buses, light-duty trucks, pickup trucks and their variants, industrial engines, transmission and driveline components, parts, and used vehicles, as well as the provision of maintenance and services.

Revenue from product sales is recognized primarily at the point when control over the product is transferred to the customer, which is when the product is delivered or shipped, as this marks the fulfillment of the Group’s performance obligations.

Revenue from maintenance and services is recognized primarily at the point when the maintenance or service is completed, as this is when we determine that the performance obligation has been fulfilled. However, for vehicle maintenance services and extended warranty services included in lease agreements, revenue is recognized over a certain period of time based on the progress of performance obligations.

Consideration paid to customers, such as sales incentives, is deducted 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.

(ii) Lease revenue

Interest income from finance leases is recognized using the effective interest method. When the Group acts as a manufacturer or dealer lessor, finance lease revenue is recognized on the lease commencement date as revenue, along with a corresponding cost, and a selling profit or loss.

Operating lease revenue is recognized on a straight-line basis over the term of the lease.

(15) Government grants

Government grants are recognized at fair value when there is a reasonable assurance that the Group complies with the conditions attached to them and the grants will be received.

When government grants are related to expense items, the grants are recognized as revenue on a systematic basis over the period in which the related costs for which the grants are intended to compensate are recognized as expenses.

Grants related to assets are recognized as deferred income and are recognized in profit or loss on a systematic basis over the estimated useful life of the related assets.

(16) Income taxes

Income tax expense consists of current tax and deferred tax. These taxes are recognized in profit or loss unless they arise from items recognized directly in other comprehensive income or equity and from business combinations.

Current taxes are measured at the amount expected to be paid to or refunded by the tax authorities. The tax rates and tax laws used to calculate tax amounts are those that have been enacted or substantively enacted by the reporting date.

Deferred taxes are recognized for temporary differences, which are differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes at the reporting date, tax loss carried forward, and tax credit carried forward.

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which future deductible temporary differences, tax loss carried forward, and tax credit carried forward can be utilized. Deferred tax liabilities are, in principle, recognized for all future taxable temporary differences.

For the following temporary differences, deferred tax assets and deferred tax liabilities are not recognized:

- Future taxable temporary differences arising from the initial recognition of goodwill
- Temporary differences arising from the initial recognition of assets and liabilities generated from transactions that affect neither accounting profit nor taxable income for tax purposes (tax loss) at the time of the transaction, excluding business combinations, and that do not give rise to an equal amount of future taxable temporary differences and future deductible temporary differences
- For future deductible temporary differences related to investments in subsidiaries and associates and interests in joint arrangements, cases where it is probable that the temporary difference will not be reversed in the foreseeable future, or where it is less likely that taxable income will be earned against which the temporary difference will be used
- For future taxable temporary differences related to investments in subsidiaries and associates and interests in joint arrangements, cases where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future

The carrying amount of deferred tax assets is reviewed annually and is reduced to the extent that it is probable that sufficient taxable income will not be available to allow the benefit of all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reviewed annually and are recognized to the extent that it has become probable that deferred tax assets will be recovered through future taxable income.

Deferred tax assets and deferred tax liabilities are measured at the tax rates and by the tax laws that are expected to apply to the period when the asset is realized, or the liability is settled, based on tax rates and tax laws that have been enacted, or substantially enacted, by the reporting date.

Deferred tax assets and deferred tax liabilities are offset when the Group has a legally enforceable right to set off current tax assets and liabilities, and it is levied by the same tax authority on the same taxable entity, or on different taxable entities that intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

The Group does not recognize or disclose deferred tax assets and deferred tax liabilities related to income taxes arising from tax laws enacted or substantially enacted to implement the Pillar Two Model Rules published by the Organization for Economic Co-operation and Development, as the Group has applied exceptions to the recognition and disclosure of such deferred tax assets and deferred tax liabilities.

(17) Non-current assets held for sale and discontinued operations

If the carrying amount of non-current assets (or disposal groups) is recovered principally through a sale rather than through continuing use, such non-current assets (or disposal groups) are classified as held for sale.

An asset is classified as held for sale only when it is available for immediate sale in its present condition, and its sale is highly probable, provided that the Group's management is committed to implementing a plan to sell the asset and that the sale is expected to be completed within one year.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are not depreciated or amortized after being classified as held for sale.

Discontinued operations include components of an entity that have been disposed of or classified as held for sale and are recognized when they constitute a single business or geographic region of the Group, and there is a plan to dispose of that single business or geographic region.

(18) Equity

(i) Ordinary shares

Ordinary shares issued by the Company are recorded at their issue price as share capital and capital surplus, and direct issuance costs are deducted from capital surplus after deducting the related tax effects.

(ii) Treasury shares

Treasury shares are measured at acquisition cost and deducted from equity. No gain or loss is recognized on the purchase, sale, or cancellation of the Company's treasury shares.

Any difference between the carrying amount and the consideration received upon sale is recognized in capital surplus.

4. Significant accounting estimates and judgments

In preparing consolidated financial statements in accordance with IFRS Accounting Standards, management is required to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and their underlying assumptions are reviewed on an ongoing basis. The effects of revisions to accounting estimates are recognized in the accounting period in which the estimates are revised and in subsequent future accounting periods.

Information on judgments made in applying accounting policies that have a significant impact on the Company's consolidated financial statements is as follows:

- Scope of consolidated subsidiaries, associates, joint ventures, and joint operations (Note "3. Material accounting policies (1) Basis of consolidation")
- Recognition of intangible assets arising from development (Note "3. Material accounting policies (8) Goodwill and intangible assets")

Information on accounting estimates and assumptions that may have a significant impact on the Company's consolidated financial statements is as follows:

- Valuation of inventories (Notes "3. Material accounting policies (6) Inventories" and "10. Inventories")
- Impairment of financial assets (Notes "3. Material accounting policies (5) Financial assets" and "35. Financial instruments")
- Impairment of non-financial assets (Notes "3. Material accounting policies (10) Impairment of non-financial assets" and "15. Impairment of non-financial assets")
- Retirement benefit liability (Notes "3. Material accounting policies (11) Employee benefits" and "22. Employee benefits")
- Provision for product warranties (Notes "3. Material accounting policies (13) Provisions" and "23. Provisions")
- Recoverability of deferred tax assets (Notes "3. Material accounting policies (16) Income taxes" and "17. Income taxes")

Of the above, information on accounting estimates and assumptions that may have a significant impact on the Company's consolidated financial statements is as follows:

(1) Impairment of goodwill

In the current fiscal year, goodwill related to the UD Trucks business amounted to 15,213 million yen (15,213 million yen in the previous fiscal year).

The Group conducts impairment tests on goodwill annually and whenever there is an indication that impairment may exist. As a result, no impairment loss was recognized because the recoverable amount of the goodwill exceeded the carrying amount.

The recoverable amount of non-financial assets related to the UD Trucks business is measured by value in use. The value in use is calculated by discounting future cash flows estimated based on the business plan for the relevant business at a pre-tax discount rate. The estimate of value in use includes important assumptions such as the sales volume in the business plan and the pre-tax discount rate.

These assumptions are determined based on management's best estimates and judgments. However, due to the high degree of uncertainty involved in demand forecasts for key market conditions, etc., it may be assessed that the business profitability would decline and sufficient cash flows would not be generated. In such cases, this could have a significant impact on the amount of non-financial assets recognized in the consolidated financial statements for the following fiscal year.

The method of calculating the recoverable amount of goodwill is described in Note "15. Impairment of non-financial assets."

(2) Obligations related to field measures (e.g., recalls)

In the current fiscal year, obligations related to field measures (e.g., recalls) of 19,044 million yen (15,870 million yen in the previous fiscal year) were recorded as "Provisions" in the consolidated statement of financial position.

We manufacture a variety of products at our plants in Japan and overseas in accordance with strict quality control standards that are accepted worldwide. 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 estimates and records costs for field measures (e.g., recalls) expected to occur in the future as the Group 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. Obligations related to field measures (e.g., recalls) are calculated by multiplying the estimated number of vehicles subject to recalls, etc. by an amount of field measures to be incurred per vehicle. Major assumptions used in calculating obligations related to field measures (e.g., recalls) 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 field measures (e.g., recalls) that were calculated by the Group have been appropriate and there has been no material difference between actual results and calculated amounts.

However, in the estimation of obligations related to field measures (e.g., recalls), there are uncertainties in major assumptions, and therefore, if the actual cost of recalls, etc., deviates from estimated amounts, it may have a significant impact on the amounts recognized in the consolidated financial statements for the subsequent fiscal years.

Furthermore, if conducting a new large-scale recall campaign, etc., the Group's business results and financial position may be adversely and significantly affected. The method of calculating obligations related to field measures (e.g., recalls) is described in Note "3. Material accounting policies (13) Provisions (i) Provision for product warranties."

5. New standards issued but not yet effective

Major new or revised standards and interpretations listed below were issued by the date of approval of the consolidated financial statements, but the Group has not early adopted them. The impact of applying these standards on the consolidated financial statements is currently under consideration.

IFRS Accounting Standards		Mandatory effective date (fiscal years beginning on or after)	Application by the Group	Overview of new and revised standards
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	Fiscal year ending March 31, 2028	New standard replacing IAS 1, the current accounting standard for presentation and disclosure in financial statements

6. Operating segments

(1) Information about reportable segments

The Group is composed of a single operating segment, primarily engaged in the manufacture and sale of vehicles, vehicle components, and industrial engines. Therefore, this information has been omitted.

(2) Information about products and services

Revenue from each product and service is as follows:

	(Millions of yen)	
	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Heavy-duty (and medium-duty) CVs	808,266	862,530
Light-duty CVs	725,514	742,577
LCVs	995,260	740,098
Engines	112,909	105,408
Others	762,683	785,033
Total	3,404,633	3,235,648

- (Notes) 1. “CVs” and “LCVs” represent “commercial vehicles (trucks and buses)” and “pickup trucks and variants,” respectively.
2. Sale of parts, maintenance and servicing, sales of used vehicles, and components are included in “Others.”

(3) Information for each region

The breakdown of revenue and non-current assets by region is as follows:

(i) Revenue from external customers

	(Millions of yen)	
	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Japan	1,130,519	1,275,383
Thailand	470,590	224,173
Other	1,803,523	1,736,092
Total	3,404,633	3,235,648

(Note) Revenue is based on the location of the customers and is categorized into country or region.

(ii) Non-current assets

	(Millions of yen)		
	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Japan	861,208	853,008	897,678
Thailand	99,753	94,401	99,621
Other	81,630	79,332	103,026
Total	1,042,592	1,026,742	1,100,326

(Note) Non-current assets are based on the location of the assets and do not include investments accounted for using the equity method, other financial assets, deferred tax assets, and retirement benefit assets.

(4) Information about major customers

Of the revenue from external customers, customers accounting for 10% or more of revenue, as presented in the consolidated statement of profit or loss, are as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Tri Petch Isuzu Sales Co., Ltd.	440,384	196,863

(Note) This customer is disclosed although it accounted for less than 10% of revenue for the current fiscal year.

7. Cash and cash equivalents

The breakdown of cash and cash equivalents is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Cash and deposits	358,231	367,315	358,711
Cash and cash equivalents in the consolidated statement of financial position	358,231	367,315	358,711
Cash and cash equivalents included in assets held for sale	—	21,911	—
Cash and cash equivalents in the consolidated statement of cash flows	358,231	389,227	358,711

8. Trade and other receivables

The breakdown of trade and other receivables is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Notes and accounts receivable - trade	395,367	415,790	410,467
Lease receivables	177,207	201,342	233,322
Other	26,805	22,083	19,994
Allowance for doubtful accounts	(2,239)	(2,733)	(3,271)
Total	597,142	636,482	660,512
Receivables expected to be collected within 12 months	472,331	496,890	494,498
Receivables expected to be collected after 12 months	124,811	139,592	166,014
Total	597,142	636,482	660,512

Trade and other receivables are classified as financial assets measured at amortized cost, excluding contract assets. Contract assets are included in "Other."

9. Other financial assets

(1) The breakdown of other financial assets is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Financial assets measured at amortized cost			
Time deposits	32,701	27,320	35,808
Short-term loans receivable	185	178	547
Long-term loans receivable	1,055	1,029	956
Other	10,147	10,848	9,077
Allowance for doubtful accounts	(1,255)	(1,876)	(1,792)
Financial assets measured at fair value through profit or loss			
Derivatives	473	49	966
Simple Agreement for Future Equity (SAFE) investments	—	—	4,734
Other	1,501	1,600	1,325
Equity financial assets measured at fair value through other comprehensive income			
Shares and investments in capital	152,825	213,201	174,300
Total	197,635	252,352	225,924
Current assets	28,039	22,362	29,910
Non-current assets	169,595	229,989	196,013
Total	197,635	252,352	225,924

In the consolidated statement of financial position, amounts are stated after deducting allowance for doubtful accounts.

(2) Equity financial assets measured at fair value through other comprehensive income

(i) Names of major securities and their fair values

The names of major securities of equity financial assets measured at fair value through other comprehensive income and their fair values are as follows:

(Millions of yen)

Name of securities	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Toyota Motor Corporation	47,899	96,614	66,651
SG Holdings Co., Ltd.	38,808	37,679	29,620

Since shares are primarily held for strategic purposes, they are classified as equity financial assets measured at fair value through other comprehensive income.

(ii) Dividend income

The breakdown of dividend income related to equity financial assets measured at fair value through other comprehensive income is as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Investments derecognized during the period	186	19
Investments held as of the reporting date	5,589	6,843

(iii) Derecognition of equity financial assets measured at fair value through other comprehensive income

The Group derecognized some of its equity financial assets measured at fair value through other comprehensive income by selling them for the purpose of increasing asset efficiency, reviewing business relationships, etc.

The fair value at the time of sale and the accumulated gains or losses that had been recognized as other comprehensive income for each fiscal year are as follows:

(Millions of yen)		
	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Fair value	4,718	2,522
Accumulated gains (losses)	1,816	1,675

When financial assets measured at fair value through other comprehensive income are derecognized or their fair value declines significantly, the accumulated gains or losses recognized in other comprehensive income are transferred to retained earnings.

The accumulated gains or losses of other comprehensive income (net of tax) transferred to retained earnings amounted to 1,243 million yen and 1,297 million yen for the previous and current fiscal years, respectively.

10. Inventories

The components of inventories are as follows:

(Millions of yen)			
	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Merchandise and finished goods	396,895	442,401	458,576
Work in process	52,647	71,478	57,836
Raw materials and supplies	171,314	148,780	165,384
Total	620,857	662,659	681,798

The amount of any write-down of inventories recognized as an expense in “Cost of sales” in the previous and current fiscal years is 6,791 million yen and 5,347 million yen, respectively.

As of the transition date, March 31, 2024 and March 31, 2025, there are no inventories pledged as collateral for liabilities.

11. Non-current assets or disposal groups held for sale

Previous fiscal year (As of March 31, 2024)

In November 2023, the Company entered into an agreement to transfer all of its shares in our consolidated subsidiary, IJTT Co., Ltd. (hereinafter referred to as “Former IJTT”), in response to the acquisition of treasury shares by Former IJTT. As a result, the assets and liabilities held by Former IJTT and its subsidiaries are classified as disposal groups held for sale. Additionally, due to the share consolidation by the Former IJTT in March 2024, if a shareholder holding fractional shares resulting from the consolidation makes a request in accordance with applicable laws and regulations, the Group is obligated to purchase such fractional shares. Therefore, the Group derecognizes the non-controlling interests corresponding to the fractional shares, recognizes a financial liability at the present value of the amount to be paid to fulfill the obligation, and presents the financial liability under “Liabilities directly associated with assets held for sale.”

The disposal groups held for sale are measured at fair value less costs to sell because the fair value less costs to sell is lower than the carrying amount. The loss of 6,244 million yen recognized as a result is recorded in “Other expenses” in the consolidated statement of profit or loss. The fair value hierarchy is Level 3. The sale of the disposal groups was completed during the current fiscal year.

The breakdown of assets and liabilities classified as disposal groups held for sale is as follows:

(Millions of yen)

	Previous fiscal year (As of March 31, 2024)
Assets held for sale	
Cash and cash equivalents	21,911
Trade and other receivables	9,138
Other financial assets	3,034
Inventories	13,942
Other current assets	687
Property, plant and equipment	42,545
Intangible assets	340
Right-of-use assets	1,034
Investments accounted for using equity method	95
Deferred tax assets	172
Other non-current assets	45
Total	92,951
Liabilities directly associated with assets held for sale	
Trade and other payables	36,063
Bonds and borrowings	12,790
Lease liabilities	1,767
Other financial liabilities	22,982
Income taxes payable	418
Provisions	70
Other current liabilities	2,869
Retirement benefit liabilities	4,181
Deferred tax liabilities	265
Other non-current liabilities	327
Total	81,734

Current fiscal year (As of March 31, 2025)

The Group continuously reviews the significance of holding shares held for strategic purposes. Of the shares that the Group decided to sell because there is little significance in holding them, 3,306 million yen worth of shares are classified as held for sale, which are scheduled to be sold within one year as of the end of the current fiscal year. The sale of the assets is scheduled to be completed by the end of the following fiscal year. The shares are listed, and their fair value hierarchy is Level 1.

12. Property, plant and equipment

(1) Changes

The acquisition costs of property, plant and equipment, changes in accumulated depreciation and impairment losses, as well as the carrying amounts, are as follows:

(Millions of yen)

Acquisition cost	Buildings and structures	Machinery, equipment and vehicles	Land	Vehicles on operating leases (Note) 1	Construction in progress (Note) 2	Other	Total
Transition date (As of April 1, 2023)	570,976	916,382	243,465	188,103	35,546	191,925	2,146,400
Acquisition	14,717	36,049	20,529	41,764	14,733	24,037	151,830
Sale or disposal	(4,653)	(18,313)	(591)	(25,437)	(236)	(5,685)	(54,918)
Transfer to assets held for sale	(53,644)	(167,436)	(14,204)	–	(13,363)	(14,000)	(262,649)
Exchange differences on translation of foreign operations	6,402	25,480	1,640	101	904	2,955	37,484
Other	171	(219)	141	–	714	1,053	1,860
Previous fiscal year (As of March 31, 2024)	533,968	791,943	250,980	204,531	38,298	200,285	2,020,008
Acquisition	14,310	33,384	22,888	48,747	21,300	19,930	160,562
Sale or disposal	(4,354)	(18,698)	(41)	(28,030)	(1,811)	(6,201)	(59,138)
Exchange differences on translation of foreign operations	2,877	11,006	709	59	185	818	15,657
Other	(497)	520	284	–	(1,448)	173	(966)
Current fiscal year (As of March 31, 2025)	546,304	818,156	274,822	225,308	56,524	215,006	2,136,122

- (Notes) 1. The sale or disposal of vehicles on operating leases includes the transfer of vehicles on operating leases to inventories.
2. The acquisition of construction in progress is presented as the net amount, including the increase due to new acquisitions and the amount transferred to each property, plant and equipment account (decrease).

(Millions of yen)

Accumulated depreciation and impairment losses	Buildings and structures	Machinery, equipment and vehicles	Land	Vehicles on operating leases	Construction in progress	Other	Total
Transition date (As of April 1, 2023)	355,461	751,377	557	68,754	632	161,348	1,338,132
Depreciation (Note)	17,209	39,718	—	27,620	—	16,239	100,788
Impairment losses	121	2,508	—	—	540	74	3,244
Sale or disposal	(4,177)	(15,940)	—	(16,734)	—	(4,797)	(41,650)
Transfer to assets held for sale	(36,952)	(141,523)	(298)	—	—	(12,468)	(191,243)
Exchange differences on translation of foreign operations	3,583	20,500	—	26	48	2,036	26,195
Other	(39)	(1,637)	98	—	(307)	1,073	(812)
Previous fiscal year (As of March 31, 2024)	335,207	655,003	357	79,665	913	163,506	1,234,654
Depreciation (Note)	15,711	32,659	—	27,965	—	19,353	95,690
Impairment losses	545	61	—	—	—	13	620
Sale or disposal	(3,992)	(15,873)	—	(18,709)	—	(5,420)	(43,995)
Exchange differences on translation of foreign operations	1,966	9,068	—	17	(11)	622	11,663
Other	(242)	(1,184)	—	—	(26)	217	(1,235)
Current fiscal year (As of March 31, 2025)	349,196	679,735	357	88,939	876	178,293	1,297,398

(Note) Depreciation of property, plant and equipment is included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of profit or loss.

(Millions of yen)

Carrying amount	Buildings and structures	Machinery, equipment and vehicles	Land	Vehicles on operating leases	Construction in progress	Other	Total
Transition date (As of April 1, 2023)	215,514	165,005	242,908	119,349	34,913	30,576	808,267
Previous fiscal year (As of March 31, 2024)	198,761	136,940	250,623	124,865	37,384	36,779	785,354
Current fiscal year (As of March 31, 2025)	197,107	138,420	274,464	136,369	55,648	36,713	838,723

(2) Borrowing costs

In the previous and current fiscal years, the borrowing costs capitalized as components of the acquisition cost of qualifying assets were 10 million yen and 109 million yen, respectively. The capitalization rates applied at that time were 0.2% and 0.7%, respectively.

(3) Carrying amount of property, plant and equipment pledged as collateral for liabilities

As of the transition date, March 31, 2024 and March 31, 2025, there are no property, plant and equipment pledged as collateral for liabilities.

(4) Commitments

Contractual commitments related to the acquisition of property, plant and equipment are disclosed in Note “38. Commitments.”

(5) Compensation from third parties for property, plant and equipment that were impaired, lost, etc., that are included in profit or loss

The amounts of compensation from third parties for property, plant and equipment that were impaired, lost, or given up that are included in profit or loss in the previous and current fiscal years are not material.

13. Goodwill and intangible assets

(1) Changes

Changes in the acquisition costs, accumulated amortization and impairment losses of intangible assets and goodwill, as well as the carrying amounts, are as follows:

(Millions of yen)

Acquisition cost	Goodwill	Intangible assets				
		Software	Capitalized development costs	Intangible assets in progress (Note) 1	Other (Note) 2	Total
Transition date (As of April 1, 2023)	15,213	94,349	46,323	20,651	73,806	235,131
Individual acquisition	—	10,128	—	10,335	461	20,925
Internal development	—	—	14,179	(3,834)	—	10,344
Sale or disposal	—	(1,740)	—	—	(282)	(2,023)
Transfer to assets held for sale	—	(176)	(832)	—	(1,866)	(2,876)
Exchange differences on translation of foreign operations	—	2,442	170	16	570	3,200
Other	—	(1,697)	2,307	(13)	1,322	1,919
Previous fiscal year (As of March 31, 2024)	15,213	103,305	62,147	27,154	74,012	266,621
Individual acquisition	—	16,929	—	14,245	165	31,340
Internal development	—	—	11,923	(1,479)	—	10,444
Sale or disposal	—	(1,847)	(194)	(385)	(889)	(3,317)
Exchange differences on translation of foreign operations	—	93	68	2	318	482
Other	—	74	(36)	2,895	621	3,554
Current fiscal year (As of March 31, 2025)	15,213	118,555	73,907	42,433	74,229	309,125

- (Notes) 1. The individual acquisition and internal development of intangible assets in progress is presented as the net amount, including the increase due to new acquisitions and the amount transferred to each intangible asset account (decrease).
2. “Other” includes trademarks, customer-related assets, technology-related assets, etc.

(Millions of yen)

Accumulated amortization and impairment losses	Goodwill	Intangible assets				
		Software	Capitalized development costs	Intangible assets in progress	Other	Total
Transition date (As of April 1, 2023)	—	78,129	19,405	—	34,501	132,036
Amortization	—	7,218	8,804	—	5,319	21,342
Sale or disposal	—	(1,709)	—	—	(272)	(1,982)
Transfer to assets held for sale	—	(153)	(828)	—	(1,321)	(2,304)
Exchange differences on translation of foreign operations	—	2,099	75	—	508	2,683
Other	—	(1,485)	1,939	—	2,412	2,865
Previous fiscal year (As of March 31, 2024)	—	84,098	29,394	—	41,148	154,641
Amortization	—	8,013	9,794	—	5,346	23,155
Sale or disposal	—	(1,668)	(12)	—	(889)	(2,571)
Exchange differences on translation of foreign operations	—	155	(31)	—	296	420
Other	—	(27)	1	—	105	78
Current fiscal year (As of March 31, 2025)	—	90,571	39,147	—	46,006	175,724

- (Note) Amortization of intangible assets is included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of profit or loss.

(Millions of yen)

Carrying amount	Goodwill	Intangible assets				
		Software	Capitalized development costs	Intangible assets in progress	Other	Total
Transition date (As of April 1, 2023)	15,213	16,220	26,918	20,651	39,305	103,094
Previous fiscal year (As of March 31, 2024)	15,213	19,207	32,752	27,154	32,864	111,979
Current fiscal year (As of March 31, 2025)	15,213	27,984	34,760	42,433	28,222	133,401

(2) Individually material intangible assets

Material intangible assets recorded in the consolidated statement of financial position are intangible assets arising from the acquisition of UD Trucks Corporation by the Group, and are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)	Remaining amortization period
Trademarks	16,410	14,359	12,307	6 years
Customer-related assets	5,295	4,992	4,690	16 years
Technology-related assets	15,257	12,714	10,171	4 years

(3) Commitments

Contractual commitments related to the acquisition of intangible assets are disclosed in Note “38. Commitments.”

14. Leases

(1) Lessee’s leases

The Group primarily leases properties, such as stores, company housing, and warehouses, as well as production tools, including molds, for its automobile business.

For some of the Group’s leases, extension and cancellation options are granted in their contract terms. The extension option is an option to extend the contract for a certain period of time after the contract term expires. The cancellation option allows the lessee to cancel the contract in writing prior to the expiration date of the contract. The Group determines whether to continue or discontinue the use of these options for its business in light of business conditions, etc., and exercises them as necessary.

There are no material purchase options, escalation clauses, or restrictions imposed by the lease agreements, including those related to dividends, additional borrowings, or additional leases.

(i) Profit or loss and cash outflows related to leases

Profit or loss and cash outflows related to leases are as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Depreciation of right-of-use assets		
Buildings and structures	9,758	12,525
Machinery, equipment and vehicles	4,331	4,044
Land	5,075	5,681
Other	8,188	10,396
Total	27,354	32,648
Interest expenses on lease liabilities	2,325	3,210
Short-term lease expenses	5,814	4,383
Lease expenses for low-value assets	1,235	1,912
Total cash outflows related to leases	36,200	41,864

There are no material expenses related to variable leases, income from subleasing right-of-use assets, or gains or losses arising from sale and leaseback transactions that are not included in the measurement of lease liabilities.

(ii) Breakdown of the carrying amount of right-of-use assets

The breakdown of the carrying amount of right-of-use assets is as follows:

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	(Millions of yen) Current fiscal year (As of March 31, 2025)
Right-of-use assets			
Buildings and structures	50,042	48,386	49,208
Machinery, equipment and vehicles	11,473	10,542	12,680
Land	38,411	37,842	37,364
Other	11,483	12,800	9,443
Total	111,410	109,572	108,696

The additions to right-of-use assets for the year ended in the previous and current fiscal years were 32,602 million yen and 35,109 million yen, respectively.

(iii) Maturity analysis of lease liabilities

The maturity analysis of lease liabilities is described in Note “35. Financial instruments (4) Liquidity risk management.”

(2) Lessor’s leases

(i) Finance leases

The Group primarily leases vehicles under finance leases. The lease term is five years, with some lease agreements including an option to extend the lease term upon expiration.

A. Lease revenue

	Previous fiscal year (Fiscal year ended March 31, 2024)	(Millions of yen) Current fiscal year (Fiscal year ended March 31, 2025)
Profit or loss from leases	2,395	1,891
Finance income on the net investment in the lease (Note)	5,710	6,867

(Note) Under finance leases involving a manufacturer or dealer lessor, finance income on the net investment in the lease is recognized in “Revenue” in the consolidated statement of profit or loss.

B. Maturity analysis of lease payments receivable

The maturity analysis of lease payments receivable (undiscounted) under finance lease agreements is as follows: There has been no significant change in the carrying amount of the net investment in the lease.

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Within one year	57,226	63,995	73,679
Between 1 and 2 years	44,011	50,262	55,683
Between 2 and 3 years	32,723	36,361	43,570
Between 3 and 4 years	19,792	24,595	29,353
Between 4 and 5 years	9,781	11,908	15,227
Over 5 years	3,005	4,570	10,136
Total	166,541	191,694	227,650
Unearned finance income	(12,381)	(13,240)	(19,777)
Unguaranteed residual value (discounted)	23,417	24,366	26,883
Net investment in the lease	177,577	202,819	234,756

(ii) Operating leases

The Group leases vehicles under operating leases. The Group also has insurance to cover physical damage to vehicles.

A. Lease revenue

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Lease revenue	31,688	38,123

B. Maturity analysis of lease payments to be received

The maturity analysis of lease payments to be received under operating lease agreements is as follows:

(Millions of yen)

	Total	Within one year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Transition date (As of April 1, 2023)	78,225	27,065	20,388	14,893	9,185	4,573	2,119
Previous fiscal year (As of March 31, 2024)	82,116	28,028	20,948	15,104	10,273	5,220	2,542
Current fiscal year (As of March 31, 2025)	91,775	30,481	22,562	17,339	11,939	6,249	3,203

15. Impairment of non-financial assets

(1) Impairment losses

In calculating impairment losses, the Group performs grouping based on the smallest identifiable unit of asset groups that generates largely independent cash inflows.

Impairment losses are recorded in “Other expenses” in the consolidated statement of profit or loss.

The breakdown of impairment losses by asset type is as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Property, plant and equipment		
Buildings and structures	121	545
Machinery, equipment and vehicles	2,508	61
Construction in progress	540	—
Other (Right-of-use assets, etc.)	1,448	13
Other assets		
Other	42	—
Total	4,661	620

Previous fiscal year (Fiscal year ended March 31, 2024)

The carrying amount was reduced to the recoverable amount and impairment losses of 4,048 million yen (including 2,043 million yen for machinery, equipment and vehicles, 538 million yen for construction in progress, 1,402 million yen for right-of-use assets, and 64 million yen for other items) were recorded primarily for our manufacturing subsidiary based in China, due to changes in future production and sales outlook.

The recoverable amount is measured based on value in use, which is calculated by discounting future cash flows to the present value at a pre-tax discount rate of 16.0%.

Current fiscal year (Fiscal year ended March 31, 2025)

The carrying amount was reduced to the residual value and impairment losses of 574 million yen (including 527 million yen for buildings and structures, 36 million yen for machinery, equipment and vehicles, and 10 million yen for other items) were recorded mainly for buildings, etc. that are planned to be disposed in preparation for the establishment of a new electric vehicle development and testing facility at our Fujisawa Plant.

(2) Goodwill impairment test

Goodwill arising from business combinations is allocated to the cash-generating unit or group of cash-generating units that benefit from the business combination on the acquisition date.

The breakdown of the carrying amount of goodwill by cash-generating unit is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
UD Trucks business	15,213	15,213	15,213

The Group conducts an impairment test on goodwill annually and whenever there is an indication that impairment may exist. The recoverable amount of impairment test is determined based on its value in use. The value in use is calculated by discounting the estimated cash flows, which are based on the management-approved business plan and the growth rate for the next five fiscal years, reflecting past experience and external information, to the present value using a pre-tax discount rate of 9.9% (10.0% in the previous fiscal year). For periods beyond the period covered by the business plan, the terminal value is used. The growth rate is determined at 0.9% (0.7% in the previous fiscal year), taking into account the long-term average growth rate of the industry or country to which the cash-generating unit or group of cash-generating units belongs, and does not exceed the long-term average growth rate of the market.

There is a risk of impairment occurring if the key assumptions used in the impairment test change; however, the value in use exceeds the carrying amount of the cash-generating unit or group of cash-generating units, and even if the key assumptions used in the impairment test change within a reasonably predictable range, the Group determines that the value in use is unlikely to fall below the carrying amount.

16. Investments accounted for using equity method

The carrying amounts of investments in entities accounted for using the equity method are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Investments accounted for using equity method			
Associates	69,937	71,954	102,858
Joint ventures	31,405	27,636	29,904
Total	101,342	99,591	132,763

The share of profit or loss and other comprehensive income of entities accounted for using the equity method is as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Profit		
Associates	1,336	6,438
Joint ventures	954	2,730
Total	2,291	9,169
Other comprehensive income		
Associates	158	(321)
Joint ventures	(21)	94
Total	136	(226)
Comprehensive income		
Associates	1,494	6,117
Joint ventures	933	2,824
Total	2,427	8,942

In the previous and current fiscal years, there were no individually material associates or joint ventures among the entities accounted for using the equity method.

17. Income taxes

(1) Deferred tax assets and deferred tax liabilities

The following are the significant components and changes in deferred tax assets and deferred tax liabilities.

Previous fiscal year (Fiscal year ended March 31, 2024)

(Millions of yen)

	Balance at beginning of period	Recognized through profit or loss	Recognized through other comprehensive income	Transfer to assets held for sale	Other (Foreign currency translation differences, etc.)	Balance at end of period
Deferred tax assets						
Inventory write-down	3,538	300	—	(233)	427	4,033
Elimination of unrealized profits	20,847	(2,830)	—	(47)	—	17,969
Lease liabilities	28,219	215	—	(466)	370	28,338
Accrued expenses and provision for product warranties	25,496	4,333	—	(140)	148	29,837
Liabilities related to short-term employee benefits	12,868	731	—	(1,055)	(339)	12,205
Retirement benefit liabilities	26,244	(87)	(2,400)	(1,051)	(183)	22,522
Tax loss carried forward	682	577	—	(64)	(228)	966
Other	21,717	3,436	26	(944)	3,534	27,771
Total	139,615	6,677	(2,373)	(4,004)	3,729	143,644
Deferred tax liabilities						
Right-of-use assets	28,246	(2)	—	(464)	146	27,926
Capitalized development costs	10,920	291	—	—	293	11,505
Fair value measurement differences arising from business combinations	6,509	1,974	—	(2,317)	—	6,166
Financial assets measured at fair value through other comprehensive income	19,910	—	18,760	(394)	356	38,633
Undistributed profits of subsidiaries, etc.	17,580	3,034	526	—	—	21,142
Other	19,243	(2,576)	(15)	(920)	191	15,923
Total	102,412	2,722	19,272	(4,096)	987	121,297
Deferred tax assets (liabilities), net	37,203	3,954	(21,645)	92	2,742	22,347

Current fiscal year (Fiscal year ended March 31, 2025)

(Millions of yen)

	Balance at beginning of period	Recognized through profit or loss	Recognized through other comprehensive income	Transfer to assets held for sale	Other (Foreign currency translation differences, etc.)	Balance at end of period
Deferred tax assets						
Inventory write-down	4,033	(94)	—	—	—	3,938
Elimination of unrealized profits	17,969	679	—	—	47	18,695
Lease liabilities	28,338	(601)	—	—	75	27,814
Accrued expenses and provision for product warranties	29,837	3,637	—	—	(174)	33,299
Liabilities related to short-term employee benefits	12,205	(2)	—	—	51	12,254
Retirement benefit liabilities	22,522	(1,799)	(1,303)	—	(806)	18,614
Tax loss carried forward	966	(1,245)	—	—	391	113
Other	27,771	2,622	(463)	—	822	30,753
Total	143,644	3,196	(1,766)	—	408	145,483
Deferred tax liabilities						
Right-of-use assets	27,926	(838)	—	—	60	27,148
Capitalized development costs	11,505	638	—	—	—	12,143
Fair value measurement differences arising from business combinations	6,166	(1,325)	—	—	—	4,841
Financial assets measured at fair value through other comprehensive income	38,633	—	(11,114)	—	(1,675)	25,842
Undistributed profits of subsidiaries, etc.	21,142	(1,713)	773	—	—	20,202
Other	15,923	2,084	447	—	1,510	19,964
Total	121,297	(1,155)	(9,893)	—	(105)	110,143
Deferred tax assets (liabilities), net	22,347	4,352	8,127	—	513	35,339

The following amounts are recorded in the consolidated statement of financial position.

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Deferred tax assets	38,992	42,915	45,987
Deferred tax liabilities	1,788	20,567	10,647
Deferred tax assets (liabilities), net	37,203	22,347	35,339

Deferred tax assets are not recognized for the following future deductible temporary differences and tax loss carried forward. The future deductible temporary differences and tax loss carried forward are based on tax amounts.

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Future deductible temporary differences	107,553	94,389	95,854
Tax loss carried forward	20,457	20,547	17,483
Total	128,010	114,936	113,337

The expected expiration of tax loss carried forward for which deferred tax assets are not recognized is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
1st year	2,337	2,216	3,536
2nd year	1,901	3,706	2,722
3rd year	3,414	2,830	2,197
4th year	2,537	2,284	3,861
5th year and thereafter, and indefinitely	10,266	9,509	5,164
Total	20,457	20,547	17,483

The aggregate amounts of future taxable temporary differences on a taxable income basis related to investments in subsidiaries, etc. for which deferred tax liabilities have not been recognized are 298,125 million yen, 293,626 million yen, and 382,759 million yen as of the transition date, the end of the previous fiscal year, and the end of the current fiscal year, respectively.

These deferred tax liabilities are not recognized because the Group has control over the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not be reversed within a reasonably foreseeable period.

(2) Income tax expenses

The breakdown of income tax expenses is as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Current tax expense		
Current tax expense, excluding Pillar Two income taxes	86,208	68,157
Current tax expense related to Pillar Two income taxes	—	237
Deferred tax expense	(3,954)	(4,352)
Income tax expense	82,254	64,043

(3) Tax rate reconciliation

The factors causing the difference between the statutory tax rate and the average effective tax rate are as follows:

(%)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Statutory tax rate	30.6	30.6
Tax credit	(4.3)	(1.9)
Changes in unrecognized deferred tax assets	0.2	1.3
Tax rate differences at overseas subsidiaries	(6.9)	(6.4)
Share of profit of investments accounted for using equity method	(0.2)	(1.1)
Foreign withholding tax	5.4	3.4
Undistributed profits of subsidiaries, etc.	1.2	(0.4)
Other	1.8	0.7
Average effective tax rate	27.7	26.1

The Company and its domestic subsidiaries are primarily subject to current income taxes, based on which a statutory tax rate of 30.6% is calculated for the previous and current fiscal years. For overseas subsidiaries, the rate is calculated at the general income tax rates applicable in their respective jurisdictions.

The Group applies the group tax sharing system in Japan.

Due to the enactment of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) in the Japanese Diet on March 31, 2025, the “Special Corporation Tax for National Defense” will be imposed from the fiscal years beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities arising from temporary differences, etc., expected to be reversed in the fiscal years beginning on or after April 1, 2026, are calculated by changing the statutory tax rate from 30.6% to 31.5%.

The impact of the tax rate change on the consolidated financial statements for the current fiscal year is immaterial.

(4) Global Minimum Tax Rules

In Japan, where the Company is located, the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 3 of 2023), which introduces the global minimum tax rules in accordance with the Pillar Two Model Rules, was enacted on March 28, 2023. This Act applies to the Company from the current fiscal year. The current tax expense related to Pillar Two income taxes for the current fiscal year is 237 million yen.

The Group does not recognize or disclose deferred tax assets and deferred tax liabilities related to income taxes arising from tax laws enacted or substantially enacted to implement the Pillar Two Model Rules, as the Group has applied exceptions to the recognition and disclosure of such deferred tax assets and deferred tax liabilities.

18. Other assets

The breakdown of other assets is as follows:

	(Millions of yen)		
	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Prepaid expenses	22,827	25,798	27,925
Advance payments	6,107	6,307	9,979
Consumption tax receivable	31,553	25,590	24,598
Other	14,393	12,111	14,912
Total	74,882	69,807	77,416
Current assets	70,277	65,184	73,124
Non-current assets	4,604	4,623	4,291
Total	74,882	69,807	77,416

19. Trade and other payables

The breakdown of trade and other payables is as follows:

	(Millions of yen)		
	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Notes and accounts payable	562,847	527,145	525,073
Accrued expenses	87,540	104,715	99,726
Other	51,264	50,299	59,251
Total	701,652	682,160	684,051

Trade and other payables are classified as financial liabilities measured at amortized cost.

20. Bonds payable, borrowings, and lease liabilities

The breakdown of bonds payable, borrowings, and lease liabilities is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)	Average interest rate (%)	Repayment due date
Bonds and borrowings (current)					
Short-term borrowings	6,700	60,000	56,400	0.80	—
Commercial papers	—	—	50,000	0.55	—
Current portion of long-term borrowings	111,419	132,777	126,084	0.22	—
Current portion of bonds payable	—	—	30,000	0.14	—
Bonds and borrowings (non-current)					
Long-term borrowings	285,443	239,161	302,063	0.74	2026 to 2032
Bonds payable	79,767	79,833	79,765	0.53	2026 to 2030
Lease liabilities (current)	21,866	25,180	24,437	2.22	—
Lease liabilities (non-current)	93,303	90,174	90,094	2.49	2026 to 2064
Total	598,500	627,128	758,845	—	—
Current liabilities	139,985	217,958	286,921	—	—
Non-current liabilities	458,514	409,169	471,923	—	—
Total	598,500	627,128	758,845	—	—

- (Notes) 1. The average interest rate signifies the weighted average rate against the balance at the end of the period.
2. Bonds and borrowings are classified as financial liabilities measured at amortized cost.

The summary of the terms for issuing bonds is as follows:

(Millions of yen)

Company name	Description	Issuance date	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)	Interest rate (%)	Collateral	Redemption date
ISUZU MOTORS LIMITED	30th round of unsecured bonds (with inter-bond pari passu clause)	February 4, 2021	30,000	30,000	30,000 [30,000]	0.14	N/A	February 4, 2026
ISUZU MOTORS LIMITED	31st round of unsecured bonds (with inter-bond pari passu clause)	February 4, 2021	20,000	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	30,000	0.11	N/A	September 29, 2026
ISUZU MOTORS LIMITED	33rd round of unsecured bonds (with inter-bond pari passu clause)	October 23, 2024	—	—	20,000	0.89	N/A	October 23, 2029
Isuzu Leasing Service Co., Ltd.	1st round of unsecured bonds (with inter-bond pari passu clause)	March 6, 2025	—	—	10,000	1.59	N/A	March 6, 2030
Total	—	—	80,000	80,000	110,000 [30,000]	—	—	—

(Note) Figures in parentheses are amounts scheduled to be redeemed within one year.

21. Other financial liabilities

The breakdown of other financial liabilities is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Financial liabilities measured at amortized cost			
Deposits received	7,697	8,479	9,656
Other	160	125	524
Financial liabilities measured at fair value through profit or loss			
Derivatives	974	1,272	280
Total	8,832	9,877	10,461
Current liabilities	7,573	8,678	9,266
Non-current liabilities	1,258	1,199	1,195
Total	8,832	9,877	10,461

22. Employee benefits

(1) Outline of 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 Group may occasionally provide extra retirement payments in addition to the retirement benefits to employees. These pension plans are exposed to general investment risks, interest rate risks, inflation risks, etc.

The funded defined benefit plans are administered by pension funds that are legally separated from the Group. The pension fund board of trustees and the pension asset management institution are required by law to act in the best interests of plan participants and are responsible for managing plan assets in accordance with prescribed methods.

(2) Defined benefit plans

(i) Reconciliation of defined benefit obligations and plan assets

The following are the changes in the present value of defined benefit obligations and the fair value of plan assets.

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)			Current fiscal year (Fiscal year ended March 31, 2025)		
	Domestic plans	Overseas plans	Total	Domestic plans	Overseas plans	Total
Present value of defined benefit obligations at beginning of period	154,383	27,845	182,229	140,378	29,667	170,046
Current service cost	7,281	1,478	8,759	5,581	1,468	7,049
Interest cost	1,785	1,062	2,847	1,892	1,140	3,033
Remeasurements						
Changes in demographic assumptions	(798)	247	(551)	(371)	110	(260)
Changes in financial assumptions	(2,219)	(301)	(2,520)	(6,496)	333	(6,163)
Other	191	245	437	593	466	1,060
Prior service cost	—	230	230	—	(128)	(128)
Retirement benefit payments	(11,286)	(1,932)	(13,219)	(10,006)	(2,288)	(12,294)
Transfer to liabilities directly associated with assets held for sale	(8,887)	(1,040)	(9,927)	—	—	—
Exchange differences on translation of foreign operations	—	2,508	2,508	—	615	615
Other	(70)	(675)	(746)	342	378	720
Present value of defined benefit obligations at end of period	140,378	29,667	170,046	131,915	31,764	163,679
Fair value of plan assets at beginning of period	75,809	12,633	88,443	76,133	14,260	90,394
Interest income	933	701	1,634	1,061	701	1,762
Remeasurements						
Return on plan assets, excluding interest income	6,321	7	6,329	(290)	(102)	(393)
Employer contributions	4,039	37	4,076	3,324	48	3,373
Retirement benefit payments	(5,436)	(764)	(6,201)	(4,581)	(811)	(5,392)
Transfer to liabilities directly associated with assets held for sale	(5,746)	—	(5,746)	—	—	—
Exchange differences on translation of foreign operations	—	1,654	1,654	—	(222)	(222)
Other	212	(9)	202	283	—	283
Fair value of plan assets at end of period	76,133	14,260	90,394	75,930	13,874	89,805

The relationship between the present value of defined benefit obligations and the fair value of plan assets, and the net amount of defined benefit liabilities (assets) reported in the consolidated financial statements is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)			Previous fiscal year (As of March 31, 2024)			Current fiscal year (As of March 31, 2025)		
	Domestic plans	Overseas plans	Total	Domestic plans	Overseas plans	Total	Domestic plans	Overseas plans	Total
Present value of defined benefit obligations	154,383	27,845	182,229	140,378	29,667	170,046	131,915	31,764	163,679
Fair value of plan assets	75,809	12,633	88,443	76,133	14,260	90,394	75,930	13,874	89,805
Net	78,574	15,211	93,785	64,245	15,406	79,652	55,984	17,889	73,873
Amount on the consolidated statement of financial position									
Retirement benefit liability	79,811	16,557	96,369	71,624	17,043	88,668	67,129	19,620	86,750
Retirement benefit asset	1,237	1,346	2,583	7,379	1,636	9,015	11,145	1,731	12,876
Net amount of retirement benefit liability and asset reported in the consolidated statement of financial position	78,574	15,211	93,785	64,245	15,406	79,652	55,984	17,889	73,873

The weighted average duration of defined benefit obligations was 11 years for domestic plans and 13 years for overseas plans in the previous fiscal year, and 14 years for domestic plans and 13 years for overseas plans in the current fiscal year.

The Group plans to contribute 3,370 million yen for the next fiscal year.

(ii) Breakdown of plan assets

The breakdown of plan assets by major category is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Pooled funds			
Cash and cash equivalents	2,300	2,040	3,787
Equity instruments			
Domestic shares	6,462	8,183	5,970
Overseas shares	13,298	16,032	13,472
Debt instruments			
Domestic bonds	2,860	1,588	1,687
Overseas bonds	26,816	27,654	29,766
Other	18,869	16,903	16,926
General life insurance	17,835	17,991	18,194
Total	88,443	90,394	89,805

Plan assets are mainly invested in pooled funds of trust banks and are classified into those without quoted market prices in active markets.

The Group's policy aims to manage plan assets to secure stable returns over the medium to long term so that it can ensure the future payment of defined benefit obligations, in accordance with internal regulations. Specifically, the Group sets a target rate of return and asset allocation ratio for each investment asset within the range of tolerable risk defined annually, and manages its plan assets by maintaining this ratio. When reviewing the asset allocation ratio, the Group examines on a case-by-case basis whether to introduce plan assets that are closely linked to changes in defined benefit obligations. Furthermore, based on the Defined Benefit Corporate Pension Act, the Group regularly reviews its contributions, recalculating the amount every five years, to maintain a well-balanced financial position for the future.

(iii) Asset-liability matching strategy

This investment strategy aims to minimize asset-liability mismatches, thereby achieving stable investment performance over the medium to long term.

More specifically, the Group aims to reduce fluctuations in investment returns and stabilize the reserve ratio by investing mainly in safe, long-term bonds.

(iv) Actuarial assumptions

The major assumptions used in the actuarial calculations are as follows:

	Transition date (As of April 1, 2023)		Previous fiscal year (As of March 31, 2024)		Current fiscal year (As of March 31, 2025)	
	Domestic plans	Overseas plans	Domestic plans	Overseas plans	Domestic plans	Overseas plans
Discount rate (weighted average)	1.21%	4.77%	1.40%	4.45%	2.00%	4.06%

(v) Sensitivity analysis

The impact of a 1% change in the discount rate used in actuarial calculations on the present value of defined benefit obligations is as follows: The analysis assumes that all other variables remain constant, but in reality, changes in other assumptions may affect the sensitivity analysis.

(Millions of yen)

	Transition date (As of April 1, 2023)		Previous fiscal year (As of March 31, 2024)		Current fiscal year (As of March 31, 2025)	
	Domestic plans	Overseas plans	Domestic plans	Overseas plans	Domestic plans	Overseas plans
1% increase in discount rate	(14,797)	(3,664)	(13,397)	(4,020)	(11,896)	(3,618)
1% decrease in discount rate	17,528	4,172	15,482	4,468	13,912	4,041

(3) Defined benefit multi-employer plan

Some consolidated subsidiaries participate in the corporate pension fund under the multi-employer plan. However, the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual entities participating in the plan. Moreover, it is not possible to reasonably calculate the amount of pension assets corresponding to the company's contributions. Therefore, the plan has been accounted for in the same manner as a defined contribution plan.

The amount of contributions to the fund is calculated by multiplying the standard salary of participants by a certain rate. In addition, the amount of contributions is reviewed in accordance with standards established by law to maintain a well-balanced financial position for the future.

If the funded amount falls below the minimum funding requirement at the time of termination of the fund, the amount by which it falls below the minimum level must be paid as a lump-sum contribution. The regulations stipulate that any remaining assets upon termination of the fund shall be distributed to participants, rather than paid to participating companies. In case of withdrawal from the plan, a lump-sum contribution is required to be made for the estimated shortfall, etc., arising from the withdrawal.

(i) Recent funding status of the multi-employer plan

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
	As of March 31, 2023	As of March 31, 2024
Amount of pension assets	17,756	20,194
Amount of actuarial liabilities for pension financing calculation	14,084	14,329
Net	3,672	5,864
The Group's contribution ratio to the plan as a whole	89.23%	89.03%

(ii) Contributions to the multi-employer plan for the next fiscal year

The Group estimates that the amount of its contribution to the multi-employer plan for the next fiscal year will be 976 million yen.

(4) Employee benefits expense

Employee benefits expense incurred in each fiscal year is as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Employee benefits expense	392,678	342,510
Of which, contributions to defined contribution plans	23,251	21,311

Employee benefits expense includes salaries, bonuses, legal welfare expenses, expenses related to post-employment benefits, etc., which is included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statement of profit or loss. The contributions to defined contribution plans include the employer's share of employee pension insurance premiums, as mandated by Japan's Employees' Pension Insurance Act.

23. Provisions

The breakdown and changes in provisions are as follows:

Current fiscal year (Fiscal year ended March 31, 2025)

(Millions of yen)

	Provision for product warranties	Asset retirement obligations	Other	Total
Balance at beginning of period	71,432	4,861	13,696	89,990
Increase during period	38,608	95	9,837	48,541
Periodic interest cost for discount calculation	—	26	—	26
Decrease during period (intended use)	(27,556)	(308)	(2,368)	(30,233)
Decrease during period (reversal)	(6,003)	(54)	(7,144)	(13,202)
Exchange differences on translation of foreign operations	100	—	89	189
Other	(113)	—	—	(113)
Balance at end of period	76,467	4,621	14,110	95,199
Current liabilities	41,979	—	2,199	44,179
Non-current liabilities	34,487	4,621	11,911	51,020
Total	76,467	4,621	14,110	95,199

A portion of the provision for product warranties is expected to be covered based on agreements with suppliers. The amounts expected to be covered in connection with the provision for product warranties are 584 million yen and 456 million yen for the previous and current fiscal years, respectively.

24. Other liabilities

The breakdown of other liabilities is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Accrued consumption taxes	10,333	6,306	7,115
Accrued bonuses	28,163	30,437	30,065
Accrued paid leave	14,000	13,041	13,554
Other long-term employee benefits	3,332	4,532	5,472
Cash-settled share-based payment	48	140	12
Contract liabilities	13,520	16,719	20,292
Other	19,608	22,885	20,879
Total	89,006	94,063	97,392
Current liabilities	82,477	86,536	89,204
Non-current liabilities	6,529	7,527	8,188
Total	89,006	94,063	97,392

25. Equity and other equity items

(1) Share capital and capital surplus

The Companies Act of Japan (hereinafter referred to as the “Companies Act”) stipulates that at least half of the amount paid or contributed in return for share issue may be incorporated into share capital, and the remaining amount may be incorporated into legal capital surplus, included in capital surplus.

Legal capital surplus may be incorporated into share capital by resolution of the general meeting of shareholders.

The following are the changes in the number of authorized shares and the total number of issued shares.

(Shares)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Number of authorized shares		
Ordinary shares	1,700,000,000	1,700,000,000
Total number of issued shares (Note 1)		
Balance at beginning of period	777,442,069	777,442,069
Changes during period (Note 2)	—	(63,915,500)
Balance at end of period	777,442,069	713,526,569

(Notes) 1. All the shares issued by the Company are non-par value ordinary shares that have no restriction on any rights, and the issued shares are fully paid in.

2. The total number of issued shares decreased by 63,915,500 shares in the current fiscal year due to the cancellation of treasury shares.

(2) Retained earnings

The Companies Act stipulates that one-tenth of the amount of retained earnings reduced by the dividends of surplus shall be set aside as legal capital surplus or legal retained earnings until the sum of legal capital surplus and legal retained earnings reaches one-fourth of the amount of share capital.

The accumulated legal retained earnings may be used to reduce a deficit.

It is also specified that legal retained earnings may be reversed by resolution of the general meeting of shareholders.

(3) Treasury shares

The Companies Act stipulates that a company may repurchase treasury shares by resolution of the general meeting of shareholders, within the limit of the distributable amount, and may decide on the number of shares to be repurchased, the total acquisition price, etc.

In cases of market transactions or tender offers, the company may repurchase treasury shares by a resolution of the Board of Directors, within the scope of the requirements prescribed by the Companies Act and pursuant to the provisions of the articles of incorporation.

The breakdown of changes in treasury shares during the period is as follows:

	Number of shares (shares)	Amount (millions of yen)
Transition date (As of April 1, 2023)	2,264,274	3,234
Increase (Note 1)	26,576,351	50,013
Decrease (Note 1)	(79,860)	(115)
Previous fiscal year (As of March 31, 2024) (Note 2)	28,760,765	53,133
Increase (Note 3)	37,640,042	75,605
Decrease (Note 3)	(64,878,314)	(126,375)
Current fiscal year (As of March 31, 2025) (Note 4)	1,522,493	2,364

- (Notes) 1. The increase of 26,576,351 shares in treasury shares for the previous fiscal year is attributable to an increase of 26,568,600 shares resulting from the repurchase of treasury shares by a resolution of the Board of Directors (*1), an increase of 7,101 shares resulting from the acquisition of shares less than one unit, and an increase of 650 shares representing treasury shares repurchased by entities accounted for using the equity method that are attributable to the Company. The decrease of 79,860 shares in treasury shares is due to the delivery to the beneficiaries of a trust whose beneficiaries are Directors of the Board, etc. of the Company.
2. The number of shares outstanding at the end of the previous fiscal year includes 2,105,344 shares of the Company held by the trust whose beneficiaries are Directors of the Board, etc. of the Company, and 48,570 shares representing treasury shares repurchased by entities accounted for using the equity method that are attributable to the Company.
3. The increase of 37,640,042 shares in treasury shares for the current fiscal year consists of an increase of 37,346,900 shares resulting from the repurchase of treasury shares by a resolution of the Board of Directors (*2), an increase of 287,900 shares resulting from the acquisition of the Company's shares by the trust whose beneficiaries are Directors of the Board, etc. of the Company, an increase of 4,636 shares resulting from the acquisition of shares less than one unit, and an increase of 606 shares representing treasury shares repurchased by entities accounted for using the equity method that are attributable to the Company. The decrease of 64,878,314 shares in treasury shares is due to the

cancellation of treasury shares amounting to 63,915,500 shares (*1, 2), and the delivery to the beneficiaries of the trust whose beneficiaries are Directors of the Board, etc. of the Company amounting to 962,814 shares.

4. The number of shares outstanding at the end of the current fiscal year includes 1,430,430 shares of the Company held by the trust whose beneficiaries are Directors of the Board, etc. of the Company, and 49,176 shares representing treasury shares repurchased by entities accounted for using the equity method that are attributable to the Company.

(*) 1. Repurchase and cancellation by a resolution of the Board of Directors meeting held on November 10, 2023

The Company resolved at a meeting of its Board of Directors held on November 10, 2023 to repurchase its treasury shares in accordance with Article 156 of the Companies Act (the “Act”) applicable pursuant to Article 165, paragraph (3) of the Act and to cancel the repurchased shares in accordance with Article 178 of the Act. Furthermore, pursuant to this resolution, the repurchase and cancellation of the treasury shares were effectuated as presented below.

(1) Reason for repurchase and cancellation

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

(2) Details of the repurchase

- | | | |
|-------|---|---|
| (i) | Class of shares to be repurchased | Ordinary shares |
| (ii) | Total number of shares to be repurchased | Up to 35.0 million shares |
| (iii) | Total purchase price for repurchase of shares | Up to 50,000 million yen |
| (iv) | Period of repurchase | From November 13, 2023 to March 31, 2024 |
| (v) | Method of repurchase | 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 repurchase of treasury shares |

(3) Result of repurchase

- | | | |
|-------|---|--|
| (i) | Class of shares to be repurchased | Ordinary shares |
| (ii) | Total number of shares repurchased | 26,568,600 shares |
| (iii) | Total purchase price for repurchase of shares | 49,999 million yen |
| (iv) | Period of repurchase | From November 13, 2023 to February 20, 2024 |
| (v) | Method of repurchase | Market purchases on the Tokyo Stock Exchange |

(4) Details of the cancellation

- | | | |
|-------|----------------------------------|-------------------|
| (i) | Class of shares to be cancelled | Ordinary shares |
| (ii) | Total number of shares cancelled | 26,568,600 shares |
| (iii) | Date of cancellation | April 26, 2024 |

2. Repurchase and cancellation by a resolution of the Board of Directors meeting held on August 7, 2024

The Company resolved at a meeting of its Board of Directors held on August 7, 2024 to repurchase its treasury shares in accordance with Article 156 of the Companies Act (the “Act”) applicable pursuant to Article 165, paragraph (3) of the Act and to cancel the repurchased shares in accordance with Article 178 of the Act. Furthermore, pursuant to this resolution, the repurchase and cancellation of the treasury shares were effectuated as presented below.

(1) Reason for repurchase and cancellation

The Company has decided to repurchase and cancel treasury shares to actively invest in growth toward the 2030s while targeting appropriate capital levels to improve capital efficiency.

(2) Details of the repurchase

- | | | |
|-------|---|---|
| (i) | Class of shares to be repurchased | Ordinary shares |
| (ii) | Total number of shares to be repurchased | Up to 45.0 million shares |
| (iii) | Total purchase price for repurchase of shares | Up to 75,000 million yen |
| (iv) | Period of repurchase | From August 8, 2024 to March 31, 2025 |
| (v) | Method of repurchase | Market purchases based on discretionary trading contracts |

- (3) Result of repurchase
- (i) Class of shares to be repurchased Ordinary shares
 - (ii) Total number of shares repurchased 37,346,900 shares
 - (iii) Total purchase price for repurchase of shares 74,999 million yen
 - (iv) Period of repurchase From August 8, 2024 to February 27, 2025
- (4) Cancellation of treasury shares
- (i) Class of shares to be cancelled Ordinary shares
 - (ii) Total number of shares to be cancelled 37,346,900 shares
 - (iii) Date of cancellation March 27, 2025

26. Dividends

(1) Amount of dividends paid

Previous fiscal year (Fiscal year ended March 31, 2024)

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

Current fiscal year (Fiscal year ended March 31, 2025)

Resolution	Class of shares	Total dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 26, 2024	Ordinary shares	36,790	49.00 yen	March 31, 2024	June 27, 2024
Board of Directors Meeting held on November 11, 2024	Ordinary shares	34,132	46.00 yen	September 30, 2024	November 29, 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.
The total dividends resolved by the Board of Directors Meeting on November 11, 2024 included 65 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

- (2) Of the dividends whose record date belongs to the current fiscal year, the dividend whose effective date falls in the following fiscal year

The following proposal is scheduled to be submitted for approval at the Annual General Meeting of Shareholders to be held on June 26, 2025.

Resolution	Class of shares	Total dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 26, 2025	Ordinary shares	32,820	46.00 yen	March 31, 2025	June 27, 2025

(Note) The total dividends include 65 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

27. Revenue

(1) Breakdown of revenue

Previous fiscal year (Fiscal year ended March 31, 2024)

(Millions of yen)

	Heavy-duty (and medium- duty) CVs	Light-duty CVs	LCVs	Industrial engines	Others	Total
Revenue from contracts with customers						
Japan	389,900	133,830	—	64,823	411,509	1,000,063
Overseas	418,366	591,684	995,260	48,086	220,078	2,273,474
Total revenue from contracts with customers	808,266	725,514	995,260	112,909	631,588	3,273,538
Revenue from other sources	—	—	—	—	131,095	131,095
Total revenue	808,266	725,514	995,260	112,909	762,683	3,404,633

- (Notes) 1. “CVs” and “LCVs” represent “commercial vehicles (trucks and buses)” and “pickup trucks and variants,” respectively.
2. Sale of parts, maintenance and servicing, sales of used vehicles, and components are included in “Others.”

Current fiscal year (Fiscal year ended March 31, 2025)

(Millions of yen)

	Heavy-duty (and medium- duty) CVs	Light-duty CVs	LCVs	Industrial engines	Others	Total
Revenue from contracts with customers						
Japan	475,890	184,561	—	52,944	408,376	1,121,772
Overseas	386,640	558,016	740,098	52,464	222,160	1,959,380
Total revenue from contracts with customers	862,530	742,577	740,098	105,408	630,537	3,081,152
Revenue from other sources	—	—	—	—	154,496	154,496
Total revenue	862,530	742,577	740,098	105,408	785,033	3,235,648

- (Notes) 1. “CVs” and “LCVs” represent “commercial vehicles (trucks and buses)” and “pickup trucks and variants,” respectively.
2. Sale of parts, maintenance and servicing, sales of used vehicles, and components are included in “Others.”

(2) Contract balances

The breakdown of receivables arising from contracts with customers, contract assets, and contract liabilities is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Receivables arising from contracts with customers (Note 1)	395,367	415,790	410,467
Contract assets (Note 1)	674	—	—
Contract liabilities (Note 2)	13,520	16,719	20,292

- (Notes) 1. Included in “Trade and other receivables” in the consolidated statement of financial position. The amounts are before the deduction of allowance for doubtful accounts.
2. Included in “Other liabilities (current liabilities)” in the consolidated statement of financial position.

Contract 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.

Revenue recognized in the previous and current fiscal years included in the contract liability balance at the beginning of each year amounted to 7,137 million yen and 8,253 million yen, respectively.

The amount of revenue recognized from performance obligations that were satisfied (or partially satisfied) in past periods is immaterial in the previous and current fiscal years.

(3) Transaction prices allocated to remaining performance obligation

The total transaction price allocated to unfulfilled performance obligations, along with the breakdown by period in which revenue is expected to be recognized, is as follows:

(Millions of yen)

	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
1 year or less	106,219	110,350
Over 1 year	52,426	50,424
Total	158,645	160,775

The above table does not include information on remaining performance obligations with original expected terms of one year or less, applying practical expedients.

(4) Assets recognized from contract costs

In the previous and current fiscal years, no assets were recognized from material incremental costs of obtaining a contract or costs incurred to fulfill a contract that should have been recognized as assets.

28. Research and development expenses

The breakdown of research and development expenses is as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Research and development expenses incurred during the period	123,871	136,988
Amount transferred to capitalized development costs	(10,344)	(10,444)
Amortization of capitalized development costs	8,804	9,794
Total	122,331	136,338

29. Other income and other expenses

(1) The breakdown of other income is as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Gain on sale of fixed assets	2,947	240
Compensation income	1,102	555
Other	4,807	5,462
Total	8,858	6,257

(2) The breakdown of other expenses is as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Loss on disposal of fixed assets	1,974	3,440
Compensation expenses	1,820	1,431
Impairment losses (Note 1)	4,661	620
Loss on measurement to fair value less costs to sell of disposal groups held for sale (Note 2)	6,244	—
Loss on sale of investments in subsidiaries (Note 3)	2,098	—
Loss on business of subsidiaries (Note 4)	4,145	—
Other	3,740	3,341
Total	24,685	8,832

(Notes) 1. Details of impairment losses are described in Note “15. Impairment of non-financial assets.”

2. Details of the loss on measurement to fair value less costs to sell of disposal groups held for sale are described in Note “11. Non-current assets or disposal groups held for sale.”
3. The loss on the sale of investments in subsidiaries in the previous fiscal year is attributable to the sale of all shares of ISUZU RUS, a consolidated subsidiary.
4. The Group owns one 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 previous 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 the installation costs for facilities that said subsidiary is obligated to pay to related business partners in the future as a loss on the business of the subsidiaries.

30. Finance income and finance costs

(1) The breakdown of finance income is as follows:

	(Millions of yen)	
	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Interest income		
Financial assets measured at amortized cost	10,314	11,238
Gains and losses arising from derivatives		
Financial assets measured at fair value through profit or loss	29	—
Dividend income		
Financial assets measured at fair value through other comprehensive income	5,775	6,862
Foreign exchange gains	4,402	—
Other	348	735
Total	20,871	18,836

(2) The breakdown of finance costs is as follows:

	(Millions of yen)	
	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Interest expenses		
Financial liabilities measured at amortized cost	2,636	2,914
Lease liabilities	2,299	2,838
Foreign exchange losses	—	3,570
Other	2,571	3,180
Total	7,507	12,503

31. Other comprehensive income

The amount recorded during the period, adjustments reclassified to profit or loss, and tax effects for each item included in “Other comprehensive income” are as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at fair value through other comprehensive income		
Amount recorded during period	61,907	(34,147)
Tax-effect amount	(19,212)	9,955
Net change in fair value of financial assets measured at fair value through other comprehensive income	42,694	(24,191)
Remeasurements of defined retirement benefit plans		
Amount recorded during period	8,963	4,970
Tax-effect amount	(2,466)	(1,341)
Remeasurements of defined retirement benefit plans	6,496	3,629
Share of other comprehensive income of investments accounted for using equity method		
Amount recorded during period	136	(226)
Share of other comprehensive income of investments accounted for using equity method	136	(226)
Total	49,327	(20,789)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations		
Amount recorded during period	59,143	23,608
Reclassification adjustments	—	(471)
Before tax-effect adjustments	59,143	23,136
Tax-effect amount	(535)	(257)
Exchange differences on translation of foreign operations	58,608	22,879
Cash flow hedges		
Amount recorded during period	(87)	193
Reclassification adjustments	(294)	78
Before tax-effect adjustments	(382)	271
Tax-effect amount	116	(48)
Cash flow hedges	(265)	223
Total	58,342	23,102
Total other comprehensive income	107,670	2,313

32. Earnings per share

The basis for calculation of basic and diluted earnings per share is as follows:

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Profit attributable to owners of parent (millions of yen)	168,996	140,062
Reconciliation of profit (millions of yen)	—	—
Profit used to calculate diluted earnings per share (millions of yen)	168,996	140,062
Average number of ordinary shares outstanding during the period (shares)	767,393,388	734,156,978
Increase in the number of ordinary shares:		
Share-based remuneration plan (shares)	954,688	101,238
Average number of diluted ordinary shares outstanding during the period (shares)	768,348,076	734,258,216
Basic earnings per share (yen)	220.22	190.78
Diluted earnings per share (yen)	219.95	190.75

(Note) In calculating basic and diluted earnings per share, the shares of the Company held by the trust whose beneficiaries are Directors of the Board, etc. of the Company are treated as treasury shares, and thus deducted from the average number of ordinary shares outstanding during the period.

33. Cash flow information

(1) Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows:

Previous fiscal year (Fiscal year ended March 31, 2024)

(Millions of yen)

	As of April 1, 2023	Changes involving cash flows	Non-cash changes					As of March 31, 2024
			New leases	Exchange rate fluctuations	Interest cost	Transfer to liabilities directly associated with assets held for sale	Other	
Short-term borrowings	6,700	64,500	—	—	—	(11,200)	—	60,000
Long-term borrowings (Note 1)	396,863	(23,442)	—	7	100	(1,590)	—	371,939
Bonds payable (Note 1)	79,767	—	—	—	66	—	—	79,833
Lease liabilities (Note 1)	115,169	(29,151)	32,602	(2,421)	2,325	(1,767)	(1,401)	115,355
Accrued interest (Note 2)	72	(2,531)	—	86	2,442	—	—	70
Total	598,572	9,374	32,602	(2,327)	4,935	(14,557)	(1,401)	627,198

(Notes) 1. Includes balances due for repayment or redemption within one year.

2. Included in “Other financial liabilities” in the consolidated statement of financial position.

Current fiscal year (Fiscal year ended March 31, 2025)

(Millions of yen)

	As of April 1, 2024	Changes involving cash flows	Non-cash changes				As of March 31, 2025
			New leases	Exchange rate fluctuations	Interest cost	Other	
Short-term borrowings	60,000	(3,603)	—	3	—	—	56,400
Commercial papers	—	50,000	—	—	—	—	50,000
Long-term borrowings (Note 1)	371,939	55,477	—	15	97	618	428,148
Bonds payable (Note 1)	79,833	29,857	—	—	74	—	109,765
Lease liabilities (Note 1)	115,355	(35,569)	35,109	82	3,210	(3,656)	114,531
Accrued interest (Note 2)	70	(1,980)	—	2	2,370	—	463
Total	627,198	94,181	35,109	104	5,752	(3,038)	759,308

(Notes) 1. Includes balances due for repayment or redemption within one year.

2. Included in “Other financial liabilities” in the consolidated statement of financial position.

(2) Non-cash transactions

The description of significant transactions not requiring the use of cash or cash equivalents is as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Right-of-use assets acquired through leases	32,602	35,109

(3) Income and expenditure from acquisition of subsidiaries

The main breakdown of assets and liabilities at the time of acquiring new subsidiaries, as well as the relationship between the consideration paid and income and expenditure from the acquisition of subsidiaries, is as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Breakdown of assets at the time of acquisition		
Current assets	—	1,334
Non-current assets	—	552
Breakdown of liabilities at the time of acquisition		
Current liabilities	—	604
Non-current liabilities	—	163
Cash consideration paid	—	(717)
Cash and cash equivalents held by the acquirees at the time of acquisition	—	248
Income (expenditure) from acquisition of subsidiaries	—	(469)

(4) Income and expenditure from loss of control of subsidiaries

The main breakdown of assets and liabilities at the time of loss of control over companies that are no longer subsidiaries, as well as the relationship between the consideration received and the income and expenditure from the loss of control over subsidiaries, are as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Breakdown of assets at the time of loss of control		
Current assets	7,828	92,951
Non-current assets	222	—
Breakdown of liabilities at the time of loss of control		
Current liabilities	978	81,734
Non-current liabilities	327	—
Cash consideration received	2,396	10,934
Cash and cash equivalents among assets at the time of loss of control	(4,154)	(21,911)
Income (expenditure) from loss of control of subsidiaries	(1,758)	(10,977)

(Note) The assets and liabilities at the time of loss of control during the current fiscal year are those held by the Former IJTT and its subsidiaries, which were classified as disposal groups held for sale in the previous fiscal year. The components of these assets and liabilities are described in Note “11. Non-current assets or disposal groups held for sale.” At the time of the loss of control over the Former IJTT, a reinvestment of 3,330 million yen was made, the net amount of which is recognized as “Cash consideration received.” The details of the loss of control over the Former IJTT and the reinvestment are provided in Note “36. Subsidiaries, (4) Gains or losses resulting from loss of control over a subsidiary.”

34. Share-based payment

(1) Share-based remuneration plan for directors, etc. of the Company

(i) Details of the plan

The Company has adopted a share-based remuneration plan that uses the trust whose beneficiaries are Directors of the Board, etc. of the Company, and grants to its directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors of the Board) and Executive Officers. 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, 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., as their remuneration based on the share remuneration rules established in advance.

The plan aims to further clarify the link between the remuneration of directors, etc. of the Company and its business performance and shareholder value, and to raise awareness of contributing to the improvement of the medium- to long-term performance and the enhancement of corporate value.

Under the plan, each director, etc. may, in principle, receive delivery of shares of the Company or other benefits equivalent to the number of points granted by completing the prescribed beneficiary determination procedures at the end of the target period (the period corresponding to the Company's Mid-Term Business Plan, which is generally three fiscal years). The Company acquires shares of the Company on the grant date from the market through a trust wholly owned by the Company and uses such shares to settle the remuneration. BIP Trust settles payments for directors, etc. of the Company residing in Japan by issuing shares, and for directors, etc. residing outside Japan by paying cash equivalent to the proceeds from the sale of shares they hold.

The portion of the Company's shares issued by BIP Trust is accounted for as equity-settled share-based payment, while the cash payments made to directors, etc., residing outside Japan are accounted for as cash-settled share-based payment.

(ii) Number of points granted

	Previous fiscal year (Fiscal year ended March 31, 2024)		Current fiscal year (Fiscal year ended March 31, 2025)	
	Equity-settled type	Cash-settled type	Equity-settled type	Cash-settled type
Balance of unexercised points at beginning of period	533,545	27,971	954,688	68,272
Points granted during period	501,003	40,301	109,364	60,574
Exercised	(79,860)	—	(962,814)	(122,518)
Balance of unexercised points at end of period	954,688	68,272	101,238	6,328
Balance of points exercisable at end of period	954,688	68,272	—	—

(Note) Points granted during the period include increases in points granted throughout the target period of the plan, adjustments to estimated points based on the degree of attainment of targets, and changes resulting from the finalization of performance for the previous fiscal year.

(iii) Fair value of granted points and method of estimating fair value

The fair value of granted points for equity-settled share-based payment is determined using the share price on the date the Company and its directors, etc., agreed on the share-based remuneration agreement. The fair value of granted points for cash-settled share-based payment is determined using the Company's share price on each reporting date. No adjustments have been made taking into account expected dividends and other factors.

The fair value of granted points is as follows:

	Previous fiscal year (Fiscal year ended March 31, 2024)		Current fiscal year (Fiscal year ended March 31, 2025)	
	Equity-settled type	Cash-settled type	Equity-settled type	Cash-settled type
Weighted average fair value (yen)	1,493	2,055	2,109	2,016

(iv) Share-based payment

Share-based payment included in selling, general, and administrative expenses in the consolidated statement of profit or loss are as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Equity-settled type	747	225
Cash-settled type	92	91
Total	840	317

(v) Liabilities arising from share-based payment

The carrying amount of liabilities arising from the share-based remuneration plan is as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Liabilities arising from share-based payment	48	140	12

35. Financial instruments

(1) Capital management

The Group is investing in capital, research and development, etc., to maximize corporate value through sustainable growth. To meet this demand for funds, the Group manages its capital by considering an optimal balance between debt and equity related to financing.

The main indicators the Group uses for capital management are shareholders' equity (total equity attributable to owners of parent), interest-bearing liabilities (total of bonds and borrowings and lease liabilities), and the capital adequacy ratio (ratio of equity attributable to owners of parent to total assets).

The Group's shareholders' equity, interest-bearing liabilities, and capital adequacy ratio are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Shareholders' equity	1,232,102	1,381,942	1,372,863
Interest-bearing liabilities	598,500	627,128	758,845
Capital adequacy ratio (%)	40.6%	42.4%	41.6%

These indicators are regularly reported to management and monitored.

The Group is subject to financial covenants related to some of its borrowings, including capital-related regulations. However, there were no events that violated these covenants in the previous and current fiscal years. The Group monitors these covenants to ensure the required level is maintained.

(2) Financial risk management

In the course of its business activities, the Group is exposed to financial risks (credit risk, liquidity risk, foreign exchange risk, interest rate risk, and market price fluctuation risk). Therefore, we manage risks based on certain policies to mitigate these financial risks.

The Group also uses derivative transactions to mitigate foreign exchange risk or interest rate risk, and has a policy of not engaging in speculative transactions.

(3) Credit risk management

(i) Credit risk management and maximum exposure to credit risk

Credit risk refers to the likelihood that a counterparty to financial assets held by the Group will default on its contractual obligations, resulting in a financial loss for the Group.

The Group manages due dates and balances for each business partner and operates under a structure to regularly monitor the credit status of major business partners based on its credit management policies. As a result, there are no material past due financial assets.

Regarding derivative transactions, the Group only engages in transactions with highly creditworthy financial institutions, and their impact on credit risk is limited.

The Group has no excessive credit risk concentrated on any specific counterparty or group to which such counterparty belongs.

The carrying amount of financial assets presented in the consolidated financial statements represents the maximum exposure to credit risk of the Group's financial assets. There are no properties held as collateral and other credit enhancements for these credit risk exposures.

Credit-impaired financial assets and financial assets for which credit risk has significantly increased are individually measured for credit losses. Other financial assets are grouped based on the nature of the transaction and past delinquency history, and are collectively measured for credit losses. The Group determines that financial assets are credit-impaired in the following cases:

- Significant financial difficulties of the debtor
- Granting concessions related to the debtor's financial difficulties
- Bankruptcy, etc., of the debtor

Amounts that are clearly uncollectible in the future are written off directly from the carrying amount of financial assets.

(ii) Changes in allowance for doubtful accounts

Changes in allowance for doubtful accounts are as follows:

(Millions of yen)

	Amount recorded equal to expected credit losses for 12 months	Amount measured at lifetime expected credit losses			Total
		Financial assets for which allowance for doubtful accounts is always measured at an amount equal to lifetime expected credit losses	Financial assets for which credit risk has significantly increased since initial recognition	Credit-impaired financial assets	
Transition date (As of April 1, 2023)	288	1,841	123	1,240	3,494
Increase during period	180	545	–	410	1,136
Decrease during period (intended use)	–	–	(17)	(44)	(61)
Other changes	–	3	(3)	40	40
Previous fiscal year (As of March 31, 2024)	468	2,390	103	1,647	4,610
Increase during period	61	253	–	371	685
Decrease during period (intended use)	–	–	–	(371)	(371)
Other changes	154	62	(17)	(60)	139
Current fiscal year (As of March 31, 2025)	683	2,705	86	1,587	5,063

Among financial assets written off directly in the previous and current fiscal years, there is no material uncollected balance for which collection activities are still ongoing.

(4) Liquidity risk management

(i) Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its obligations on the due date for repayment of financial liabilities when such obligations become due.

The Group manages liquidity risk by preparing adequate funds for repayment, securing readily available lines of credit from financial institutions, and continuously monitoring its cash flow plans and actual results.

The total amount of commitment lines and unused loan balance as of the reporting date are as follows:

(Millions of yen)

	Transition date As of April 1, 2023	Previous fiscal year As of March 31, 2024	Current fiscal year As of March 31, 2025
Total amount of commitment lines	225,000	235,000	195,000
Outstanding loan balance	4,500	62,400	5,000
Net	220,500	172,600	190,000

(ii) Balances of financial liabilities (including derivative financial instruments) by due date

The balances of financial liabilities (including derivative financial instruments) by due date are as follows:

Transition date (As of April 1, 2023)

(Millions of yen)

	Carrying amount	Contractual cash flows	Within one year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Non-derivative financial liabilities								
Short-term borrowings	6,700	6,700	6,700	—	—	—	—	—
Trade and other payables	701,652	701,652	701,652	—	—	—	—	—
Long-term borrowings (Note)	396,863	399,425	112,333	118,581	78,782	58,510	31,216	—
Bonds payable (Note)	79,767	80,496	129	129	30,122	30,070	20,045	—
Lease liabilities	115,169	121,525	22,261	21,741	10,351	9,222	6,080	51,870
Other	7,858	8,268	6,611	921	1	1	1	732
Derivative financial liabilities								
Forward exchange contracts	974	974	974	—	—	—	—	—
Total	1,308,983	1,319,040	850,660	141,372	119,256	97,803	57,342	52,602

(Note) Includes balances due for repayment or redemption within one year.

Previous fiscal year (As of March 31, 2024)

(Millions of yen)

	Carrying amount	Contractual cash flows	Within one year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Non-derivative financial liabilities								
Short-term borrowings	60,000	60,000	60,000	—	—	—	—	—
Trade and other payables	682,160	682,160	682,160	—	—	—	—	—
Long-term borrowings (Note)	371,939	373,802	143,516	84,769	73,920	46,839	24,755	—
Bonds payable (Note)	79,833	80,367	129	30,122	30,070	20,045	—	—
Lease liabilities	115,355	129,554	25,862	15,871	11,296	8,679	7,457	60,387
Other	8,605	9,232	7,829	576	1	1	40	784
Derivative financial liabilities								
Forward exchange contracts	1,272	1,477	1,477	—	—	—	—	—
Total	1,319,164	1,336,592	920,973	131,338	115,287	75,564	32,252	61,171

(Note) Includes balances due for repayment or redemption within one year.

Current fiscal year (As of March 31, 2025)

(Millions of yen)

	Carrying amount	Contractual cash flows	Within one year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Non-derivative financial liabilities								
Short-term borrowings	56,400	56,400	56,400	—	—	—	—	—
Commercial papers	50,000	50,021	50,021	—	—	—	—	—
Trade and other payables	684,051	684,051	684,051	—	—	—	—	—
Long-term borrowings (Note)	428,148	430,419	126,955	106,748	79,450	77,192	34,593	5,478
Bonds payable (Note)	109,765	111,050	30,300	30,248	20,223	177	30,100	—
Lease liabilities	114,531	126,264	24,903	19,707	11,114	8,299	6,616	55,622
Other	10,181	10,354	8,988	943	—	3	36	382
Derivative financial liabilities								
Forward exchange contracts	280	280	280	—	—	—	—	—
Total	1,453,356	1,468,839	981,898	157,646	110,787	85,671	71,345	61,482

(Note) Includes balances due for repayment or redemption within one year.

(5) Foreign exchange risk management

Since the Group conducts business globally, fluctuations in the exchange rate between the Japanese yen and mainly the U.S. dollar have a significant impact on its performance. To mitigate foreign exchange risk, the Group utilizes foreign exchange forward contracts.

Foreign exchange sensitivity analysis

The impact on profit before tax in the consolidated statement of profit or loss if the Japanese yen appreciated by 1% against the U.S. dollar, euro, or Thai baht during each reporting period is as follows:

However, this analysis assumes that other variables (balances, interest rates, etc.) remain constant.

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Profit before tax		
U.S. dollar	(422)	(291)
Euro	(48)	9
Thai baht	359	159

(6) Interest rate risk management

The Group is exposed to various interest rate fluctuation risks in its business activities, and in particular, interest rate fluctuations have a significant impact on borrowing costs. To mitigate interest rate fluctuation risk, the Group utilizes interest rate swap transactions.

Interest rate sensitivity analysis

The impact of borrowing costs on profit before tax in the consolidated statement of profit or loss if the interest rate increased by 100 basis points during each reporting period is as follows:

However, this analysis assumes that other variables (balances, exchange rates, etc.) remain constant.

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Profit before tax	(780)	(208)

(7) Market price fluctuation risk management

The Group is exposed to share price fluctuation risk arising from equity instruments (shares). To manage this risk, the Group regularly monitors fair value and the financial condition, etc., of issuers, as well as continuously reviews its holdings, taking into consideration market conditions and the relationship with issuers.

Share price sensitivity analysis

The impact on other comprehensive income (before tax effect deduction) in the consolidated statement of comprehensive income, assuming the market price of equity instruments held by the Group fluctuates by 10% during each reporting period, is as follows:

However, this analysis assumes that other variables remain constant.

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Other comprehensive income (before tax effect deduction)	19,385	15,460

(8) Hedging activities

The Group utilizes derivative transactions, including forward exchange contracts, currency option contracts, interest rate swaps, and interest rate option contracts, to manage risks associated with fluctuations in exchange rates and interest rates. The Company has a bylaw on derivative transactions and executes its transactions and risk management based on this bylaw, which stipulates policies, procedures, retention system and structure, etc.

(i) Cash flow hedges

The Group utilizes forward exchange contracts to hedge against cash flow fluctuation risk arising from exchange rate fluctuations in foreign currency transactions, and designates them as cash flow hedges. The amounts recognized in profit or loss for the ineffective portion of hedges and the portion excluded from the assessment of hedge effectiveness were not material in the previous and current fiscal years.

Details of hedging instruments designated as cash flow hedges are as follows:

The carrying amounts (fair values) of assets related to hedging instruments are included in “Other financial assets,” and the carrying amounts (fair values) of liabilities related to hedging instruments are included in “Other financial liabilities.”

Transition date (As of April 1, 2023)

(Millions of yen)

	Contract amount	Of which, over 1 year	Carrying amount		Average rate
			Assets	Liabilities	
Foreign exchange risk					
Forward exchange contracts					
Sell contract					
Yen buying/U.S. dollar selling	9,080	—	294	—	135.95 yen/U.S. dollar

Since the amount of the ineffective portion of the hedge recognized in profit or loss is immaterial, changes in the fair value of the hedging instruments used as the basis for recognizing the ineffective portion of the hedge are omitted.

Previous fiscal year (As of March 31, 2024)

(Millions of yen)

	Contract amount	Of which, over 1 year	Carrying amount		Average rate
			Assets	Liabilities	
Foreign exchange risk					
Forward exchange contracts					
Sell contract					
Yen buying/U.S. dollar selling	26,542	—	—	464	147.58 yen/U.S. dollar
Yen buying/Australian dollar selling	18,440	—	—	60	97.47 yen/Australian dollar

Since the amount of the ineffective portion of the hedge recognized in profit or loss is immaterial, changes in the fair value of the hedging instruments used as the basis for recognizing the ineffective portion of the hedge are omitted.

Current fiscal year (As of March 31, 2025)

(Millions of yen)

	Contract amount	Of which, over 1 year	Carrying amount		Average rate
			Assets	Liabilities	
Foreign exchange risk					
Forward exchange contracts					
Sell contract					
Yen buying/U.S. dollar selling	9,868	—	161	—	150.08 yen/U.S. dollar
Yen buying/Australian dollar selling	6,202	—	72	—	94.08 yen/Australian dollar

Since the amount of the ineffective portion of the hedge recognized in profit or loss is immaterial, changes in the fair value of the hedging instruments used as the basis for recognizing the ineffective portion of the hedge are omitted.

Details of hedged items designated as cash flow hedges are as follows:

Previous fiscal year (As of March 31, 2024)

(Millions of yen)

	Changes in fair value used for calculating ineffective portion of hedges	Cash flow hedge surplus related to ongoing hedges
Foreign exchange risk	(87)	(60)

Current fiscal year (As of March 31, 2025)

(Millions of yen)

	Changes in fair value used for calculating ineffective portion of hedges	Cash flow hedge surplus related to ongoing hedges
Foreign exchange risk	193	162

The impact of applying hedge accounting on the consolidated statement of profit or loss is as follows:

Previous fiscal year (Fiscal year ended March 31, 2024)

(Millions of yen)

	Changes in hedging instruments recognized in other comprehensive income	Ineffective portion recognized in profit or loss	Line items in profit or loss (including ineffective portion of hedges)	Amount transferred from cash flow hedge surplus to profit or loss	Line items affected by transfers in profit or loss
Foreign exchange risk Forward exchange contracts	(87)	—	—	(294)	Finance costs

There are no reclassification adjustments due to the discontinuation of hedges.

Current fiscal year (Fiscal year ended March 31, 2025)

(Millions of yen)

	Changes in hedging instruments recognized in other comprehensive income	Ineffective portion recognized in profit or loss	Line items in profit or loss (including ineffective portion of hedges)	Amount transferred from cash flow hedge surplus to profit or loss	Line items affected by transfers in profit or loss
Foreign exchange risk Forward exchange contracts	193	—	—	78	Finance income

There are no reclassification adjustments due to the discontinuation of hedges.

Changes in cash flow hedge surplus are as follows:

Previous fiscal year (Fiscal year ended March 31, 2024)

(Millions of yen)

	Balance at beginning of period	Amount recorded during period	Transfer to non-financial assets, etc.	Amount transferred to profit or loss	Tax-effect amount	Balance at end of period
Foreign exchange risk	204	(87)	—	(294)	116	(60)

Current fiscal year (Fiscal year ended March 31, 2025)

(Millions of yen)

	Balance at beginning of period	Amount recorded during period	Transfer to non-financial assets, etc.	Amount transferred to profit or loss	Tax-effect amount	Balance at end of period
Foreign exchange risk	(60)	193	—	78	(48)	162

Derivative transactions for which hedge accounting is not applied are as follows:

Transition date (As of April 1, 2023)

(Millions of yen)

	Contract amount	Of which, over 1 year	Carrying amount	
			Assets	Liabilities
Foreign exchange risk Forward exchange contracts				
Sell contract	69,975	—	137	892
Buy contract	14,319	—	42	81

Previous fiscal year (As of March 31, 2024)

(Millions of yen)

	Contract amount	Of which, over 1 year	Carrying amount	
			Assets	Liabilities
Foreign exchange risk				
Forward exchange contracts				
Sell contract	28,791	—	19	393
Buy contract	19,730	—	30	354

Current fiscal year (As of March 31, 2025)

(Millions of yen)

	Contract amount	Of which, over 1 year	Carrying amount	
			Assets	Liabilities
Foreign exchange risk				
Forward exchange contracts				
Sell contract	74,868	—	704	182
Buy contract	54,815	—	28	97

(9) Fair value of financial instruments

For financial instruments measured at fair value, the fair value measurements are classified into three levels, from Level 1 to Level 3, based on the observability and materiality of the inputs used in the measurements.

Level 1: Identical asset or market prices in active markets (Unadjusted)

Level 2: Fair value measured directly or indirectly using observable prices other than those included in Level 1

Level 3: Fair value calculated using valuation techniques that include unobservable inputs

(i) Method of measuring fair value

A. Cash and cash equivalents, Trade and other receivables (excluding Lease receivables), Trade and other payables

The fair values of these items approximate their carrying amounts because they are settled in a short period of time.

B. Lease receivables

For the fair value of lease receivables, the amount of receivables is measured based on the present value, discounted by an interest rate that takes into account the period until maturity and credit risk for each receivable, categorized by a specific period. Since unobservable inputs are used, this is classified as Level 3.

C. Other financial assets and other financial liabilities

(Long-term loans receivable and guarantee deposits)

The fair value of long-term loans receivable and guarantee deposits is measured at the present value of the total principal and interest discounted at a discount rate that reflects the credit risk estimated by the Group, and is classified as Level 2.

(SAFE investments)

The fair value is measured based on historical transaction prices, taking into consideration events that affect the value of the financial instruments, such as the progress of business plans, and is classified as Level 3.

(Shares and investments in capital)

The fair value of listed shares is based on the market price of the identical assets in the stock market on the reporting date and is classified as Level 1. On the other hand, the fair value of unlisted shares and investments in capital is measured by a valuation technique based on the discounted future cash flows, a valuation technique based on the market prices of comparable companies, a valuation technique based on the value of net assets, etc., and is classified as Level 3. Fair value increases (decreases) due to increases (decreases) in future cash flows, decreases (increases) in the discount rate, and increases (decreases) in the price-to-book-value ratio of comparable companies. Changes in fair value expected when unobservable inputs are changed to reasonably possible alternative assumptions are not material.

(Derivatives)

The fair value of forward exchange contracts is measured based on the forward exchange rate provided by the counterparty financial institutions on the reporting date and is classified as Level 2.

(Bonds and borrowings, and long-term deposits received)

The fair value of bonds and borrowings, and long-term deposits received is measured at the present value of the total principal and interest discounted at the interest rate that would apply if the Group were to make new borrowings with the same remaining maturity and similar conditions, and is classified as Level 2.

(ii) Financial instruments measured at amortized cost

The carrying amounts and fair values of financial instruments measured at amortized cost are as follows: Financial instruments whose carrying amounts and fair values are approximately equal are not included in the table below.

Transition date (As of April 1, 2023)

(Millions of yen)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Lease receivables (Note)	176,804	—	—	176,323	176,323
Long-term loans receivable (Note)	1,055	—	1,055	—	1,055
Guarantee deposits	3,693	—	3,693	—	3,693
Long-term borrowings (Note)	396,863	—	394,538	—	394,538
Bonds payable (Note)	79,767	—	79,568	—	79,568
Long-term deposits received	1,241	—	1,241	—	1,241

(Note) Includes balances due for repayment or redemption within one year.

Previous fiscal year (As of March 31, 2024)

(Millions of yen)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Lease receivables (Note)	201,773	—	—	201,932	201,932
Long-term loans receivable (Note)	1,035	—	1,029	—	1,029
Guarantee deposits	4,296	—	4,296	—	4,296
Long-term borrowings (Note)	371,939	—	370,629	—	370,629
Bonds payable (Note)	79,833	—	79,314	—	79,314
Long-term deposits received	1,197	—	1,197	—	1,197

(Note) Includes balances due for repayment or redemption within one year.

Current fiscal year (As of March 31, 2025)

(Millions of yen)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Lease receivables (Note)	233,613	—	—	233,473	233,473
Long-term loans receivable (Note)	1,260	—	1,241	—	1,241
Guarantee deposits	4,185	—	4,179	—	4,179
Long-term borrowings (Note)	428,148	—	421,704	—	421,704
Bonds payable (Note)	109,765	—	108,416	—	108,416
Long-term deposits received	1,193	—	1,193	—	1,193

(Note) Includes balances due for repayment or redemption within one year.

(iii) Financial instruments measured at fair value

The fair value hierarchy for financial instruments measured at fair value is as follows:

Transition date (As of April 1, 2023)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Other financial assets				
Financial assets measured at fair value through profit or loss				
Derivatives	—	473	—	473
Other	—	799	701	1,501
Equity financial assets measured at fair value through other comprehensive income				
Shares and investments in capital	138,340	—	14,484	152,825
Total	138,340	1,272	15,185	154,799
Other financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivatives	—	974	—	974
Total	—	974	—	974

Previous fiscal year (As of March 31, 2024)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Other financial assets				
Financial assets measured at fair value through profit or loss				
Derivatives	—	49	—	49
Other	—	819	780	1,600
Equity financial assets measured at fair value through other comprehensive income				
Shares and investments in capital	191,681	—	21,520	213,201
Total	191,681	868	22,300	214,850
Other financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivatives	—	1,272	—	1,272
Total	—	1,272	—	1,272

Current fiscal year (As of March 31, 2025)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Other financial assets				
Financial assets measured at fair value through profit or loss				
Derivatives	—	966	—	966
SAFE investments	—	—	4,734	4,734
Other	—	806	519	1,325
Equity financial assets measured at fair value through other comprehensive income				
Shares and investments in capital	150,877	—	23,423	174,300
Total	150,877	1,772	28,676	181,325
Other financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivatives	—	280	—	280
Total	—	280	—	280

Transfers between levels of the fair value hierarchy are recognized on the date of the event or change in circumstances that caused the transfer.

No material transfers between Level 1 and Level 2 of fair value were made in each fiscal year.

(iv) Valuation process

The measurement related to the fair value of financial instruments classified as Level 3 is conducted in accordance with the relevant bylaws.

The results of fair value measurements are approved by the appropriate person in charge.

(v) Changes in financial instruments classified as Level 3 from beginning to end of period

The changes in financial instruments classified as Level 3 from the beginning to the end of the period are as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Balance at beginning of period	15,185	22,300
Total gains or losses		
Profit or loss (Note 1)	78	(261)
Other comprehensive income (Note 2)	1,793	1,331
Purchase	6,473	4,734
Sale	—	(12)
Transfer from Level 3 (Note 3)	—	(87)
Other	(1,229)	671
Balance at end of period	22,300	28,676
Changes in unrealized gains or losses for the period recorded in profit or loss for assets held at the end of the reporting period (Note 1)	78	(261)

- (Notes) 1. Included in “Finance income” and “Finance costs” in the consolidated statement of profit or loss.
2. Included in “Net change in fair value of financial assets measured at fair value through other comprehensive income” in the consolidated statement of comprehensive income.
3. The transfer from Level 3 recognized in the current fiscal year is due to the listing of investees on a stock exchange.

(10) Offsetting of financial assets and financial liabilities

The quantitative information about financial assets and financial liabilities offset in connection with notional pooling in the current fiscal year is as follows: It is not applicable for the transition date and the previous fiscal year.

(Millions of yen)

	Transaction type	Total amount of financial assets recognized	Total amount of financial liabilities recognized that are offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position
Cash and cash equivalents	Notional pooling	12,649	5,747	6,902

(Millions of yen)

	Transaction type	Total amount of financial liabilities recognized	Total amount of financial assets recognized that are offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position
Bonds and borrowings	Notional pooling	5,747	5,747	—

36. Subsidiaries

(1) Major subsidiaries

The description of major subsidiaries is omitted because the same information is provided in “I. Overview of the Company, 4. Status of principal subsidiaries and associates.”

(2) Condensed financial information of subsidiaries with material non-controlling interests

(i) Proportion of ownership interests held by non-controlling interests

Name	Address	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Isuzu Motors Co., (Thailand) Ltd.	Phrapradaeng, Samutprakan, Thailand	28.85%	28.85%	28.85%

(ii) Condensed financial information

The condensed financial information of Isuzu Motors Co., (Thailand) Ltd., a consolidated subsidiary in which the Company recognizes material non-controlling interests, is as follows:

The condensed financial information is based on amounts before eliminating intra-group transactions.

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Current assets	291,260	279,893	236,784
Non-current assets	69,042	71,478	67,722
Current liabilities	138,736	129,864	100,088
Non-current liabilities	15,413	16,545	15,068
Equity	206,153	204,961	189,349
Cumulative amount of non-controlling interests	57,763	56,796	54,627

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Revenue	1,003,654	676,581
Profit	91,686	49,207
Other comprehensive income	10,820	8,588
Comprehensive income	102,506	57,795
Profit attributable to non-controlling interests	26,451	14,196
Dividends paid to non-controlling interests	31,498	20,366

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Net cash provided by (used in) operating activities	117,873	71,648
Net cash provided by (used in) investing activities	(4,962)	(8,161)
Net cash provided by (used in) financing activities	(109,873)	(71,419)
Effect of exchange rate changes on cash and cash equivalents	5,209	2,561
Net increase (decrease) in cash and cash equivalents	8,246	(5,371)

(3) Changes in the parent company's ownership interest in a subsidiary that do not result in loss of control

In the previous and current fiscal years, there have been no material changes in the parent company's ownership interest in a subsidiary that do not result in the loss of control.

(4) Gains or losses resulting from loss of control over a subsidiary

Previous fiscal year (Fiscal year ended March 31, 2024)

The Group has sold all of its shares in ISUZU RUS, a consolidated subsidiary. With the sale of shares, the Group has lost control over the company and therefore recorded a loss on sale of 2,098 million yen for the loss of control in "Other expenses" in the consolidated statement of profit or loss for the previous fiscal year.

Current fiscal year (Fiscal year ended March 31, 2025)

As of the end of the previous fiscal year, the assets and liabilities held by the Former IJTT, which was a consolidated subsidiary of the Company, and its subsidiaries were classified as disposal groups held for sale. In the current fiscal year, the Company transferred all ordinary shares of Former IJTT to Former IJTT, due to a share repurchase by Former IJTT, while reinvesting in the Former IJTT's shareholder ARTS-1 Co., Ltd. (hereinafter referred to as "ARTS-1"), which is wholly owned by Japan Monozukuri

Mirai Investment Limited Partnership, for which SPARX Group Co., Ltd. is a general partner. As a result, the Group's ownership interest in the Former IJTT decreased from 100% to 33.30%, resulting in the loss of control over the company. The gain or loss arising from the loss of control is not material. Due to the reinvestment in ARTS-1, the Former IJTT was reclassified from a consolidated subsidiary to an associate accounted for under the equity method. Subsequently, through an absorption-type merger in which ARTS-1 became the surviving company and Former IJTT the absorbed company, Former IJTT was excluded from the scope of equity method accounting. ARTS-1, an associate of the Company accounted for under the equity method, has changed its name to IJTT Co., Ltd.

37. Related parties

(1) Transactions with related parties

The details of significant transactions between the Group and related parties are as follows:

Transition date (As of April 1, 2023)

The description is omitted because there were no significant transactions, etc., with related parties.

Previous fiscal year (Fiscal year ended March 31, 2024)

The description is omitted because there were no significant transactions, etc., with related parties.

Current fiscal year (Fiscal year ended March 31, 2025)

The description is omitted because there were no significant transactions, etc., with related parties.

(2) Remuneration for key management personnel

Remuneration for key management personnel is as follows:

(Millions of yen)

	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Short-term employee benefits	705	710
Share-based payment	258	119
Total	963	829

(Note) Remuneration for key management personnel is remuneration for directors of the Company.

38. Commitments

Contractual commitments related to the acquisition of assets are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Contractual commitments related to the acquisition of property, plant and equipment	11,292	53,810	46,351
Contractual commitments related to the acquisition of intangible assets	2,964	18,183	17,615

39. Significant subsequent events

(Repurchase and cancellation of own shares)

The Company resolved at a meeting of its Board of Directors held on May 29, 2025 to repurchase its own shares in accordance with Article 156 of the Act applicable pursuant to Article 165, paragraph (3) of the Act and to cancel the repurchased shares in accordance with Article 178 of the Act.

(1) Reason for repurchase and cancellation

The basic policy of the Company is to implement shareholder returns based on profits earned in each fiscal year and to purchase treasury shares flexibly, comprehensively taking into account a balance between securing funds for growth investments and enhancing internal reserves for the purpose of maintaining

financial soundness. The Company aims to repurchase 50,000 million yen (maximum repurchase amount) of its own shares for the purpose of further improving capital efficiency with awareness of appropriate capital levels, while also considering the impact on the supply and demand of shares in relation to the sale of the Company's ordinary shares (the "Secondary Offering"), which was resolved at the Board of Directors meeting held on May 29, 2025. All shares repurchased will be cancelled. For details of the Secondary Offering, please refer to "Notice Regarding Secondary Offering of Shares" disclosed on May 29, 2025.

(2) Details of the repurchase

- | | |
|--|---|
| (i) Class of shares to be repurchased | Ordinary shares |
| (ii) Total number of shares to be repurchased | Up to 35.0 million shares
(Represents approximately 4.9% of the total number of issued shares (excluding treasury shares)) |
| (iii) Total purchase price for repurchase of shares | Up to 50,000 million yen |
| (iv) Period of repurchase | From Wednesday, June 18, 2025 to Tuesday, March 31, 2026 |
| (v) Method of repurchase | Market purchases on Tokyo Stock Exchange, Inc. (Note 2) |
| (vi) Any other matters necessary for the repurchase of own shares will be approved at the discretion of Naohiro Yamaguchi, Director of the Board, and Managing Executive Officer, EVP, Corporate Planning & Finance Division of the Company. | |

- (Notes) 1. Due to market trends and other factors, part or all of the shares may not be repurchased.
2. After consideration of market trends and other factors, the Company may repurchase the shares through the Off-Auction Own Share Repurchase Trading (ToSTNeT-3) system of Tokyo Stock Exchange, Inc. on and after Wednesday, July 16, 2025. If all or part of the ordinary shares of the Company (up to 4,391,800 shares) lent by Mizuho Bank, Ltd., the Share Lender of the Secondary Offering, are returned to Mizuho Bank, Ltd., Mizuho Bank, Ltd. has indicated that it intends to tender all or part of the returned shares for above mentioned repurchase through ToSTNeT-3.

(3) Cancellation of treasury shares

- | | |
|--|--|
| (i) Class of shares to be cancelled | Ordinary shares |
| (ii) Total number of shares to be cancelled | All shares to be repurchased based on (2) Details of the repurchase described above. |
| (iii) Planned date of cancellation | TBD |
| (iv) Any other matters necessary for the cancellation of own shares will be approved at the discretion of Naohiro Yamaguchi, Director of the Board, and Managing Executive Officer, EVP, Corporate Planning & Finance Division of the Company. | |

40. First-time adoption

The Group has disclosed its consolidated financial statements prepared in accordance with IFRS Accounting Standards starting from the fiscal year ended March 31, 2025. The most recent consolidated financial statements prepared in accordance with Japanese GAAP were those for the fiscal year ended March 31, 2024, and the transition date to IFRS Accounting Standards was April 1, 2023.

(1) Exemptions under IFRS 1

IFRS 1 "First-time Adoption of International Financial Reporting Standards" generally requires entities applying IFRS Accounting Standards for the first time (hereinafter, "first-time adopter") to retrospectively apply those standards.

However, IFRS 1 also specifies mandatory exceptions and optional exemptions from retrospective application of certain standards required under IFRS Accounting Standards.

The effects of applying these exemptions are adjusted in retained earnings or other components of equity as of the transition date. The main exemptions applied by the Group in its transition from Japanese GAAP to IFRS Accounting Standards are as follows:

- Business combinations

IFRS 1 permits a first-time adopter to elect not to apply IFRS 3 “Business Combinations” (hereinafter, “IFRS 3”) retroactively to business combinations that occurred prior to the transition date.

The Group has elected to apply this exemption and has not retrospectively applied IFRS 3 to business combinations that occurred prior to the transition date.

As a result, goodwill arising from business combinations that occurred prior to the transition date has been carried at its carrying amount under Japanese GAAP as of the transition date.

Regardless of the presence or absence of indicators of impairment, the Group performed impairment testing on goodwill as of the transition date.

- Deemed cost

IFRS 1 permits a first-time adopter to use the revalued amount of property, plant and equipment under previous GAAP as the deemed cost at the revaluation date, provided that the revaluation of property, plant and equipment under previous GAAP at or before the transition date was broadly comparable to fair value at the revaluation date.

The Group has elected to use the fair value at the revaluation date under previous GAAP as the deemed cost at the revaluation date for certain items of property, plant and equipment revalued prior to the transition date.

- Exchange differences on translation of foreign operations

IFRS 1 permits a first-time adopter to elect to deem the cumulative amount of exchange differences on translation of foreign operations to be zero as of the transition date.

The Group has elected to deem the cumulative amount of exchange differences on translation of foreign operations to be zero as of the transition date.

- Leases

IFRS 1 permits a first-time adopter to assess whether an arrangement existing at the transition date contains a lease based on the facts and circumstances existing at that date.

It also permits measuring lease liabilities at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the transition date. IFRS 1 permits a first-time adopter to measure right-of-use assets on a lease-by-lease basis at either: its carrying amount as if IFRS 16 “Leases” had been applied since the commencement date of the lease, using the lessee’s incremental borrowing rate as of the transition date as discounted rate, or an amount equal to the lease liability.

In addition, as a practical expedient, for leases ending within 12 months of the transition date and leases for which the underlying asset is of low value, a right-of-use asset and a lease liability are not recognized, and lease payments may be recognized as expenses over the lease term either by the straight-line method or on another systematic basis.

The Group has applied these exemptions and the practical expedient in recognizing and measuring leases.

- Borrowing costs

IFRS 1 permits a first-time adopter to begin capitalizing borrowing costs on qualifying assets from the transition date.

The Group has capitalized borrowing costs on qualifying assets incurred on or after the transition date.

- Designation of previously recognized financial instruments

IFRS 1 permits the designation of equity instruments held at the transition date as financial assets measured at fair value through other comprehensive income, based on the facts and circumstances existing at that date.

The Group determined the designation of financial instruments under IFRS 9 based on the facts and circumstances existing at the transition date, and designated certain equity instruments as financial assets measured at fair value through other comprehensive income.

(2) Mandatory exceptions under IFRS 1

IFRS 1 prohibits retrospective application of IFRS Accounting Standards for certain areas, including “estimates,” “derecognition of financial assets and financial liabilities,” “hedge accounting,” “non-controlling interests,” and “classification and measurement of financial instruments.”

The Group has applied the relevant requirements prospectively from the transition date.

(3) Reconciliations

The reconciliations required to be disclosed under IFRS 1 are presented below. In the reconciliations below, items classified as “Reclassification” refer to those that do not affect retained earnings or comprehensive income, while items classified as “Differences in recognition and measurement” refer to those that do affect retained earnings and comprehensive income.

Under IFRS Accounting Standards, the Company, its subsidiaries, and entities accounted for using equity method are generally not permitted to have different closing dates, except when impracticable. Accordingly, the Group has adjusted its closing dates to align them.

Reconciliations of equity as of April 1, 2023 (transition date)

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Assets						Assets
Current assets						Current assets
Cash and deposits	383,587	(19,204)	(6,151)	358,231	(a)	Cash and cash equivalents
Notes and accounts receivable, and contract assets	398,630	188,916	9,594	597,142	(b),(i)	Trade and other receivables
Lease receivables and investments in leases	199,841	(199,841)	—	—		
	—	24,952	3,087	28,039	(a),(b)	Other financial assets
Merchandise and finished goods	392,278	221,177	7,401	620,857		Inventories
Work in process	51,294	(51,294)	—	—		
Raw materials and supplies	169,882	(169,882)	—	—		
	—	5,804	—	5,804		Income taxes receivable
Other	109,108	(39,664)	833	70,277		Other current assets
Allowance for doubtful accounts	(2,366)	2,366	—	—	(b)	
Total current assets	1,702,258	(36,670)	14,764	1,680,352		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	935,664	969	(128,365)	808,267	(d),(k)	Property, plant and equipment
	—	26,227	85,183	111,410	(d),(m)	Right-of-use assets
Intangible assets						
Goodwill	18,010	—	(2,796)	15,213		Goodwill
Other	56,667	9,804	36,622	103,094	(l)	Intangible assets
Investments and other assets						
Investment securities	218,844	(122,513)	5,011	101,342	(e)	Investments accounted for using equity method
	—	160,491	9,103	169,595	(b),(o)	Other financial assets
Long-term loans receivable	1,060	(1,060)	—	—		
Retirement benefit asset	3,161	—	(578)	2,583		Retirement benefit asset
Deferred tax assets	61,956	112	(23,076)	38,992	(p)	Deferred tax assets
Other	50,264	(38,988)	(6,671)	4,604		Other non-current assets
Allowance for doubtful accounts	(1,111)	1,111	—	—	(b)	
Total non-current assets	1,344,518	36,154	(25,566)	1,355,106		Total non-current assets
Total assets	3,046,777	(515)	(10,801)	3,035,459		Total assets

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Liabilities						Liabilities and equity
Current liabilities						Liabilities
Notes and accounts payable	496,833	200,487	4,331	701,652	(f)	Current liabilities
Electronically recorded obligations - operating	66,856	(66,856)	—	—		Trade and other payables
Lease obligations	7,610	(278)	14,534	21,866	(m)	Lease liabilities
Income taxes payable	—	7,819	(245)	7,573		Other financial liabilities
Accrued expenses	31,257	(53)	284	31,489		Income taxes payable
Short-term borrowings	115,873	(115,873)	—	—	(f)	
Provision for bonuses	117,880	278	(39)	118,119		Bonds and borrowings
Provision for bonuses for directors	—	29,522	502	30,025	(f)	Provisions
Provision for product warranties	26,824	(26,824)	—	—	(g)	
Deposits received	289	(289)	—	—		
Other	5,439	(5,439)	—	—		
Total current liabilities	94,905	(26,398)	13,970	82,477	(g),(n)	Other current liabilities
Non-current liabilities	968,832	(8,966)	33,338	993,204		Total current liabilities
Bonds payable	80,000	285,563	(352)	365,211		Non-current liabilities
Long-term borrowings	285,044	(285,044)	—	—		Bonds and borrowings
Lease obligations	22,609	(520)	71,213	93,303	(m)	Lease liabilities
Deferred tax liabilities	—	1,257	1	1,258		Other financial liabilities
Deferred tax liabilities for land revaluation	4,000	—	(2,211)	1,788	(p)	Deferred tax liabilities
Provision for maintenance costs	42,135	—	(42,135)	—	(k)	
Provision for share-based remuneration for directors	5,184	(5,184)	—	—		
Net defined benefit liability	887	(887)	—	—		
Provision for product warranties	94,423	(1,744)	3,689	96,369		Retirement benefit liability
Long-term deposits received	—	42,556	832	43,389		Provisions
Other	5,119	(5,119)	—	—		
Total non-current liabilities	2,539	(2,539)	—	—		
	25,767	(19,888)	650	6,529	(n)	Other non-current liabilities
Total liabilities	567,712	8,450	31,687	607,850		Total non-current liabilities
	1,536,544	(515)	65,025	1,601,054		Total liabilities

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Net assets						Equity
Share capital	40,644	—	—	40,644		Share capital
Capital surplus	42,048	—	726	42,775		Capital surplus
Retained earnings	1,021,771	—	81,313	1,103,085	(q),(t)	Retained earnings
Treasury shares	(3,234)	—	—	(3,234)		Treasury shares
Valuation difference on available-for-sale securities	42,530	164,745	(158,444)	48,831	(k),(o),(q),(r)	Other components of equity
Deferred gains or losses on hedges	204	(204)	—	—		
Revaluation reserve for land	83,952	(83,952)	—	—		
Foreign currency translation adjustment	79,190	(79,190)	—	—		
Remeasurements of defined benefit plans	1,398	(1,398)	—	—		
				1,232,102		Total equity attributable to owners of parent
Non-controlling interests	201,725	—	576	202,301		Non-controlling interests
Total net assets	1,510,232	—	(75,827)	1,434,404		Total equity
Total liabilities and net assets	3,046,777	(515)	(10,801)	3,035,459		Total liabilities and equity

Reconciliations of equity as of March 31, 2024

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Assets						Assets
Current assets						Current assets
Cash and deposits	400,786	(37,508)	4,037	367,315	(a)	Cash and cash equivalents
Notes and accounts receivable, and contract assets	420,702	200,229	15,551	636,482	(b),(i)	Trade and other receivables
Lease receivables and investments in leases	223,370	(223,370)	—	—		
	—	23,657	(1,294)	22,362	(a),(b)	Other financial assets
Merchandise and finished goods	445,692	212,855	4,111	662,659		Inventories
Work in process	72,096	(72,096)	—	—		
Raw materials and supplies	153,970	(153,970)	—	—		
	—	6,327	—	6,327		Income taxes receivable
Other	103,920	(40,140)	1,403	65,184		Other current assets
Allowance for doubtful accounts	(2,970)	2,970	—	—	(b)	
	—	122,841	(29,889)	92,951	(c),(j)	Assets held for sale
Total current assets	1,817,568	41,795	(6,080)	1,853,283		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	975,694	(61,967)	(128,372)	785,354	(d),(k)	Property, plant and equipment
	—	25,847	83,724	109,572	(d),(m)	Right-of-use assets
Intangible assets						
Goodwill	15,836	—	(623)	15,213		Goodwill
Other	73,748	(53)	38,285	111,979	(l)	Intangible assets
Investments and other assets						
Investment securities	283,581	(190,783)	6,793	99,591	(e)	Investments accounted for using equity method
	—	228,939	1,050	229,989	(b),(o)	Other financial assets
Long-term loans receivable	1,028	(1,028)	—	—		
Retirement benefit asset	3,785	—	5,230	9,015		Retirement benefit asset
Deferred tax assets	44,271	(24)	(1,332)	42,915	(p)	Deferred tax assets
Other	49,309	(44,964)	278	4,623		Other non-current assets
Allowance for doubtful accounts	(1,823)	1,823	—	—	(b)	
Total non-current assets	1,445,432	(42,211)	5,033	1,408,254		Total non-current assets
Total assets	3,263,001	(415)	(1,047)	3,261,538		Total assets

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Liabilities						Liabilities and equity
Current liabilities						Liabilities
Notes and accounts payable	476,578	195,914	9,667	682,160	(f)	Current liabilities
Electronically recorded obligations - operating	75,542	(75,542)	—	—		Trade and other payables
Lease obligations	8,977	(932)	17,135	25,180	(m)	Lease liabilities
	—	8,705	(27)	8,678		Other financial liabilities
Income taxes payable	32,533	(417)	(505)	31,611		Income taxes payable
Accrued expenses	140,704	(140,704)	—	—	(f)	
Short-term borrowings	204,590	(11,841)	28	192,777		Bonds and borrowings
	—	38,121	1,457	39,579	(f)	Provisions
Provision for bonuses	30,248	(30,248)	—	—	(g)	
Provision for bonuses for directors	316	(316)	—	—		
Provision for product warranties	6,618	(6,618)	—	—		
Deposits received	6,313	(6,313)	—	—		
Other	100,719	(29,960)	15,777	86,536	(g),(n)	Other current liabilities
	—	59,081	22,653	81,734	(c),(s)	Liabilities directly associated with assets held for sale
Total current liabilities	1,083,144	(1,071)	66,187	1,148,259		Total current liabilities
Non-current liabilities						Non-current liabilities
Bonds payable	80,000	239,199	(204)	318,995		Bonds and borrowings
Long-term borrowings	239,266	(239,266)	—	—		
Lease obligations	23,987	(1,644)	67,831	90,174	(m)	Lease liabilities
	—	1,198	0	1,199		Other financial liabilities
Deferred tax liabilities	1,408	(265)	19,424	20,567	(p)	Deferred tax liabilities
Deferred tax liabilities for land revaluation	42,135	—	(42,135)	—	(k)	
Provision for maintenance costs	3,184	(3,184)	—	—		
Provision for share-based remuneration for directors	1,517	(1,517)	—	—		
Net defined benefit liability	86,292	(7,251)	9,627	88,668		Retirement benefit liability
	—	49,175	1,235	50,410		Provisions
Provision for product warranties	7,898	(7,898)	—	—		
Long-term deposits received	2,502	(2,502)	—	—		
Other	32,632	(25,384)	279	7,527	(n)	Other non-current liabilities
Total non-current liabilities	520,827	656	56,059	577,543		Total non-current liabilities
Total liabilities	1,603,972	(415)	122,246	1,725,803		Total liabilities

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Net assets						Equity
Share capital	40,644	—	—	40,644		Share capital
Capital surplus	43,304	—	1,078	44,383		Capital surplus
Retained earnings	1,132,211	—	80,822	1,213,034	(q),(t)	Retained earnings
Treasury shares	(53,133)	—	—	(53,133)		Treasury shares
Valuation difference on available-for-sale securities	82,646	213,391	(160,654)	135,382	(k),(o),(q),(r)	Other components of equity
Deferred gains or losses on hedges	(60)	60	—	—		
Revaluation reserve for land	83,952	(83,952)	—	—		
Foreign currency translation adjustment	123,830	(123,830)	—	—		
Remeasurements of defined benefit plans	7,299	(7,299)	—	—		
	—	1,630	—	1,630		Accumulated other comprehensive income associated with assets held for sale
				1,381,942		Total equity attributable to owners of parent
Non-controlling interests	198,333	—	(44,540)	153,792	(s)	Non-controlling interests
Total net assets	1,659,029	—	(123,293)	1,535,735		Total equity
Total liabilities and net assets	3,263,001	(415)	(1,047)	3,261,538		Total liabilities and equity

Notes on reconciliations of equity

(i) Reclassification

The main reclassifications are as follows:

(a) Reclassification of cash and deposits

Time deposits with deposit terms of more than three months, which were included in “Cash and deposits” under Japanese GAAP, have been reclassified to “Other financial assets (current)” under IFRS Accounting Standards.

(b) Reclassification of allowance for doubtful accounts

“Allowance for doubtful accounts (current),” which was presented separately under Japanese GAAP, has been reclassified under IFRS Accounting Standards to be presented on a net basis by directly deducting it from “Trade and other receivables” and “Other financial assets (current).” Similarly, “Allowance for doubtful accounts (non-current)” has been reclassified to be presented on a net basis by directly deducting it from “Other financial assets (non-current).”

(c) Assets held for sale and liabilities directly associated with assets held for sale

Under IFRS Accounting Standards, non-current assets or disposal groups held for sale are reclassified as “Assets held for sale” and “Liabilities directly associated with assets held for sale.”

(d) Right-of-use assets

Leased assets, which were included in “Property, plant and equipment” under Japanese GAAP, have been reclassified as “Right-of-use assets” under IFRS Accounting Standards.

(e) Investments accounted for using equity method

“Investments accounted for using equity method,” which was included in “Investment securities” under Japanese GAAP, has been presented separately under IFRS Accounting Standards.

(f) Trade and other payables and provisions

Under Japanese GAAP, “Accrued expenses” was presented separately. However, under IFRS Accounting Standards, accrued expenses excluding obligations related to field measures (e.g., recalls) are primarily reclassified into “Trade and other payables.” Obligations related to field measures (e.g., recalls) have been reclassified to “Provisions” under IFRS Accounting Standards.

(g) Other current liabilities

“Provision for bonuses,” which was presented separately under Japanese GAAP, has been reclassified into “Other current liabilities” under IFRS Accounting Standards.

(ii) Adjustments to recognition and measurement

The main adjustments to recognition and measurement are as follows:

(h) Unification of closing dates

Certain subsidiaries with a closing date of December 31 on the transition date were consolidated using their financial statements as of December 31 under Japanese GAAP. However, under IFRS Accounting Standards, these subsidiaries are now subject to a provisional closing as of March 31, the Group’s consolidated closing date, before consolidation.

(i) Adjustments to trade and other receivables

Under Japanese GAAP, in a finance lease involving a manufacturer or dealer lessor, a receivable was recognized when lease payments became due. Under IFRS Accounting Standards, a receivable is recognized at the commencement date of the lease.

(j) Adjustments related to assets held for sale

Under IFRS Accounting Standards, disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(k) Adjustments to carrying amounts of property, plant and equipment

The cost model has been adopted for the valuation of non-current assets at the transition date. As a result, the land revaluation performed under Japanese GAAP has been reversed, and the land is measured at acquisition cost. Additionally, for certain items of property, plant and equipment, the Group has applied the exemption for first-time adoption under IFRS Accounting Standards, measuring them at deemed cost.

(l) Capitalized development costs

Under Japanese GAAP, all research and development costs were expensed as incurred. However, under IFRS Accounting Standards, those costs that meet specific criteria are capitalized as “Intangible assets.”

(m) Adjustments to carrying amounts of right-of-use assets and lease liabilities

Under Japanese GAAP, leases by lessees were classified as either finance leases or operating leases. Operating leases were accounted for in a manner similar to ordinary rental transactions. Under IFRS Accounting Standards, there is no distinction between finance leases and operating leases for lessees. Therefore, in principle, lessees recognize “Right-of-use assets” and “Lease liabilities” for all lease transactions.

(n) Unused paid leave and other long-term employee benefits

Under Japanese GAAP, accounting treatment was not required for unused paid leave and other long-term employee benefits. However, under IFRS Accounting Standards, these are recognized as either “Other current liabilities” or “Other non-current liabilities.”

(o) Fair value measurement of unlisted shares

Under Japanese GAAP, unlisted shares, etc. were recorded based on acquisition cost, and impairment losses were recognized as necessary in response to a deterioration in the issuer's financial condition. However, under IFRS Accounting Standards, such securities are measured at fair value, and the resulting differences are recognized in "Other comprehensive income."

(p) Deferred tax assets and deferred tax liabilities

Upon the adoption of IFRS Accounting Standards, the recoverability of all deferred tax assets has been reassessed. In addition, "Deferred tax assets" or "Deferred tax liabilities" have been recognized for temporary differences arising from adjustments made in transitioning from Japanese GAAP to IFRS Accounting Standards.

(q) Reclassification of cumulative translation differences related to foreign operations

Upon the first-time adoption of IFRS Accounting Standards, the Group elected to apply the exemption provided in IFRS 1, reclassifying all cumulative translation differences related to foreign operations at the transition date to "Retained earnings."

(r) Retirement benefits

Under Japanese GAAP, actuarial gains and losses on retirement benefits were recognized in other comprehensive income when incurred. The amounts allocated using either the straight-line method over a fixed number of years within the employees' average remaining service period, or the declining-balance method were recognized in profit or loss from the following fiscal year. Under IFRS Accounting Standards, remeasurements of defined benefit plans are recognized in full in other comprehensive income when incurred and are immediately reclassified to retained earnings.

Under Japanese GAAP, past service costs were recognized in other comprehensive income when incurred, and the amounts allocated using the straight-line method over a fixed number of years within the employees' average remaining service period were recognized in profit or loss starting from the fiscal year in which they arose. Under IFRS Accounting Standards, past service costs are recognized in profit or loss when incurred.

(s) Obligation to purchase fractional shares resulting from a share consolidation

As a result of the share consolidation of former IJTT Co., Ltd., a consolidated subsidiary of the Company, in March 2024, if a shareholder holding fractional shares resulting from the consolidation makes a request in accordance with applicable laws and regulations, the Group is obligated to purchase such fractional shares. Accordingly, under IFRS Accounting Standards, the Group derecognizes the non-controlling interests corresponding to the fractional shares and recognizes a financial liability at the present value of the amount to be paid to fulfill the obligation. As the assets and liabilities related to former IJTT Co., Ltd. and its subsidiaries have been classified as disposal groups held for sale, the financial liability is presented under "Liabilities directly associated with assets held for sale."

(t) Adjustments to retained earnings (net of tax effect)

(Millions of yen)

	Transition date (As of April 1, 2023)	Previous fiscal year (As of March 31, 2024)
(j) Adjustments related to assets held for sale	—	(6,244)
(k) Adjustments to carrying amounts of property, plant and equipment	(5,999)	(5,988)
(l) Capitalized development costs	22,146	23,461
(n) Unused paid leave and other long-term employee benefits	(10,091)	(10,033)
(q) Reclassification of cumulative translation differences related to foreign operations	79,190	79,190
(r) Retirement benefits	1,398	7,299
Other	(5,330)	(6,862)
Total	81,313	80,822

Reconciliation of profit or loss and comprehensive income for the previous fiscal year (Fiscal year ended March 31, 2024)

Items in the consolidated statement of profit or loss

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Net sales	3,386,676	85	17,871	3,404,633	(b)	Revenue
Cost of sales	2,706,443	(13,833)	16,503	2,709,113	(b)	Cost of sales
Gross profit	680,233	13,918	1,368	695,520		Gross profit
Selling, general and administrative expenses	387,147	13,652	(2,748)	398,051	(c)	Selling, general and administrative expenses
	—	8,304	554	8,858	(a)	Other income
	—	18,035	6,650	24,685	(a),(d)	Other expenses
Operating profit	293,085	(9,465)	(1,978)	281,641		Operating profit
Non-operating income	31,789	(31,789)	—	—	(a)	
Non-operating expenses	11,835	(11,835)	—	—	(a)	
Ordinary profit	313,039	(29,419)	(1,978)	—		
Extraordinary income	5,526	(5,526)	—	—	(a)	
Extraordinary losses	12,974	(12,974)	—	—	(a)	
	—	26,422	(5,551)	20,871	(a),(e)	Finance income
	—	7,077	429	7,507	(a),(e)	Finance costs
	—	2,657	(365)	2,291	(a)	Share of profit of investments accounted for using equity method
Profit before income taxes	305,591	30	(8,324)	297,297		Profit before tax
Total Income taxes	84,235	30	(2,011)	82,254		Income tax expense
Profit	221,356	—	(6,313)	215,042		Profit
Profit attributable to owners of parent	176,442	—	(7,445)	168,996		Profit attributable to owners of parent
Profit attributable to non-controlling interests	44,913	—	1,132	46,046		Profit attributable to non-controlling interests

Items in the consolidated statement of comprehensive income

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Profit	221,356	—	(6,313)	215,042		Profit
Other comprehensive income						Other comprehensive income
						Items that will not be reclassified to profit or loss
Valuation difference on available-for-sale securities	40,429	—	2,265	42,694	(e)	Net change in fair value of financial assets measured at fair value through other comprehensive income
Remeasurements of defined benefit plans, net of tax	5,977	—	518	6,496	(f)	Remeasurements of defined benefit plans
	—	153	(17)	136		Share of other comprehensive income of investments accounted for using equity method
Foreign currency translation adjustment	52,350	3,091	3,166	58,608	(g)	Items that may be reclassified to profit or loss
Deferred gains or losses on hedges	(265)	—	—	(265)		Exchange differences on translation of foreign operations
Share of other comprehensive income of entities accounted for using equity method	3,245	(3,245)	—	—		Cash flow hedges
Total other comprehensive income	101,737	—	5,933	107,670		Other comprehensive income, net of tax
Comprehensive income	323,093	—	(380)	322,713		Comprehensive income
Comprehensive income attributable to owners of the parent	266,834	—	(2,137)	264,696		Comprehensive income attributable to owners of parent
Comprehensive income attributable to non-controlling interests	56,259	—	1,757	58,016		Comprehensive income attributable to non-controlling interests

Notes on reconciliation of profit or loss and comprehensive income

(i) Reclassification

(a) Adjustments to line items

Among items that were presented under “Non-operating income,” “Non-operating expenses,” “Extraordinary income,” and “Extraordinary losses” under Japanese GAAP, finance-related gains and losses are classified as “Finance income” and “Finance costs” under IFRS Accounting Standards. Other items are classified based on their function and presented under headings such as “Other income,” “Other expenses,” and “Share of profit of investments accounted for using equity method.”

(ii) Adjustments to recognition and measurement

(b) Adjustments to net sales and cost of sales

For lease income for finance leases in which the entity acts as a manufacturer or dealer lessor, under Japanese GAAP, “Net sales” and “Cost of sales” were recognized when lease payments were received. However, under IFRS Accounting Standards, “Revenue” and “Cost of sales” are recognized at the commencement date of the lease.

Under Japanese GAAP, all research and development costs were expensed as incurred. However, under IFRS Accounting Standards, those costs that meet specific criteria are capitalized as “Intangible assets.”

(c) Adjustments to selling, general and administrative expenses

Under Japanese GAAP, goodwill was amortized. However, under IFRS Accounting Standards, it is not amortized.

(d) Adjustments related to other expenses

For disposal groups held for sale, under IFRS Accounting Standards, these are measured at the lower of carrying amount and fair value less costs to sell. Losses recognized due to measurement at fair value are recorded accordingly.

(e) Adjustments related to finance income and finance costs

Under Japanese GAAP, gains and losses on the sale and impairment losses of equity instruments were recognized in profit or loss. However, under IFRS Accounting Standards, for equity instruments designated to be measured at fair value through other comprehensive income, changes in fair value are recognized in other comprehensive income and reclassified to retained earnings upon derecognition or when the fair value declines significantly.

(f) Retirement benefits

Under Japanese GAAP, actuarial gains and losses on retirement benefits were recognized in other comprehensive income when incurred. The amounts allocated using either the straight-line method over a fixed number of years within the employees’ average remaining service period, or the declining-balance method were recognized in profit or loss from the following fiscal year. Under IFRS Accounting Standards, remeasurements of defined benefit plans are recognized in full in other comprehensive income when incurred and are immediately reclassified to retained earnings.

Under Japanese GAAP, past service costs were recognized in other comprehensive income when incurred, and the amounts allocated using the straight-line method over a fixed number of years within the employees’ average remaining service period were recognized in profit or loss starting from the fiscal year in which they arose. Under IFRS Accounting Standards, past service costs are recognized in profit or loss when incurred.

(g) Adjustments related to exchange differences on translation of foreign operations

The amount of exchange differences on translation of foreign operations has changed as a result of various adjustments made in the transition from Japanese GAAP to IFRS Accounting Standards.

Reconciliation of cash flows for the previous fiscal year (Fiscal year ended March 31, 2024)

- Reclassification of capitalized expenditures related to research and development

Under Japanese GAAP, research and development costs were classified and presented as “Cash flows from operating activities.” However, under IFRS Accounting Standards, capitalized expenditures related to research and development are classified and presented as “Cash flows from investing activities.”

- Reclassification related to operating leases

Under Japanese GAAP, lease payments for operating lease transactions were classified and presented as “Cash flows from operating activities.” However, under IFRS Accounting Standards, lease liabilities are recognized, and the repayments of those liabilities are classified and presented as “Cash flows from financing activities.”

- Reclassification related to interest income and dividends income, and interest expenses

Under Japanese GAAP, interest received and dividend received, as well as interest paid were classified as “Cash flows from operating activities.” However, under IFRS Accounting Standards, from the perspective of reflecting the substance of the transactions more appropriately, interest

received and dividend received are classified and presented as “Cash flows from investing activities,” while interest paid are classified and presented as “Cash flows from financing activities.”

(2) Other

Interim information, etc. for the current fiscal year

	Interim accounting period	Current fiscal year
Net sales (millions of yen)	1,536,305	3,208,084
Profit before income taxes (millions of yen)	127,683	240,126
Profit attributable to owners of parent (millions of yen)	69,175	134,363
Net income per share (yen)	92.53	183.02

- (Notes)
1. The interim information, etc., for the current fiscal year has been prepared under Japanese GAAP.
 2. The information for the current fiscal year has not been audited or reviewed in accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

2. Financial statements, etc.

(1) Financial statements

(i) Balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	15,265	18,300
Electronically recorded monetary claims - operating	5,799	3,895
Accounts receivable - trade	*1 217,323	*1 259,837
Finished goods	43,760	45,932
Work in process	35,742	20,136
Raw materials and supplies	40,312	44,855
Advance payments to suppliers	5,741	9,999
Prepaid expenses	5,664	4,701
Short-term loans receivable	*1 124,608	*1 126,661
Current portion of long-term loans receivable	*1 10,000	*1 10,258
Accounts receivable - other	*1 22,446	*1 26,557
Other	9,659	8,875
Total current assets	536,324	580,010
Non-current assets		
Property, plant and equipment		
Buildings	74,593	72,695
Structures	7,928	7,745
Machinery and equipment	59,990	59,446
Vehicles	932	943
Tools, furniture and fixtures	17,084	16,056
Land	217,667	236,204
Leased assets	109	88
Construction in progress	18,589	19,025
Total property, plant and equipment	396,897	412,206
Intangible assets		
Software	27,909	32,791
Other	54	16,671
Total intangible assets	27,964	49,462
Investments and other assets		
Investment securities	189,745	151,437
Shares of subsidiaries and associates	248,483	244,609
Investments in capital	987	985
Investments in capital of subsidiaries and associates	42,687	42,687
Long-term loans receivable	*1 176,259	*1 173,259
Long-term prepaid expenses	532	373
Other	*1 3,801	*1 8,473
Allowance for doubtful accounts	(2,138)	(2,123)
Total investments and other assets	660,358	619,703
Total non-current assets	1,085,219	1,081,371
Total assets	1,621,544	1,661,382

(Millions of yen)

		As of March 31, 2024		As of March 31, 2025
Liabilities				
Current liabilities				
Electronically recorded obligations - operating	*1	23,845	*1	19,222
Accounts payable - trade	*1	219,751	*1	229,755
Short-term borrowings		60,000		62,457
Commercial papers		—		50,000
Current portion of long-term borrowings		40,000		32,000
Current portion of bonds payable		—		30,000
Lease liabilities		34		35
Accounts payable - other	*1	15,137	*1	15,490
Accrued expenses	*1	64,102	*1	76,077
Income taxes payable		1,936		355
Advances received	*1	2,560	*1	2,314
Deposits received	*1	24,856	*1	31,336
Unearned revenue		840		798
Provision for product warranties		5,258		6,616
Provision for bonuses		10,648		11,273
Provision for bonuses for directors (and other officers)		172		148
Other		592		1,391
Total current liabilities		469,736		569,273
Non-current liabilities				
Bonds payable		80,000		70,000
Long-term borrowings		20,000		68,000
Lease liabilities		84		60
Long-term income taxes payable		—		237
Provision for retirement benefits		45,311		41,079
Provision for share awards for directors (and other officers)		1,517		171
Provision for product warranties		4,953		6,173
Asset retirement obligations		2,579		2,592
Deferred tax liabilities		774		234
Deferred tax liabilities for land revaluation		41,266		42,467
Guarantee deposits received	*1	458	*1	458
Other		9,055		9,822
Total non-current liabilities		205,999		241,297
Total liabilities		675,736		810,570

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
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	743,606	625,368
Total retained earnings	743,606	625,368
Treasury shares	(53,099)	(2,329)
Total shareholders' equity	781,006	713,539
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	80,909	54,359
Deferred gains or losses on hedges	(60)	162
Revaluation reserve for land	83,952	82,751
Total valuation and translation adjustments	164,800	137,272
Total net assets	945,807	850,812
Total liabilities and net assets	1,621,544	1,661,382

(ii) Statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
Net sales	*1	1,318,030	*1	1,428,208
Cost of sales	*1	1,177,920	*1	1,299,449
Gross profit		140,110		128,758
Selling, general and administrative expenses	*1, *2	125,686	*1, *2	151,138
Operating profit (loss)		14,423		(22,379)
Non-operating income				
Interest income	*1	1,659	*1	2,142
Dividend income	*1	145,922	*1	114,201
Foreign exchange gains		68		—
Other		571		890
Total non-operating income		148,220		117,235
Non-operating expenses				
Interest expenses	*1	628	*1	1,254
Litigation settlement		47		1,254
Foreign exchange losses		—		1,698
Currency option costs		1,707		1,548
Donations		192		1,193
Other	*1	2,341	*1	2,762
Total non-operating expenses		4,917		9,711
Ordinary profit		157,726		85,143
Extraordinary income				
Gain on sale of non-current assets		1		0
Gain on sale of shares of subsidiaries and associates		—		6,342
Gain on sale of investment securities		1,738		1,450
Total extraordinary income		1,740		7,793
Extraordinary losses				
Loss on disposal of non-current assets		1,051		2,160
Impairment losses		2		599
Loss on valuation of investments in capital of subsidiaries and associates		821		—
Loss on sale of investment securities		158		—
Total extraordinary losses		2,034		2,759
Profit before income taxes		157,432		90,177
Income taxes - current		8,437		1,841
Income taxes for global minimum tax		—		237
Income taxes - deferred		(3,388)		10,425
Total income taxes		5,049		12,504
Profit		152,383		77,672

Manufacturing cost details

			Previous fiscal year (Fiscal year ended March 31, 2024)		Current fiscal year (Fiscal year ended March 31, 2025)	
Category		Notes	Amount (millions of yen)	Composition ratio (%)	Amount (millions of yen)	Composition ratio (%)
I.	Raw material expenses		989,082	80.9	1,067,249	80.7
II.	Labor costs	*1	75,029	6.1	76,039	5.8
III.	Expenses	*2	159,187	13.0	178,951	13.5
	Total manufacturing expenses		1,223,299	100.0	1,322,239	100.0
	Work-in-process inventory at the beginning of period		14,947		35,742	
	Transfer from other account	*3	80		23	
	Total		1,238,327		1,358,005	
	Work in process inventory at the end of the period		35,742		20,136	
	Payment to other account	*4	19,385		33,072	
	Cost of products manufactured		1,183,198		1,304,796	

Previous fiscal year			Current fiscal year		
(1)	Footnote	(Millions of yen)	(1)	Footnote	(Millions of yen)
*1	Of which, provision for retirement benefits	2,889	*1	Of which, provision for retirement benefits	1,782
	Of which, provision for bonuses	8,350		Of which, provision for bonuses	8,945
*2	Components of major expenses		*2	Components of major expenses	
	Depreciation and amortization	29,908		Depreciation and amortization	31,265
*3	Transfer from other account		*3	Transfer from other account	
	Merchandise and finished goods	80		Merchandise and finished goods	23
*4	Payment to other account		*4	Payment to other account	
	Selling, general and administrative expenses	17,369		Selling, general and administrative expenses	31,235
	Construction in progress, etc.	562		Construction in progress, etc.	750
	Other	1,454		Other	1,086
	Total	19,385		Total	33,072

(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 (Fiscal year ended March 31, 2024)

(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 Retained earnings brought forward	Total retained earnings		
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

Current fiscal year (Fiscal year ended March 31, 2025)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	40,644	49,855	—	49,855	743,606	743,606	(53,099)	781,006
Changes during period								
Dividends of surplus					(70,923)	(70,923)		(70,923)
Profit					77,672	77,672		77,672
Purchase of treasury shares							(75,604)	(75,604)
Disposal of treasury shares							1,388	1,388
Cancellation of treasury shares			(124,986)	(124,986)			124,986	—
Transfer from retained earnings to capital surplus			124,986	124,986	(124,986)	(124,986)		—
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	(118,237)	(118,237)	50,770	(67,467)
Balance at end of period	40,644	49,855	—	49,855	625,368	625,368	(2,329)	713,539

	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	80,909	(60)	83,952	164,800	945,807
Changes during period					
Dividends of surplus					(70,923)
Profit					77,672
Purchase of treasury shares					(75,604)
Disposal of treasury shares					1,388
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity	(26,550)	223	(1,201)	(27,527)	(27,527)
Total changes during period	(26,550)	223	(1,201)	(27,527)	(94,995)
Balance at end of period	54,359	162	82,751	137,272	850,812

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 associates

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

Machinery, equipment and vehicles 3 to 15 years

(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 probability of default.

(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 share 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 mitigate 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)

Obligations related to field measures (e.g., recalls)

(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 (e.g., recalls)	8,553	14,065

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

The calculation method of the amount of (1) is omitted because the same information is provided in Note "4. Significant accounting estimates and judgments, (2) Obligations related to field measures (e.g., recalls)" in "1. Consolidated financial statements, etc., (1) Consolidated financial statements."

(Changes in accounting policies)

(Adoption of the accounting standard for current income taxes)

The Company has adopted the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan ("ASBJ") Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022"), etc. from the beginning of the current fiscal year.

Revisions to categories for recording current income taxes conform to the transitional treatment in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect

Accounting” (ASBJ Guidance No. 28, October 28, 2022). This change in accounting policies has no material impact on the non-consolidated financial statements.

(Adoption of the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules)

The Company has adopted the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (Practical Solution No. 46, March 22, 2024), etc. from the beginning of the current fiscal year. This change in accounting policies has no material impact on the non-consolidated financial statements.

(Accounting standards not yet adopted)

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024)

(1) Outline

As part of its efforts to align Japanese GAAP with international accounting standards, the ASBJ held discussions in light of international accounting standards, with the aim of developing an accounting standard for leases that recognizes assets and liabilities for all leases of lessees. Based on the basic policy, lease accounting standards were published, which are built on the single accounting model of IFRS 16. By adopting only the major provisions of IFRS 16, instead of all provisions, the standards aim to be simple and highly convenient, and to make revisions unnecessary in principle, even when the provisions of IFRS 16 are applied to non-consolidated financial statements.

For lessee accounting, when lessees allocate lease costs, a single accounting model is applied as in IFRS 16, where depreciation of right-of-use assets and amounts equivalent to interest on lease liabilities are recorded for all leases, regardless of whether the lease is a finance lease or an operating lease.

(2) Scheduled adoption date

The scheduled adoption date is the beginning of the fiscal year ending March 31, 2028.

(3) Effects of the application of the accounting standard

The impact of the application of the “Accounting Standard for Leases” etc. on the non-consolidated financial statements is currently being evaluated.

(Changes in presentation method)

(Statement of income)

“Donations,” which was included in “Other” under “Non-operating expenses” in the previous fiscal year, has been presented separately from the current fiscal year because it became material in terms of amount.

“Compensation expenses” under “Non-operating expenses,” which was presented separately in the previous fiscal year, has been included in “Other” under “Non-operating expenses” from the current fiscal year because it became immaterial in terms of amount.

(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

Disclosure is omitted because the same information is provided in Note “34. Share-based payment” in “1. Consolidated financial statements, etc., (1) Consolidated financial statements.”

(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 amount and the number of treasury shares were 3,036 million yen and 2,105,344 shares as of the end of the previous fiscal year, and 2,243 million yen and 1,430,430 shares as of the end of the current fiscal year.

(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, 2024)	Current fiscal year (As of March 31, 2025)
(Assets)		
Short-term monetary claims	347,749	381,102
Long-term monetary claims	176,426	173,426
(Liabilities)		
Short-term monetary obligations	106,172	120,536
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, 2024)	Current fiscal year (As of March 31, 2025)
Total lending commitment	180,000	150,000
Outstanding loan balance	60,000	–
Net	120,000	150,000

(Statement of income)

*1 Transactions with subsidiaries and associates

	(Millions of yen)	
	Previous fiscal year (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Amount of transactions through business transactions		
Net sales	980,801	1,286,611
Purchase of goods	433,146	500,491
Selling, general and administrative expenses	66,612	73,711
Amount of transactions other than business transactions	131,543	110,062

*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 (Fiscal year ended March 31, 2024)	Current fiscal year (Fiscal year ended March 31, 2025)
Transportation costs	20,714	22,088
Unpaid repair expenses	14,264	14,001
Provision for product warranties	8,676	9,085
Salaries and allowances	11,198	12,249
Provision for bonuses	2,297	2,327
Provision for share awards for directors (and other officers)	748	171
Provision for bonuses for directors (and other officers)	172	148
Provision for retirement benefits	604	266
Depreciation and amortization	4,561	4,886
Outsourcing expenses	14,317	16,462
Research and development expenses	17,303	31,235

(Securities)

Shares of subsidiaries and shares of associates

Previous 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 associates	8,613	30,803	22,190
Total	8,613	30,803	22,190

Current fiscal year (As of March 31, 2025)

	(Millions of yen)		
Category	Carrying amount on the balance sheet	Fair value	Difference
Shares of subsidiaries	—	—	—
Shares of associates	8,613	20,710	12,097
Total	8,613	20,710	12,097

(Note) Carrying amounts on the balance sheet of the shares of subsidiaries and shares of associates for which there is no market price

	(Millions of yen)	
Category	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Shares of subsidiaries	220,762	213,450
Shares of associates	19,107	22,545

These items are not included in the above table “Shares of subsidiaries and shares of associates” as they have no market prices.

(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, 2024)	Current fiscal year (As of March 31, 2025)
Deferred tax assets		
Recording of estimated accrued expenses	6,432	8,952
Provision for product warranties	3,122	4,025
Provision for bonuses	3,256	3,548
Accrued enterprise tax	409	77
Write-down on inventories	1,256	855
Provision for retirement benefits	13,856	12,928
Write-down on investments	13,657	12,487
Asset retirement obligations	1,061	1,000
Other	10,137	11,984
Valuation allowance	(17,824)	(30,625)
Total deferred tax assets	35,362	25,231
Deferred tax liabilities		
Valuation difference on available-for-sale securities	34,867	23,803
Retirement expenses associated with asset retirement obligations	634	600
Dividend income	635	779
Other	—	283
Total deferred tax liabilities	36,136	25,465
Deferred tax liabilities, net	(774)	(234)

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, 2024)	Current fiscal year (As of March 31, 2025)
Statutory tax rate	30.6	30.6
(Adjustment)		
Changes in valuation allowance	0.2	13.9
Foreign withholding tax	3.9	1.2
Exclusion from gross profits of dividends received	(26.1)	(37.1)
Impact of group tax sharing system	—	5.4
Tax deduction	(6.6)	—
Other	1.2	(0.2)
Actual effective tax rate after application of tax effect accounting	3.2	13.9

3. Revisions to the amounts of deferred tax assets and deferred tax liabilities due to changes in tax rate of income taxes, etc.

Due to the enactment of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) in the Japanese Diet on March 31, 2025, the “Special Corporation Tax for National Defense” will be imposed from the fiscal years beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be reversed in the fiscal years beginning on April 1, 2026 are calculated by changing the statutory tax rate from 30.6% to 31.5%.

As a result of this change, the amount of deferred tax assets (after deducting deferred tax liabilities) decreased by 18 million yen, income taxes (deferred) decreased by 654 million yen, and valuation difference on available-for-sale securities decreased by 673 million yen in the current fiscal year.

In addition, deferred tax liabilities for land revaluation increased by 1,201 million yen and revaluation reserve for land decreased by the same amount.

4. Accounting for income tax and local income tax, or tax effect accounting related to these taxes

The Company applies the group tax sharing system. In accordance with “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021), the Company conducts accounting for income tax and local income tax, or tax effect accounting and disclosure related to these taxes.

(Revenue recognition)

Description of information to provide a basis for understanding revenue from contracts with customers is omitted because the same information is provided in Note “3. Material accounting policies, (14) Revenue” in “1. Consolidated financial statements, etc., (1) Consolidated financial statements.”

(Significant subsequent events)

(Repurchase and cancellation of own shares)

The Company resolved at a meeting of its Board of Directors held on May 29, 2025 to repurchase its own shares in accordance with Article 156 of the Act applicable pursuant to Article 165, paragraph (3) of the Act and to cancel the repurchased shares in accordance with Article 178 of the Act.

(1) Reason for repurchase and cancellation

The basic policy of the Company is to implement shareholder returns based on profits earned in each fiscal year and to purchase treasury shares flexibly, comprehensively taking into account a balance between securing funds for growth investments and enhancing internal reserves for the purpose of maintaining financial soundness. The Company aims to repurchase 50,000 million yen (maximum repurchase amount) of its own shares for the purpose of further improving capital efficiency with awareness of appropriate capital levels, while also considering the impact on the supply and demand of shares in relation to the sale of the Company’s ordinary shares, which was resolved at the Board of Directors meeting held on May 29, 2025. All shares repurchased will be cancelled. For details of the Secondary Offering, please refer to “Notice Regarding Secondary Offering of Shares” disclosed on May 29, 2025.

(2) Details of the repurchase

- | | |
|--|---|
| (i) Class of shares to be repurchased | Ordinary shares |
| (ii) Total number of shares to be repurchased | Up to 35.0 million shares
(Represents approximately 4.9% of the total number of issued shares (excluding treasury shares)) |
| (iii) Total purchase price for repurchase of shares | Up to 50,000 million yen |
| (iv) Period of repurchase | From Wednesday, June 18, 2025 to Tuesday, March 31, 2026 |
| (v) Method of repurchase | Market purchases on Tokyo Stock Exchange, Inc. (Note 2) |
| (vi) Any other matters necessary for the repurchase of own shares will be approved at the discretion of Naohiro Yamaguchi, Director of the Board, and Managing Executive Officer, EVP, Corporate Planning & Finance Division of the Company. | |

- (Notes) 1. Due to market trends and other factors, part or all of the shares may not be repurchased.
2. After consideration of market trends and other factors, the Company may repurchase the shares through the Off-Auction Own Share Repurchase Trading (ToSTNeT-3) system of Tokyo Stock Exchange, Inc. on and after Wednesday, July 16, 2025. If all or part of the ordinary shares of the Company (up to 4,391,800 shares) lent by Mizuho Bank, Ltd., the Share Lender of the Secondary Offering, are returned to Mizuho

Bank, Ltd., Mizuho Bank, Ltd. has indicated that it intends to tender all or part of the returned shares for above mentioned repurchase through ToSTNeT-3.

(3) Cancellation of treasury shares

- (i) Class of shares to be cancelled Ordinary shares
- (ii) Total number of shares to be cancelled All shares to be repurchased based on (2) Details of the repurchase described above.
- (iii) Planned date of cancellation TBD
- (iv) Any other matters necessary for the cancellation of own shares will be approved at the discretion of Naohiro Yamaguchi, Director of the Board, and Managing Executive Officer, EVP, Corporate Planning & Finance Division of the Company.

(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 current period	Accumulated depreciation/ amortization
Property, plant and equipment	Buildings	74,593	4,055	(527) 41	5,385	72,695	128,932
	Structures	7,928	764	(-) 31	916	7,745	34,079
	Machinery and equipment	59,990	13,542	(61) 453	13,571	59,446	306,164
	Vehicles	932	391	(-) 8	371	943	5,241
	Tools, furniture and fixtures	17,084	10,742	(10) 31	11,728	16,056	104,864
	Land	[125,218] 217,667	- 18,562	[-] (-) 25	-	[125,218] 236,204	-
	Lease assets	109	10	(-) -	31	88	147
	Construction in progress	18,589	56,802	(-) 56,366	-	19,025	-
	Total	396,897	104,871	(599) 56,958	32,004	412,206	579,429
Intangible assets	Software	27,909	35,348	26,153	4,313	32,791	56,098
	Other	54	16,618	-	1	16,671	443
	Total	27,964	51,967	26,153	4,315	49,462	56,541

(Notes) 1. The amount of decrease in construction in progress is mainly due to the transfer to property, plant and equipment.

2. Major components of increase

Buildings: Fujisawa Plant 2,284 million yen; Tochigi Plant 1,471 million yen; Head Office 276 million yen

Machinery and equipment: Fujisawa Plant 7,664 million yen; Tochigi Plant 5,399 million yen; Head Office 146 million yen

Tools, furniture and fixtures: Fujisawa Plant 8,512 million yen; Tochigi Plant 844 million yen; Head Office 671 million yen

Land: Tochigi Plant 271 million yen; Head Office 18,290 million yen

Software: Fujisawa Plant 4,943 million yen; Tochigi Plant 26 million yen; Head Office 3,685 million yen

3. Major components of decrease

Decrease during the period includes impairment losses on non-current assets of 599 million yen.

4. Figures in parentheses under “Decrease during the period” reflect the amount of impairment loss recognized.
5. 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 period
Allowance for doubtful accounts	2,138	1	17	2,123
Provision for bonuses	10,648	11,273	10,648	11,273
Provision for bonuses for directors (and other officers)	172	148	172	148
Provision for product warranties	10,211	9,085	6,507	12,789
Provision for share awards for directors (and other officers)	1,517	202	1,548	171

(2) Components 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 fiscal year ended March 31, 2025 to the date of submission of the Annual Securities Report.

1 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.

2 Amended Shelf Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau on April 26, 2024.

3 Annual Securities Report and accompanying documents and confirmation letter

Fiscal year (122nd term) (from April 1, 2023 to March 31, 2024): Submitted to the Director-General of the Kanto Local Finance Bureau on June 26, 2024.

4 Internal Control Report and accompanying documents

Submitted to the Director-General of the Kanto Local Finance Bureau on June 26, 2024.

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 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, 2024.

6 Amended Shelf Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau on July 3, 2024.

7 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 23, 2024.

8 Amended Shelf Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau on August 23, 2024.

9 Share Buyback Report

Submitted to the Director-General of the Kanto Local Finance Bureau on September 5, 2024.

10 Share Buyback Report

Submitted to the Director-General of the Kanto Local Finance Bureau on October 7, 2024.

11 Shelf Registration Supplements and accompanying documents

Submitted to the Director-General of the Kanto Local Finance Bureau on October 17, 2024.

12 Share Buyback Report

Submitted to the Director-General of the Kanto Local Finance Bureau on November 8, 2024.

- 13 Semi-Annual Securities Report and confirmation letter
123rd term (from April 1, 2024 to September 30, 2024): Submitted to the Director-General of the Kanto Local Finance Bureau on November 12, 2024.
- 14 Share Buyback Report
Submitted to the Director-General of the Kanto Local Finance Bureau on December 5, 2024.
- 15 Share Buyback Report
Submitted to the Director-General of the Kanto Local Finance Bureau on January 10, 2025.
- 16 Share Buyback Report
Submitted to the Director-General of the Kanto Local Finance Bureau on February 7, 2025.
- 17 Share Buyback Report
Submitted to the Director-General of the Kanto Local Finance Bureau on March 7, 2025.
- 18 Amended Share Buyback Report
Submitted Amended Share Buyback Report for the Share Buyback Report submitted on March 7, 2025 to the Director-General of the Kanto Local Finance Bureau on March 13, 2025.
- 19 Share Buyback Report
Submitted to the Director-General of the Kanto Local Finance Bureau on April 8, 2025.
- 20 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 1 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. to the Director-General of the Kanto Local Finance Bureau on May 29, 2025.
- 21 Amended Shelf Registration Statement
Submitted to the Director-General of the Kanto Local Finance Bureau on May 29, 2025.
- 22 Amended Extraordinary Report
Submitted Amended Extraordinary Report for the Extraordinary Report submitted on May 29, 2025 to the Director-General of the Kanto Local Finance Bureau on June 10, 2025.
- 23 Amended Shelf Registration Statement
Submitted to the Director-General of the Kanto Local Finance Bureau on June 10, 2025.
- 24 Share Buyback Report
Submitted to the Director-General of the Kanto Local Finance Bureau on June 16, 2025.

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 25, 2025

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
Keiichiro Ochi [Seal]
Certified Public Accountant
Designated Engagement Partner
Engagement Partner
Shuhei Okuma [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 included in "V. Financial Information" for the fiscal year that commenced on April 1, 2024 and ended on March 31, 2025, which are comprised of the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position as of March 31, 2025 along with the results of operations and the status of cash flows for the fiscal year then ended of the corporate group, which consists of the Company and its consolidated subsidiaries, in conformity with International Financial Reporting Standards (hereinafter referred to as "IFRS Accounting Standards") prescribed in Article 312 of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.

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 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 (e.g., recalls)	
Contents of Key Audit Matters and reason for determining them as Key Audit Matters	Audit considerations
<p>As stated in “Notes to consolidated financial statements, 4. Significant accounting estimates and judgments,” provisions of 19,044 million yen (1.0% of total liabilities) were recorded as obligations related to field measures (e.g., recalls) on the consolidated statement of financial position as of March 31, 2025.</p> <p>The Company estimates and records expenses related to field measures (e.g., recalls) 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 to consolidated financial statements, 4. Significant accounting estimates and judgments,” the obligations related to field measures (e.g., 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 (e.g., 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 related to field measures (e.g., recalls) and received reports on the results of audit procedures implemented to evaluate whether sufficient and appropriate audit evidence was obtained.

Measurement of recoverable amount of group of cash-generating units including goodwill related to UD Trucks business	
Contents of Key Audit Matters and reason for determining them as Key Audit Matters	Audit considerations
<p>As described in “Notes to consolidated financial statements, 4. Significant accounting estimates and judgements,” the Company recorded 15,213 million yen (0.4% of total assets) of goodwill related to the UD Trucks business in the consolidated statement of financial position as of March 31, 2025.</p> <p>The Company conducted an annual impairment test for the group of cash-generating units including this goodwill in the fiscal year.</p> <p>The recoverable amount of the group of cash-generating units including goodwill related to the UD Trucks business is calculated based on the value in use. The value in use is calculated by discounting future cash flows by a pre-tax discount rate, and the key assumptions in the estimates are the sales volume and pre-tax discount rate in the business plan.</p> <p>Since the above-mentioned 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 performed the following audit procedures for the recoverable amount of the group of cash-generating units including the goodwill.</p> <ul style="list-style-type: none"> ● We assessed the consistency of future cash flows with the business plan approved by management. ● We evaluated the accuracy of management's estimation for developing the business plan by comparing the business plans for previous years with actual results. ● We inquired with management about the sales volume and compared it to market forecasts and available external data. ● We engaged experts from our network firm to evaluate the value-in-use valuation model and the pre-tax discount rate. ● We conducted a sensitivity analysis that incorporated reasonable and potential changes to test significant assumptions, and examined their impact on the recoverable amount.

Other Information

Other information consists of the information in the Annual Securities Report, other than the consolidated financial statements, the financial statements and our audit report thereon. Management is responsible for creating and disclosing other information. 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 information.

The subject of our audit opinion on the consolidated financial statements does not include the other information, and we do not express an opinion on the other information.

Our responsibility in auditing consolidated financial statements is to read through the other information, and in the process of reading, consider whether there is any significant difference between the other information 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 information other than such significant differences.

If we determine that there is a material error in the other information based on the work performed, we are required to report the fact.

There are no matters to be reported by us regarding the other information.

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 IFRS Accounting Standards. 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 IFRS Accounting Standards.

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 IFRS Accounting Standards, 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.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements.

The auditor is responsible for directing, supervising, and inspecting in relation to the audit of the consolidated financial statements. The auditor 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 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, 2025.

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, 2025 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.
- Plan and perform audit of the internal control to 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 directing, supervising, and inspecting in relation to the audit of the internal control report. The auditor 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.

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- (Notes) 1. The original of the audit report above is separately stored by the Company (company submitting the Annual Securities Report).
2. The XBRL data is not in the scope of the audit.

(For Translation Purposes Only)
Independent Auditor's Report

June 25, 2025

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
Keiichiro Ochi [Seal]
Certified Public Accountant
Designated Engagement Partner
Engagement Partner
Shuhei Okuma [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 included in “V. Financial Information” for the 123rd term that commenced on April 1, 2024 and ended on March 31, 2025, 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, 2025 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 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 (e.g., recalls)

As stated in “Notes (Significant accounting estimates),” accrued expenses of 14,065 million yen (1.7% of total liabilities) were recorded as obligations related to field measures (e.g., recalls) on the balance sheet of the fiscal year ended March 31, 2025.

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 (e.g., recalls)) stated in the audit report for the consolidated financial statements.

Other Information

Other information consists of the information in the Annual Securities Report, other than the consolidated financial statements, the financial statements and our audit report thereon. Management is responsible for creating and disclosing other information. 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 information.

The subject of our audit opinion on the financial statements does not include the other information, and we do not express an opinion on the other information.

Our responsibility in auditing financial statements is to read through the other information, and in the process of reading, consider whether there is any significant difference between the other information 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 information other than such significant differences.

If we determine that there is a material error in the other information based on the work performed, we are required to report the fact.

There are no matters to be reported by us regarding the other information.

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 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.

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 Annual Securities Report).
2. The XBRL data is not in the scope of the audit.

[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 25, 2025
[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 Annual Securities Report
Shinsuke Minami, President and Representative Director, COO of the Company has confirmed that the contents in the Annual Securities Report for the 123rd term (from April 1, 2024 to March 31, 2025) are appropriately stated pursuant to the Financial Instruments and Exchange Act.
2. Special notes
There are no particular items to be recorded.

[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 25, 2025
[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 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, 2025, the final day of the 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 associates 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 37 consolidated subsidiaries of the Company, we reasonably determined the scope of assessment of internal control over business processes. The consolidated subsidiaries and associates 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.

The core business of the Company is the manufacture and sale of vehicles, parts, and industrial engines, as well as businesses related to these products (including leasing business). Therefore, we have deemed it appropriate to use revenue by location (after elimination of inter-company transactions) as a basis for selecting significant business locations in terms of their significance to the Company’s business. Based on the results of the assessment of entity-level controls, we select locations accounting for approximately two-thirds of consolidated revenue as significant business locations. For the above reasons, in light of the revenue for the prior fiscal year (after elimination of inter-company transactions), we have selected 14 locations for the fiscal year.

The business processes relating to revenue, accounts receivable - trade and inventories for the selected significant business locations and/or business units are included in the scope of assessment as those accounts have a material impact on the aforementioned core businesses.

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.

As the Company prepares its consolidated financial statements in accordance with IFRS Accounting Standards, of the business processes related to the accounting method in accordance with IFRS Accounting Standards, we included those deemed significant, 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 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.