

Governance

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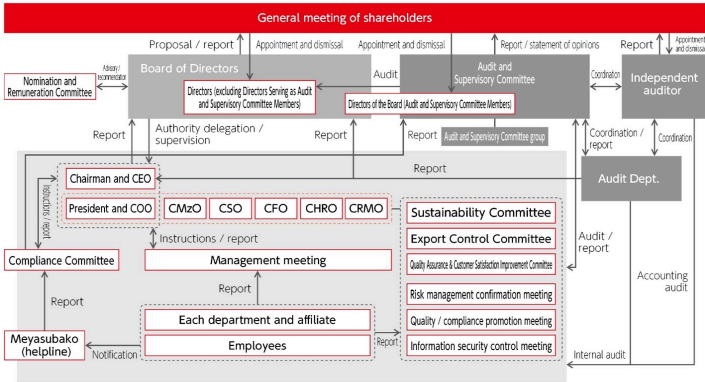
Corporate Governance

Basic Approach

In order for Isuzu to continuously increase revenues and enhance corporate value through its corporate activities, the Company believes that it is essential to establish a corporate governance system that provides a framework for regulating such activities. Furthermore, we believe that the fundamental purpose of corporate governance is to respect the perspectives of, and build constructive relationships with, all of our stakeholders, and to that end we endeavor to ensure fairness and transparency in our corporate affairs through timely and appropriate disclosure of important information. In particular, we believe that a key element of corporate governance is to develop an internal structure and environment that protects the rights and interests of all stakeholders and ensures equality among stakeholders.

Management Structure

Isuzu is a company with an Audit and Supervisory Committee, and we have established a Board of Directors and an Audit and Supervisory Committee as statutory meeting structures to resolve, supervise, and audit the execution of major business activities. In addition to these statutory meeting structures, we have established a Management Meeting to deliberate on important policies and plans, conduct business management, and oversee other overall business activities. We also have various advisory bodies and meeting structures to facilitate supervision and decision-making on business execution. The outline of our corporate governance structure is as follows (as of June 26, 2025).



Board of Directors

The Board of Directors lives up to the mandates and confidence of shareholders and, for the purpose of consistently enhancing our corporate value, makes important decisions and conducts supervision on issues that concern our business management. In principle, the Board of Directors holds regular monthly meetings and may convene extraordinary meetings as needed to deliberate and make decisions on necessary matters. Currently, the Board of Directors consists of 13 directors. The Chairman of the Board of Directors is Masanori Katayama, who serves as the Chairman and CEO. Of the 13 directors, 6 are Independent Outside Directors.

Audit and Supervisory Committee

The Audit and Supervisory Committee follows the audit plan that it established, and audits and supervises the Board of Directors' decision making and directors' execution of business. The current Audit and Supervisory Committee is composed of five members. To strengthen the auditing and supervisory functions of the Audit and Supervisory Committee Members and to enable them to collect information daily, share information at important internal meetings, and fully cooperate with the accounting auditors and the internal audit division, two members have been selected as Standing Audit and Supervisory Committee Member. The Chairman of the Committee is Hiroto Abe, an outside director who are Audit and Supervisory Committee Member. Of the five directors who are Audit and Supervisory Committee Members, three are independent outside directors. All five directors who are Audit and Supervisory Committee Members are designated Audit and Supervisory Committee Members.

Nomination and Remuneration Committee

In addition to the statutory organizations mentioned above, Isuzu has established a voluntary Nomination and Remuneration Committee, an arbitrary organization on corporate governance that is designed to enhance the independence, transparency, and objectivity of the Board of Directors' functions related to nominating officer candidates, selecting executive management, and determining officer remuneration. The committee is chaired by an outside director. Isuzu's Nomination and Remuneration Committee consists of five members, including two Inside Directors and three Outside Directors. The Chairman of the Committee is Mitsuyoshi Shibata, an Outside Director, who deliberates on and provides recommendations on the matters referred by the Board of Directors.

Corporate Governance

Executive Officer System and Management Meeting

By separating supervision and business execution, Isuzu is building a rapid decision-making and execution system through improvements in the deliberations in the Board of Directors, the supervisory organization, and the proper transfer of power from the Board of Directors. We also have executive officers and executives to take responsibility for a rapid decision-making and execution structure and for business execution in the areas of their assignment.

Additionally, Isuzu has established a Management Meeting composed of the Chairman CEO, the President COO, Senior Executive Vice President CMzO, and various EVPs and division heads.

The meeting is chaired by Masanori Katayama, the Chairman and CEO, and deliberates and makes decisions on matters related to business management and execution within the scope of authority delegated by the Board of Directors.

CxO System

To enhance corporate value across the entire Group, Isuzu has established the following CxO (Chief Officer for each field) positions with the goals of improving expertise in response to increasingly complex issues, accelerating management speed, and strengthening governance.

- CEO (Chief Executive Officer)
- COO (Chief Operating Officer)
- CMzO (Chief Monozukuri Officer)
- CSO (Chief Strategy Officer)
- CFO (Chief Financial Officer)
- CHRO (Chief Human Resource Officer)
- CRMO (Chief Risk Management Officer)

Initiatives

Governance - related Initiatives Themes

As corporate governance has been strengthened in Japan in recent years, Isuzu has endeavored to reform its governance. We will remain committed to strengthening our governance and enhancing our corporate value.

Term	115th	116th	117th	118th	119th	120th	121th	122th	123th	124th
Year Ended	March 2017	March 2018	March 2019	March 2020	March 2021	March 2022	March 2023	March 2024	March 2025	March 2026
Outside Directors (Women)	2 (0)	2 (0)	2 (0)	2 (0)	2 (1)	5 (2)	5 (2)	5 (2)	6 (2)	6(3)
Officer Compensation	Introduced performance-linked stock-based compensation system	Decide the upper limit of the annual amount of Directors' bonuses							Added non-financial indicators (GHG emissions) to the performance metrics in the performance-linked stock-based compensation system	
Advisory Committee				Establishment of Nomination and Remuneration Committee					Changed the Chairperson of the Nomination and Remuneration Committee to an independent outside director	
Separation of Execution and Supervision					Revise approval standards and rules	Shift to a company with Audit and Supervisory Committee	Appoint CCO	Appoint CEO and COO	Appoint CMzO and CSO	Appoint CHRO
					Appoint CxOs	Delegate important decision-making on the execution of company business to directors				
Improving the Functioning of the Board of directors				Launch the effectiveness assessment		Ratio independent of outside directors: 1/3 or more			Increased the number of independent outside directors	Increasing the ratio of independent outside directors
						Setting the agenda for management strategy				
						Creation of Skills Matrix				
						Initiation of Institutional Shareholder Engagement				

Corporate Governance

Board Effectiveness Assessment

Isuzu conducts an annual evaluation and analysis of the effectiveness of the Board of Directors to improve its operations. The following is a summary of the evaluation and analysis for fiscal 2025 (ended March 31, 2025).

- Process of analysis and evaluation for fiscal year 2025
Isuzu have made an evaluation focusing on the strengths of the current Board of Directors and the identification of issues. Questionnaires targeting all directors and interviews conducted by a third-party organization were carried out and the results were analyzed. Additionally, countermeasures for the issues identified through the analysis were devised, and a report was presented to the Board of Directors in March 2025 for evaluation and confirmation of future initiatives.
- Summary of evaluation results (strengths)
Isuzu's Board of Directors evaluated and confirmed the following four points as strengths.
 - The Board of Directors is increasingly recognized as the forum where representative directors and other executive directors fulfill their accountability. The Directors present their explanations fully aware that they are being supervised by the Board of Directors.
 - Reviews following the Board meetings have led to swift improvements in how the meetings are managed.
 - Prior briefings are provided to Outside Directors, and opportunities for them to conduct on-site visits are arranged. A system is in place to support Outside Directors in fulfilling their roles and functions.
 - Risk management functions have been strengthened and upgraded, as seen in the faster reporting on identified risks to the Board of Directors.
- Summary of evaluation results (challenges)
Isuzu's Board of Directors identified the following two points as challenges to enhance the Board's monitoring function.
 - Clarify the range of topics to be addressed by the Board of Directors
 - Enhance the provision of necessary information for Board discussions
- Major issues in FY2024 and progress of initiatives for FY2025

Major issues in FY2024	Status of Initiatives for FY2025
(1)Enrich discussions of the Board of Directors centered on the corporate philosophy and the medium- to long-term business plan	<ul style="list-style-type: none"> There was active discussion with various arguments in the process of formulating the Mid-Term Business Plan "ISUZU Transformation - Growth to 2030" (hereinafter, "IX") and the discussion of the Board of Directors was enriched. On the other hand, there needs to be ongoing enrichment of discussions focused on the monitoring of the progress of IX.
(2)Enrichment of reporting on the state of internal controls, including risk management systems	<ul style="list-style-type: none"> The risk management functions were strengthened and enhanced by speeding up the reporting on identified risks to the Board of Directors.
(3)Enrich discussions on the capital cost / business portfolio	<ul style="list-style-type: none"> There was discussion about capital policies including the approach to equity capital.

Officers' Remuneration

Basic Principles

The following are Isuzu's basic principles on remuneration for directors and executive officers.

- Contribute to sustained growth of Isuzu and enhancement of its corporate value, and facilitate the sharing of value with shareholders.
- Remuneration should be at the level necessary and appropriate for securing and keeping talented human resources with due consideration to the economic environment, market trends and the levels of remuneration in other companies.
- The amount of remuneration should reflect the performance of the Company and the individual as well as his/her job responsibilities and positions.
- The process for deciding remuneration should be objective, impartial and transparent.
- Our officer remuneration system and the amounts of payment to officers should be periodically reviewed whenever the Medium-Term management plan is updated and with consideration of factors such as the economic environment, the levels and systems of remuneration for officers in other companies and the status of Isuzu's use of the system.

Corporate Governance

Remuneration for Directors (excluding Audit and Supervisory Committee Member and outside directors)

Remuneration for directors (excluding the directors that are Audit and Supervisory Committee Member and outside directors) includes basic compensation, bonuses linked with the degree of achievement of the single-year consolidated performance target and the amount of remuneration that is based on the performance-linked stock compensation plan linked with the degree of achievement of the management indexes aimed within the period of a Medium-Term management plan aimed at enhancing sustainable corporate value.

Methods for evaluating each officer's performance and deciding the officers' bonuses and the performance-linked stock compensation plan go through a procedure of consultation and provides opinions to the optional Nomination and Remuneration Committee, of which independent outside directors occupy the majority. In this procedure, the CEO fulfills his accountability and thereby secures the objectivity and impartiality of remuneration for officers.

Details of Remuneration and Non-monetary compensation	Basic compensation		Decided on the basis of the standard amounts that is predetermined for different positions and the evaluation of individuals' performance.
	Bonus		<ul style="list-style-type: none">Linked to the degree to which targets for consolidated net sales, consolidated operating income, and net income attributable to owners of parent companyWe set a performance-linked coefficient that shows the degree of achievement at between 0 and 200% in a comparison between each of these performance indicators for a single year with the target, and determine bonuses by multiplying this coefficient by the ratio of basic remuneration and mentioned above, which is the base bonus amount for the respective position. (Chairman and CEO: 0.70, President and COO, Senior Executive Vice President, CMzO, CSO,and CHRO: 0.50, other executives: 0.40)
			<ul style="list-style-type: none">Linked with the degree of attainment of performance targets during the target period (June 26, 2024 to March 31, 2027)The performance-linked coefficient is calculated between 0 and 240.0% by weighting the degree of achievement against the target values for consolidated net sales, consolidated operating income, consolidated return on equity (ROE), and GHG emissions reduction^{*1} at a ratio of 30%:30%:30%:10%, and then multiplying by the coefficient related to the degree of growth in shareholder value, etc.^{*2}. We determine the points to be granted based on the base amount by position that serves as the basis for basic remuneration, the composition ratio (Chairman and CEO: 0.70, President and COO, Senior Executive Vice President, CMzO, CSO,and CHRO: 0.50, other executives: 0.30), and the assumed stock price^{*3}.Malus and clawback provisions^{*4} have established.
	Performance linked compensation	Share-based compensation	<p>^{*1} GHG reduction target for FY2027: 12% reduction (compared to FY2014)</p> <p>^{*2} Determined on the basis of the result of comparison between Isuzu's total shareholder return (TSR) and the growth rate of TOPIX (dividends included) during the relevant period</p> <p>^{*3} The average of the closing price of regular transactions of Isuzu shares in TSE on each day of the month before the month during which the relevant period started, with the exception of the days on which no transaction was closed (truncated to the closest whole number).</p> <p>^{*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</p>
Method for deciding the proportion	Basic compensation: Bonuses: Share-based compensation (Assuming that the performance target is fully achieved) (Chairman and CEO) 1.00: 0.70: 0.70 (President and COO, Senior Executive Vice President, CMzO, CSO, and CHRO) 1.00: 0.50: 0.50 (Other executives) 1.00: 0.40: 0.30		
Policy regarding the time of payment	Basic compensation	Monthly compensation (1/12 of basic compensation is paid monthly)	
	Bonus	Paid in July after the degree of achievement of the single-year (individual/Company) performance target is determined.	
	Share-based compensation	After the end of the target period, payment is made around July. (For directors who resign before the end of the target period, payment will be made after their resignation.)	
Procedure for deciding re-entrustment	Basic compensation	Evaluation of individuals' performances is re-entrusted to the CEO after the Board of Directors' resolutions.	
	Bonuses and share-based compensation	Automatically calculated on the basis of the degree of achievement of the target, standard amount and coefficients. The amounts depend solely on the Company's performance and thus involve no scope for discretion.	

Remuneration for Outside Directors

Remuneration for outside directors consists of basic compensation only, in view of their roles and independence. Each director receives the fixed amount only and the remuneration involves no fluctuation that may result from performance evaluation and so on.

Compensation for Directors Who Are Also Audit and Supervisory Committee Member

The amount of remuneration for directors who are Audit and Supervisory Committee Member consists of basic compensation only, in view of their roles and independence. It is decided through discussion by the directors who are members of Audit and Supervisory Committee Member with consideration of factors such as the number of directors, economic environment, market trends and the levels of remuneration in other companies, within the range of the upper limit approved at the General Shareholders Meeting.

Total Remuneration Amounts and Other Payments to Directors (FY2025)

Classification	Total amount of compensation (million yen)	Amount of remuneration, etc. by type (million yen)				Number of eligible officers
		Basic compensation	Bonus	Remuneration based on the performance-linked stock compensation plan,etc.	Non-monetary compensation	
Directors (excluding Audit and Supervisory Committee Member and outside directors)	616	379	148	88	88	6
Audit and Supervisory Committee Members (excluding outside directors)	68	68	-	-	-	2
Outside officer	113	113	-	-	-	7

* This figure includes one director who retired at the conclusion of the 122nd General Shareholders Meeting held on June 26, 2024.

Approach to Cross-shareholdings

Isuzu believes that holding its business partners' shares on the assumption of long-term transactions is an effective means of building a stable relationship and should lead to the enhancement of its corporate value over the medium- to long-terms. To confirm the reasonability of holding business partners' shares, the Board of Directors annually performs an examination from two different aspects: it conducts a quantitative evaluation of each issue in terms of criteria such as whether the benefit of holding the shares at least equals the capital cost, and a qualitative evaluation of the significance of the shareholding, among other aspects. Consequently, any shares that we no longer see a reason to hold will be swiftly reduced. In executing our voting rights as a shareholder, we respect, as a shareholder with individual trade relations, the aims and intentions of the proposals and resolutions submitted from share issuer. If we see a risk of damaging a share issuer's value during the process of a dialogue with the share issuer or examination of a resolution; however, we will request the withdrawal or review of the resolution and will take action for each resolution, which may involve abstaining from the right to execute our voting rights.

Compliance

Basic Approach

Isuzu recognizes that it is essential for each one of our officers and employees to follow Isuzu's compliance standards—that is, to comply with laws and regulations and also maintain high ethical standards that live up to the trust society places in us. In particular, Isuzu has positioned thorough compliance with laws and regulations as the highest priority in its business management. In 2005, Isuzu formulated and began implementing the Basic Policy for Compliance, and thereafter the Company has been making efforts to disseminate and establish the policy among all officers and employees. The policy consists of seven categories and states that, if an incident occurs and causes the policy to be violated, senior management personnel must execute measures for problem resolution and investigation of the cause in an effort to prevent recurrences and must disclose information quickly and accurately to society and fulfill their accountability. We regularly assess the effectiveness of our basic compliance initiatives and update them as necessary under the supervision of the Board of Directors.

Basic Policy for Compliance

1. Winning the trust of our customers

We aim to win the trust of our customers by providing valuable products and services to society, and thus contribute to the creation of a prosperous society.

2. Promoting fair and sound activities

Isuzu does business based on fair and free competition. We also maintain sound and standard relationships with the government and politicians and act decisively as a corporate citizen against anti-social forces and organizations.

3. Ensuring fair disclosure of corporate information

We broadly communicate with our stakeholders as well as society as a whole, and ensure timely, appropriate, and fair disclosure of our corporate information.

4. Respect for employees

We create a safe and comfortable work environment that respects each employee's personality and character so that everyone can fully demonstrate their capabilities.

5. Contributing to environmental conservation

We actively work on environmental conservation not only through our business activities, but also as a resident of the planet by getting involved in social and regional environmental conservation activities.

6. Contributing to society

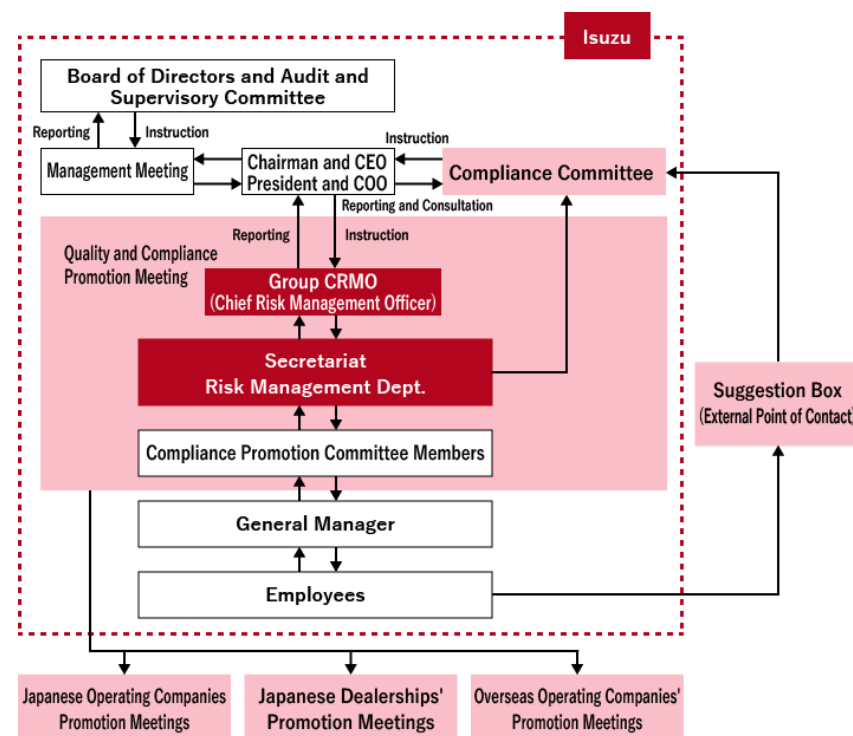
Isuzu proactively undertakes social contribution activities as a good corporate citizen.

7. Ensuring harmony with international and regional communities

We respect the cultures and customs of nations and regions and contribute to their development

Management Structure

The Compliance Committee, chaired by the President and COO, has been established under the monitoring of the Chairman and CEO. The Committee members are the general managers of each division that is responsible for important laws and regulations, and the Audit and Supervisory Committee members and the Corporate Audit Dept. serve as observers. The Committee deliberates on compliance policies, plans, KPIs, and the status of their implementation, and determines the direction of compliance promotion for the Company and the Group. The Committee is also informed of the content of reports and consultations received at each consultation desk and oversees the status of the resolution process.



Compliance

Establishment of an Employee Consultation Service

Isuzu has established three internal consultation counters for reporting and seeking advice on compliance-related issues, including comprehensive misconduct such as discrimination, harassment, inappropriate hospitality or gift-giving, and insider trading. These counters are:

- (1) Workplace Counter (supervised by the immediate supervisor),
- (2) Intra-Division Counter (supervised by the division manager), and
- (3) Company-Wide Counter (supervised by the Compliance Management Group within the Enterprise Risk Management Department).

Each counter serves as an impartial and neutral point of contact, accepting not only reports of clear violations of laws, regulations, or internal rules, but also consultations regarding potentially suspicious matters. They also respond to inquiries about internal rules and laws related to business operations. In addition to compliance-related matters, these counters also function as contact points for human rights-related consultations and reports.

Furthermore, a suggestion box (external point of contact) has been set up at an external law firm to provide an additional channel for consultation.

Both internal and external consultation offices accept inquiries via e-mail, fax, telephone, and letter. In accordance with the Whistleblower Protection Act, the names of individuals who provide information and the content of such reports are treated as confidential and protected to ensure that no individual is subject to unfair treatment within the Company.

To promote awareness of these consultation services, we distribute a Compliance Guidebook and Compliance Consultation Counter Card to all employees, which include contact information for each consultation service and the suggestion box. Additionally, Isuzu regularly informs employees of their contact point through posters and other means. The Enterprise Risk Management Dept. serves as the secretariat for matters reported or discussed at each contact point and works to confirm the facts and make improvements. If any compliance concerns arise from the reports or consultations received at each counter, the Enterprise Risk Management Dept., under the supervision of the Board of Directors, conducts a thorough investigation and resolution in collaboration with the Legal Dept., the HR Services Dept., and other relevant divisions.

In fiscal 2025, there were 70 cases (17 cases related to the Company and 53 cases related to Group companies) that were reported to or consulted on by the external consultation service. The total number of reported violations was 16 (1 case related to the Company and 15 cases related to Group companies). Those reports received through the internal and external consultation services were handled appropriately, and we have confirmed that there were no serious compliance violations. The status of compliance efforts and the number of consultations and serious violations are regularly reported to the Board of Directors.

Business Partner Consultation Service

We also have a Business Partner Consultation Service within our Enterprise Risk Management Depts. Compliance Management Group to provide our business partners with impartial consultations on compliance-related matters. We handle the personal names of information providers and the content of consultations as confidential information in accordance with the Whistleblower Protection Act.

Isuzu Group Compliance Promotion System

Isuzu Quality and Compliance Promotion Meetings are held monthly, attended by compliance promotion committee members of the different divisions. The meetings are committed to the prevention of compliance risks through the sharing of information among divisions and the reporting of activities. Isuzu has also built a Group-wide system to prevent compliance risks. Domestically, we hold regular compliance promotion meetings attended by companies of the Isuzu Group, in an effort to promote the sharing of information and related activities. In our overseas locations, we share information with contact persons of the Isuzu Group companies periodically and make efforts to prevent compliance risks. Particularly in Thailand, home to one of Isuzu's main overseas bases, we regularly hold joint compliance promotion meetings of the Isuzu Group companies based in Thailand to facilitate the sharing of information and related activities. In the event that a serious problem occurs, we will promptly receive reports from the company in accordance with the Group-wide management rules and will work with the company to resolve the problem.

Initiatives

Activities to Group-Wide Issues (in Japan)

In Japan, we identify Group-wide issues and make Group-wide efforts to resolve them. For example, to eradicate drunk driving, we encourage each employee to be aware of their responsibilities as individuals involved in the automotive industry. We stress the importance of not driving under the influence or allowing others to do so, and encourage employees to share this awareness with their families, friends, and acquaintances. More specifically, we collect written pledges to eradicate drunk driving and hold regular seminars with the aim of renewing employees' awareness about the dangers inherent in drunk driving and the graveness of the social responsibilities that it entails. We also consider that building good human relations in the workplace is important for preventing harassment. For example, we organize regular workshops for managerial-level and general employees to deepen their understanding of the significance of regular, bidirectional communication between supervisors and subordinates.

Compliance Surveys (in Japan)

To confirm the spread of compliance awareness and identify compliance risks, we conduct regular compliance surveys. The survey consists of questions regarding workplace culture and understanding of important legal topics, and is designed to be effective in identifying compliance risks. The survey results are reported to the managers and compliance officers of Isuzu Group companies and are applied to the companies' activities.

Activities of Overseas Group Companies

In Thailand, home to one of our major overseas locations, Isuzu follows the compliance activity plan. For example, we organize hierarchical workshops and e-learning and put up posters to raise awareness about the need to eradicate drunk driving and about compliance. Isuzu supports the promotion of compliance activities by holding regular compliance promotion meetings jointly with Group companies in Thailand to confirm progress and provide advice.



e-learning

Compliance

Compliance Training

Isuzu provides compliance education to its employees and Group company staff through classroom and online lectures to further enhance their awareness of compliance.

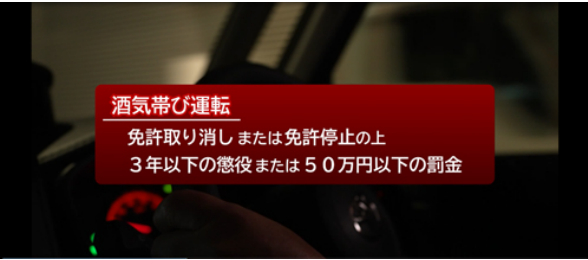
One example of compliance training for new managers is is our program on bullying and harassment prevention, in which we provide key definitions, examine case studies, and work through appropriate responses when incidents occur.

Additionally, to further strengthen the compliance culture, Isuzu has introduced a function whereby employees are required to complete a compliance quiz when they log into their computers log onto their computers, thereby raising employee awareness of compliance on a regular basis.

Personnel in charge of the company-wide consultation desk undergo training organized by external organizations and provide appropriate consultation.

Training themes (examples)

- Basic compliance training for new employees
- Compliance training for new managers
- Training for new officers transferred to Isuzu Group companies
- Education on the Act Against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors
- Anti-drunk driving education
- Compliance training for mid-career recruits
- Training for new directors
- Harassment prevention training for managers
- Education on the authorized exporter declaration procedure



Anti-drunk driving education (video streaming)

Publication of Compliance Guidebook

In January 2006, Isuzu issued and started distributing a Compliance Guidebook, which is a compilation of codes of conduct to communicate the basic attitudes and principles required of all officers and employees of Isuzu. Additionally, we have issued division-specific compliance guidebooks that compile cases of potential compliance issues that could arise from daily operations within each division or department, and distributed these guidebooks to the members of each department. These guidebooks are reviewed every year and are updated to reflect any amendments to relevant laws and regulations and to encourage a better understanding among employees.

Anti-Bribery Initiatives

Under the supervision of the Board of Directors, we have established a code of conduct in the Compliance Guidebook covering the prohibition of entertainment and gifts (including to public officials, quasi-public officials, and foreign public officials), insider trading, and the prevention of money laundering and bribery. We make thorough efforts to ensure that all Isuzu officers and employees are informed of the code of conduct.

For example, regarding the prohibition of entertainment and gifts, we have established guidelines on entertaining and gift-giving and ensure they are thoroughly communicated to employees. Additionally, with respect to the prohibition of insider trading, we conduct company-wide internal training sessions and periodic dissemination of insider trading prevention regulations. Furthermore, in cases where political donations or other political-related payments are made, we strictly adhere to relevant laws and ensure rigorous management to avoid any illegal political contributions.

In fiscal 2025, no fines or other actions have been taken by the relevant regulatory authorities with respect to this matter.

Prevention of Anti-Competitive here Practices

In its Compliance Guidebook, Isuzu stipulates compliance with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and the Act Against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and requires all of its officers and employees to strictly adhere to these laws. In addition, we provide education on the Act Against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and other related matters to relevant divisions within the Company as necessary to ensure thorough compliance with the laws.

Tax Policy

Isuzu Group regards tax payment as an important duty of a corporate citizen. To contribute to society through appropriate tax payment, we have established this tax policy and applied it to our Group companies.

- Compliance with Laws and Regulations
We will correctly interpret tax laws and related guidelines of all countries and regions where we conduct business activities, and pay appropriate taxes in accordance with their intent.
- Prohibition of Tax Avoidance
We do not engage in tax avoidance activities that deviate from the intent and purpose of tax laws and regulations, such as transferring created value to low-tax jurisdictions, using schemes without real business substance, or utilizing tax havens.
- Appropriate Transaction Pricing and Profit Sharing
In transactions with foreign affiliates, we will set prices that take into account arm's-length prices and pay appropriate taxes in accordance with the reality of local business activities.
- Maintaining Good Relationships with Tax Authorities
We build and maintain good relationships with tax authorities both domestically and internationally based on a correct understanding of tax laws and regulations.
- Tax Transparency
We will strive to disclose tax information to all stakeholders in a timely and appropriate manner.
- Governance
CFO will establish a governance structure to effectively ensure that proper tax operations of the Group are conducted in accordance with this tax policy.

Risk Management

Basic Approach

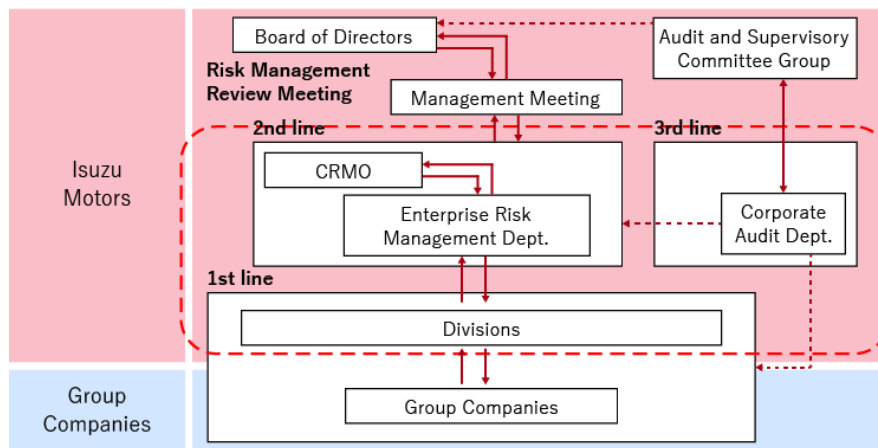
The Isuzu Group manages various risks surrounding its business in a systematic and integrated manner in order to achieve sustainable growth and enhance corporate value. Through risk management initiatives, we will strive to minimize risk, improve operational efficiency, create business opportunities, enhance our competitive advantage, and build relationships of trust with our stakeholders.

Risk Governance Structure

To improve the division of responsibilities and effectiveness of risk management activities throughout the Group, we have established a risk governance structure based on a Group-wide three-line defense system.

Isuzu's divisions and the Group companies under their supervision serve as the first line; the Enterprise Risk Management Department functions as the second line under the direction of the Group Chief Risk Management Officer (CRMO); and the Corporate Audit Department serves as the third line. Each line of defense works in cooperation with the others in risk management activities.

In order to ensure the effectiveness of risk management activities, Risk Management Review Meeting is held every month to confirm the status of risk mitigation efforts and incident management of each division and Group company, focusing on the Group's priority risk, and to report the details of the meeting to management.



Risk Management Process

The Isuzu Group comprehensively identifies risks that could affect its business management, assesses them quantitatively and qualitatively, formulates specific risk mitigation plans for risk reduction, and then promotes implementation and monitoring of the plans.

Believing that it is essential for all employees to view risk management activities as their own business, we also continue to foster a risk culture to achieve sustainable growth and maximize corporate value.

Group Priority Risks

The Isuzu Group prioritizes risk mitigation efforts for risks of particularly high importance in each division of the Company and in each Group company. From the Group-wide perspective, the Group has defined risks that could affect its business or management as Group Priority Risks and implemented Group-wide risk mitigation efforts.

Group Priority Risks are identified and selected from the following four perspectives to ensure that no omissions are made:

1. Bottom-up risk identification through risk assessments from each division of the Company and Group companies
2. Top-down risk identification through CRMO interviews
3. Risk occurrences within the Company or at other companies
4. Changes in the external environment, etc.

* Please refer to the Business and Other Risks section of the Annual Securities Report, which is compiled based on the Group Priority Risks.

Crisis Response

The Isuzu Group has established a structure to comprehensively and promptly identify risk occurrences and implement effective initial responses. If any such risks have the potential to affect the business or management of the Isuzu Group, they are promptly escalated to management, and management makes a decision on how to respond to them. Then, under the direction and supervision of the CRMO, a crisis response team is formed, and various countermeasures are implemented to minimize the risk.

Furthermore, we analyze the root causes of risk occurrences to verify the effectiveness of our countermeasures. By doing so, we organically link the Risk Management Process and the Crisis Management Process, aiming to optimize risk management across the entire Isuzu Group.

Risk Management

Information Security

The Isuzu Group recognizes information security risk as a particularly important risk in its risk management activities. To prepare against existing risks such as information leaks as well as new risks such as cyber-attacks, the Group strives to ensure information security by developing internal structures, and by implementing various countermeasures, including education and training for employees.

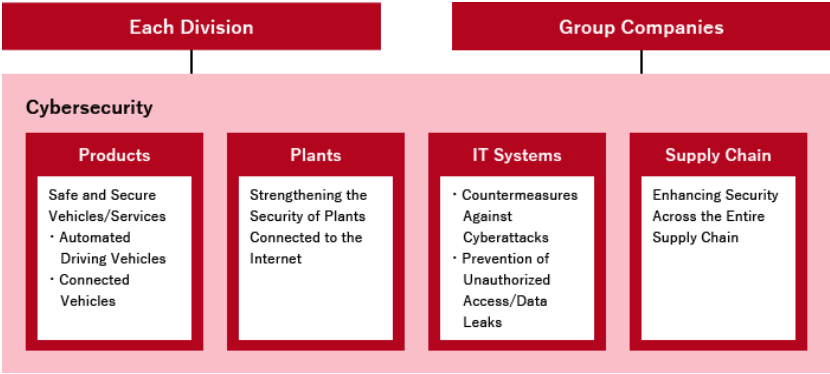
Management Structure

Under the Group Information Security Policy, the Isuzu Group has established a Group-wide information security management structure and is developing and implementing various regulations, including operational processes. Under the information security management structure, the CRMO is responsible for information security management for the entire Isuzu Group. By assigning information security managers, management personnel, etc. to each Isuzu division, the Group implements various measures for information security, including those of Group companies that are under the supervision of such divisions. In addition, the Information Security Management Meeting, hosted by CRMO, is held on a regular basis. At the meeting, annual activity plans for information security are formulated, activity plans of each division, including those of Group companies, are monitored, and instructions for countermeasures are given as necessary. Through these efforts, we are striving to maintain and improve the Group's information security. These activities are regularly reported to the Management Meeting and the Board of Directors, and the effectiveness of the activities is confirmed by management.

Cybersecurity Initiatives

In recent years, the automotive industry has seen rapid advancements in vehicle digitalization and automated driving technology due to advances in IT technology, and this has increased the importance of information security. Also, the risk of cyber-attacks and data leaks has increased, making it essential to protect customer information and vehicle control systems. The Isuzu Group is strengthening cybersecurity for its products, plants, IT systems, and the supply chain. We participate in J-Auto-ISAC*, an organization that collects and analyzes information related to cybersecurity of vehicles. Through this participation, we gather information on security incidents detected within the industry and have established a system for the development and manufacturing of vehicles with cybersecurity considerations in place. These activities are conducted with reference to the Cybersecurity Management Guidelines set forth by the Ministry of Economy, Trade and Industry, as well as international standards such as ISO 21434, ISO 27001, NIST SP800-171, and UN-R155/156, which were adopted by the World Forum for Harmonization of Vehicle Regulations (WP.29) under the United Nations Economic Commission for Europe.

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



Personal Information Protection

The Isuzu Group holds a large amount of personal data, information of customer and business partner, which must be properly managed in accordance with the acts on the protection of personal information of each country. Accordingly, we are working to protect personal information by establishing Group regulations to ensure that personal information is properly managed, as well as by providing education and conducting regular checks of personal information held by the Group.

Response to Incidents

In the event of an incident related to information security, the Isuzu Group strives to respond appropriately under the direction of the CRMO, and in coordination with each division and each group company, to prevent the damage from becoming more serious, according to the rules of incident response. We are also working to prevent recurrence of such incidents by studying, implementing, and monitoring recurrence prevention measures, with the Enterprise Risk Management Dept. playing a central role in this process.