At the starting line of our midterm business plan

- Expecting huge wave of environmental change in 2020’s.
- Isuzu set-up mid and long term vision to flexibly adapt to change.
- Isuzu will press forward “the new Midterm Business Plan” to achieve the vision.

Ex-midterm business plan review

**Global business formation**
- Perfect fit product offering for each market.
- Planned product line-up accomplished.

**Life-cycle support organization**
- "PREISM" to maximize customer’s benefit launched in Japan.
- "Near-field" activity promotion throughout Isuzu group to customer’s engagement in overseas.

<table>
<thead>
<tr>
<th>Located</th>
<th>Five ASC</th>
<th>After Sales Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation</td>
<td>IIF</td>
<td>Isuzu International FZE (UAE)</td>
</tr>
<tr>
<td>Consoliation</td>
<td>IEA</td>
<td>Isuzu East Africa (Kenya)</td>
</tr>
<tr>
<td>Consoliation</td>
<td>ISAF</td>
<td>Isuzu Motors South Africa (South Africa)</td>
</tr>
<tr>
<td>Consoliation</td>
<td>ISZR</td>
<td>Isuzu RUS (Russia)</td>
</tr>
</tbody>
</table>

With above outcome Isuzu will realize remarkable growth and sustained earning power.

Mid-long term vision

Our heart is always with You

supporting people’s life and social production activities as a CV/LCV and Powertrain excellent company

**Quantitative target and result**

**Record-high sales**

<table>
<thead>
<tr>
<th>Net sales</th>
<th>Target</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill. JPN Yen</td>
<td>2,200 - 2,300</td>
<td>2,070</td>
</tr>
</tbody>
</table>

**Operating profit ratio Ave. 3 yrs.**
- 9.0%  → 8.2%

**ROE Ave. 3 yrs.**
- 12.0%  → 13.1%

**Total return ratio**
- 20% ~ 30%  → 24.9% + Share buyback 49.5

<table>
<thead>
<tr>
<th>Ave. 3 yrs.</th>
<th>Payout ratio</th>
<th>Share buyback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill. JPN Yen</td>
<td>24.9%  +</td>
<td>49.5</td>
</tr>
</tbody>
</table>

People’s life
Social production activities

Broad-wide solution

Supportive diverse service line-up

Leading sources
- Truck
- LCV
- Bus
- Life-cycle support
- Special equipment vehicle
- Diverse power source
- Industrial DE

ISUZU

- Logistics engineering
- Social-infrastructure support
- Energy management
New Midterm business plan overview

**New Midterm business plan strategy FY19- FY21 “Current business deepening” and “New engagement for next generation”**

<table>
<thead>
<tr>
<th>7 key Challenges</th>
<th>Deepening</th>
<th>New engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Collaborative business innovation</td>
<td>2) Expand overseas CV business</td>
<td>3) Strengthen LCV business</td>
</tr>
<tr>
<td>4) Enhance powertrain business</td>
<td>5) Accelerate advance technology</td>
<td>6) Implement digital innovation</td>
</tr>
<tr>
<td>7) Create new business</td>
<td>8) Create new solutions with collaborative activities</td>
<td>9) Create new business value</td>
</tr>
</tbody>
</table>

### Mid-term vision

- **Ex-midterm business plan review**
- **Special engagement in overseas.**
- **Life-cycle support organization**
- **Global business formation**

With above outcome Isuzu will realize remarkable growth and sustained earning power.

### DE: Diesel Engine

- **Good company as a CV/LCV and Powertrain**
- **Social production activities**

### Our heart is always with You

- **Near-field** activity promotion throughout Isuzu group to customer’s
- **“PREISM”** to maximize customer’s benefit launched in Japan.

### Planned product line-up accomplished.

- **Perfect fit product offering for each market.**

### Isuzu will press forward “the Isuzu set-up mid and long term vision to flexibly adapt to environmental change in 2020’s.”

### Target Result

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>15,000</td>
<td>20,000</td>
</tr>
<tr>
<td>0</td>
<td>25,000</td>
<td>30,000</td>
</tr>
<tr>
<td>10,000</td>
<td>15,000</td>
<td>20,000</td>
</tr>
<tr>
<td>20%</td>
<td>25%</td>
<td>30%</td>
</tr>
</tbody>
</table>

### Specific measures and policies

- **Midterm Business Plan**
- **New Challenges**
- **FY19 - FY21**
- **“Current business deepening” and “New engagement for next generation”**

### New Midterm business plan overview

- **Current Business**
  - Global Biz formation
  - Life-cycle support

- **Deepening**
  - Earning growth through core business

- **New engagement**
  - Planting for the future

### 7 key challenges

1. **Collaborative business innovation**
   - Create new solution with customer.
   - Brand new integration of products and services.

2. **Expand overseas CV business**
   - Deliver perfect fit vehicles and services utilizing global business formation.

   - “Japan made ”+ “ASEAN & China made” → Perfect fit vehicle

### Things to care

- **Industrial DE power source**
- **Diverse set-up**
- **Special equipment**
- **Life-cycle support**
- **Bus**
- **LCV**
- **Truck**

### Challenges

- **7 key challenges**
  - 1) Collaborative business innovation
  - 2) Expand overseas CV business
  - 3) Strengthen LCV business
  - 4) Enhance powertrain business
  - 5) Accelerate advance technology
  - 6) Implement digital innovation
  - 7) Create new business

### Life-cycle support organization

- **Global business formation**
- **Vehicle**
- **Modification**
- **Body Builder**
- **Industrial Engine**

### Customer

- **Create new solutions with collaborative activities**
  - Diverse usage
  - Develop new industrial business value.

### Case 1

- **25m double trailer consolidated truck**
  - Joint development with major forwarder and body builder. Contribution to Logistics business.

### Case 2

- **New generation maintenance lease**
  - Offering most appropriate maintenance lease program and stable operation service to customers, utilizing in-depth of customer usage by remotely connected data.

### Overseas sales:

- **275 Thou. Units** (30% increase compared to FY18)

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*DB: Distributors  EM: Emerging market*
3) Strengthen LCV business

- Launch new model applying customer’s fast-changing demand to expand LCV sales.
- India as work-horse model production base to meet wide range customer needs.

Product strategy
- New model development applying environmentally considered and safety requirements in addition to Isuzu strength of “Robust” performance.
- Launch new model in midterm period to stabilize LCV top brand position.

LCV sales: 390 Thou. Units (23% increase compared to FY18)

4) Enhance powertrain business

Sales challenge to 200 thousand units
Take positive approach utilizing “CV spirit base business” + “Collaboration” activities

Powertrain Business

<table>
<thead>
<tr>
<th>R&amp;D/Manufacturing</th>
<th>Sales</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilize China base CV R&amp;D for application engineering and cost reduction activities.</td>
<td>Utilize CV network.</td>
<td>Complement product line-up by alliance partnership.</td>
</tr>
<tr>
<td>Shift Isuzu business style from REQUEST to PROPOSAL base</td>
<td>Established “Industrial Solutions Division” in FY18. Integrated major function: Planning, Engineering and Sales to make further leap forward.</td>
<td></td>
</tr>
</tbody>
</table>

Customer
- Construction Machinery / Power Generator
- Agricultural Machinery / Forestry Machinery
- Marine Machinery / For other CV OEM Etc.

5) Accelerate advance technology

Enforce on-going 5 focus field
Speed-up effect utilizing partnerships

Value throughout CV Engineering

- Reliability
- Safety
- Economy
- Customer friendly
- Environment

Platooning
- Autonomous

Advanced safety
- Connected

High-efficient ICE
- EV

5 focus field

Powertrain basic principle

Expand powertrain line-up as CV driven company
Providing powertrain covering regional energy requirement and variety range of customer’s usage.

- Electricity
  - Most suitable EV for CV

- Diesel
  - High-efficiency clean DE

- Natural Gas (CNG - LNG)
  - Exploit and Create Market

Diesel Engine basic principle in midterm period

Isuzu mission is to offer attractive Diesel Engine as Diesel Engine driven company. We will continue to pursue further high-efficient and clean Diesel Engine to be the leader in Global Diesel Engine market.
6) Implement digital innovation

- New value creation and operational renovation by digital innovation to reinforce sustainable business model.

- Expand customer solution method by analyzing every data
  - Life-cycle support
  - Telematics
  - Solution development through close linkage
  - Driver support
  - Infotainment

- CV data platform
  (Customer vehicle in operation data, best practice data, loading data etc.)

  Accelerate Cross-industrial Partnership for the Platform structuring

- Introduction of All-new Basic system and RPA
  - Global Supply Chain optimization
  - Smart-work implementation
  - Shift to high-value added job
  - Group Business Management / Governance enhancement

7) Create new business

- New ventures supporting more efficient sustainable growth for the entire society.
- Accelerate creating new solution throughout customer and cross-industrial collaboration

**Financial focus**

- Consistence shareholder return investing for mid-long term to ensure substantial growth.

  FY19 – FY21 Cash Flow and Allocation
  
  Operating + Financial CF 400-500 Bill. Yen
  
  - Ensure revenue from existing business field expansion.
  - Maintain financial health condition with well balanced debt-equity ratio.

- Capital investment + Strategic investment 350 Bill. Yen level
  
  - Shift to product improvement and digital innovation from footprint investment.
  - Enhance strategic investment on advanced technology and new business creation including alliance collaboration.

- Shareholder return (Total return ratio) Ave. 30%
  
  - Ensure stable, continuous shareholder return.

**For sustainable growth**

- Isuzu goal is to create social value throughout business activities for community as well as Isuzu sustainable growth.

  Midterm business plan FY19 - FY21

  "Current business deepening" and "New engagement for next generation"