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## CORPORATE GOVERNANCE

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ISUZU MOTORS LIMITED

Last Updated: July 3, 2024

## ISUZU MOTORS LIMITED

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Securities Code: 7202

<https://www.isuzu.co.jp>

The corporate governance of the Company is described below.

### Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information

#### 1. Basic Views

In order for the Company to continuously yield revenue through its corporate activities and increase corporate value, it is essential that a corporate governance system is in place that serves as a framework to bring discipline to its operations.

The Company believes that paying respect to the positions of various stakeholders surrounding the Company and establishing a smooth relationship with them are the fundamental objective of corporate governance. Based on this belief, the Company is striving to secure fairness and transparency of its corporate information through timely and appropriate disclosure of important information. In particular, it is a vital element in corporate governance to establish an internal system and environment necessary to protect the rights and interests of all stakeholders and maintaining equality among them.

#### **[Reasons for Non-compliance with the Principles of the Corporate Governance Code]**

The Company enforces all the principles of the Corporate Governance Code.

#### **[Disclosure Based on the Principles of the Corporate Governance Code]** Update

[Principle 1-4. Cross-Shareholdings]

The Company believes that holding strategic shares of its business partners on the premise of long-term transactions is an effective means of building stable relationships and will lead to an increase in corporate value over the medium to long term. In order to confirm the reasonableness of holdings of the shares of business partners, the Board of Directors conducts a review once a year of each individual stock in terms of both quantitative assessment, such as whether the benefits of holding are commensurate with the cost of capital, and qualitative assessment, such as the significance of holding. For any stock whose purpose of holding is judged to have been lost as a result, the Company will promptly reduce the holding.

With regard to the exercise of voting rights as a shareholder, we respect the purpose and intentions of investee companies with respect to their proposals as a shareholder with an individual business relationship with them. However, if it is judged that there is a risk of impairing the corporate value of the investee company in the course of dialogue or detailed examination of the proposals, we will respond on a case-by-case basis, including requests for the withdrawal or review of proposals, and abstention from the exercise of voting rights.

[Principle 1-7. Related-Party Transactions]

Transactions involving Directors of the Board with the Company and transactions involving conflicts of interest with Directors of the Board of the Company are properly monitored based on the procedures prescribed by the Rules of the Board of Directors.

[Supplemental Principle 2-4-1. Ensuring Diversity in the Appointment of Core Human Resources]

##### 1. Stance on ensuring diversity

The Company believes that respecting the human rights and diversity of its employees, and creating an environment in which they can fully exercise their abilities and work safely and comfortably, will enable both the employees and the Company to grow together.

##### 2. Voluntary and measurable objectives for ensuring diversity, and the progress thereof

The Company will strive to ensure diversity in the appointment of employees to management positions, by appointing people fairly regardless of gender, nationality or career with the company, and in light of the experience, knowledge, skills and abilities required for each position.

Specifically, we aim to increase the ratio of female managers, including senior positions, from the actual figure of 3.7% at the end of March 2024 to 4.7% by the end of March 2027, based on trends among other companies in the automotive industry, etc., and will continue to work on systematic development, hiring, etc.

##### 3. Policies for human resource development and for internal environmental improvement to ensure diversity, and the progress thereof

Please refer to the “Integrated Report” and the “Sustainability Report” posted on the Company website for the policies for ensuring diversity and the progress thereof.

Integrated Report <https://www.isuzu.co.jp/world/company/investor/financial/annual.html>

Sustainability Report <https://www.isuzu.co.jp/world/company/sustainability/report.html>

[Principle 2-6. Roles of Corporate Pension Funds as Asset Owners]

Investing pension reserve not only affects the stable asset accumulation for employees but also the financial position of the Company. Hence, the Corporate Pension Fund of the Company complements the necessary expertise and knowledge by coordinating with investment consultants, improving the expertise of staff involved in the investment of corporate pension, participating in training organized by the Pension Fund Association as well as seminars conducted by investment institutions, and holding workshops at the Board of Representatives, so that they can perform the functions expected of an asset owner including the monitoring of investment institutions.

[Principle 3-1. Full Disclosure]

(Company objectives (e.g., management philosophy), management strategies, and management plans)

The Company established a new Corporate Philosophy, “ISUZU ID,” in 2023. Additionally the Company formulated “ISUZU Transformation - Growth to 2030” as its management strategy and business plan, and both of these documents are available for reference on the company website.

Corporate Philosophy “ISUZU ID” <https://www.isuzu.co.jp/world/company/vision.html>

Mid-Term Business Plan <https://www.isuzu.co.jp/world/company/investor/plan/>

(Basic stance on and policies for corporate governance)

The Company’s basic stance on and policies for corporate governance are stated at the beginning of the “1.1. Basic stance” section of this report.

(Policies and procedures for determining remuneration for senior management and Directors of the Board)

Remuneration for the Company’s Directors of the Board is determined within the scope approved at the General Meeting of Shareholders. Please refer to the “2.1. [Remuneration for Directors of the Board] Disclosure of the policy for determining the amount and the calculation method of remuneration” section of this report for details of remuneration for Directors of the Board.

(Policies and procedures for appointment and dismissal of senior management and nomination of candidates for officers)

The Company nominates and deliberates at the Board of Directors meetings for candidates internally who possess deep knowledge and experience in management, a sufficient understanding of the Company’s business and the automotive industry, and demonstrate a high level of insight and competence to make informed judgments and appropriate statements based on their knowledge and experience. Simultaneously, the Company also selects multiple persons as Directors of the Board from outside who have extensive experience and broad perspectives in corporate management and meet the independence criteria set by the company. These external directors actively contribute their viewpoints and provide recommendations from an external perspective, thereby enhancing diversity in the deliberation and decision-making processes of the Board of Directors, as well as strengthening its supervisory function, including checks and advice.

Candidates for Directors of the Board serving as Audit and Supervisory Committee Members shall have knowledge and experience in their areas of expertise such as finance, accounting, and legal affairs, as well as corporate management, and shall be able to actively make recommendations from an external perspective. In addition, the Board of Directors shall deliberate with the consent of the Audit and Supervisory Committee in order to ensure that the composition of the Board of Directors has a certain degree of diversity and that there is no bias in the areas of expertise.

In addition to being a person who has sufficient knowledge of each division, leadership, a company-wide optimal perspective, and a stakeholder perspective, Executive Officers will work to ensure an appropriate balance in consideration of the size and business area of each division.

To further enhance the objectivity and transparency of the procedures for the appointment and dismissal of senior management and the nomination of candidates for Directors of the Board, the Company has established the Nomination and Remuneration Committee, which consists of two Inside Directors and three Independent Outside Directors.

In relation to the duties of the President, in the event that he/she is found to have committed an illegal act in the course of his/her duties, suffered serious damage due to willful or negligent conduct, or for any other reason it is deemed difficult for him/her to continue his/her duties, the Company will submit a proposal to the Board of Directors regarding the necessity of his/her dismissal based on the recommendations of the Nomination and Remuneration Committee.

(Explanation on individual appointment, dismissal and nomination)

For the reasons for appointing the respective candidate for officer, please refer to the “Notice of Convocation of the Annual General Meeting of Shareholders.”

<https://www.isuzu.co.jp/world/company/investor/stock/meeting.html>

[Supplemental Principle 3-1-3. Disclosure of Initiatives for Sustainability]

1. Initiatives for Sustainability

In “ISUZU Transformation - Growth to 2030,” the medium-term management plan we formulated in April 2024, we crystallized our “Vision for 2030 and path toward 2030 “ to realize “ISUZU ID,” our corporate philosophy. We raised that we will realize sustainable growth and the provision of added value as a commercial mobility solutions company that solves the issues of customers and society, such as carbon neutrality and DX for logistics.

The Company promotes sustainability activities throughout the Group by having the Sustainability Committee, chaired by a director, deliberating and making decisions on sustainability-related management issues, business policies, and business strategies.

In fiscal year 2023, we discussed the implementation of climate change measures and the progress of human rights due diligence, enhancing and strengthening our initiatives to this point. In addition, since fiscal year 2023, we have been holding Group Sustainability Liaison Conference for major consolidated subsidiaries in Japan and overseas to advance initiatives from a global perspective by sharing information and collaborating.

We have disclosed the specific details of these sustainability-related initiatives on the company website and in documents such as the Sustainability Report and Integrated Report.

Website <https://www.isuzu.co.jp/world/company/sustainability/>

Integrated Report <https://www.isuzu.co.jp/world/investor/annual/index.html>

Sustainability Report <https://www.isuzu.co.jp/world/company/sustainability/report.html>

## 2. Investments in human capital

In “ISUZU Transformation - Growth to 2030,” the medium-term management plan we formulated in April 2024, we raised human capital management, starting from our corporate philosophy, “ISUZU ID.”

To realize “transition to human capital management” and “group management with a global perspective,” we will develop human capital management infrastructure based on global standards and invest in human capital that will realize “Reliability x Creativity” and aim for further business growth.

As the first step, we are promoting the “transformation to human capital management” and the “enhancement of DX capability.”

We position human capital management as the foundation for strengthening the expertise of employees and encouraging them to take on challenges, and will strive to “foster a culture of dialogue and growth” to support the growth of human capital through the introduction of a new personnel system.

With regard to our DX capabilities, we will expand and transform the value we provide to society by developing technologies and services for new business development and enhancing them through initiatives for the greater efficiency of existing business operations.

We believe that by doing so, the globalization of human capital, support for the autonomous growth of employees, and the promotion of our evolution into a professional group will lead to the realization of “ISUZU ID.”

The education system, which is an intangible investment, consists of three areas: career development, skill development, and management skill development. In career development, the Company conducts annual career interviews to develop personnel who can enhance their own expertise and develop their careers. In skill development, the Company helps its employees improve their skills so that they can acquire the knowledge and insights they need to play an active role globally, with a focus on the competencies required for each rank and position. In management skill development, the Company provides education aimed at strengthening management capabilities and resourcefulness in order to develop future management personnel. In addition to rank-based education programs, the Company offers various business courses and online English conversation training that employees can take voluntarily to help its employees develop their careers.

Please refer to the “Integrated Report” and the “Sustainability Report” posted on the Company website for details such as the number of attendees and education curriculums.

Integrated Report <https://www.isuzu.co.jp/world/company/investor/financial/annual.html>

Sustainability Report <https://www.isuzu.co.jp/world/company/sustainability/report.html>

## 3. Investments in intellectual property

As raised in our mid-term business plan “ISUZU Transformation - Growth to 2030,” we are investing a total of 1 trillion yen in innovation to take on the challenge of the new businesses that will create “mobility.” In association with this, we will accelerate initiatives to protect and use effectively the intellectual property created through collaboration and co-creation with various partners and the switch to internal production of various components and technologies.

In addition, we have applied for patents, designs and trademarks in multiple countries to promote new businesses strongly and provide solutions, including products, globally, centered on the strengthening of existing businesses throughout the Isuzu Group.

The Company will continue to secure the necessary intellectual property through effective investment, conduct effective monitoring to contribute to sustainable growth, and actively disclose this information.

## 4. Responding to Climate Change

In April 2021, the Company agreed with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and is making positive disclosures of climate change-related risks and opportunities in line with the TCFD framework. We will aim for carbon neutrality by 2050, and work on zero GHG emissions directly from our business activities and throughout the product lifecycle.

We have disclosed the specific details of these climate change-related initiatives and environmental data on the company website and in documents such as the Sustainability Report and Integrated Report.

Website <https://www.isuzu.co.jp/world/company/sustainability/>

Sustainability Report <https://www.isuzu.co.jp/world/company/sustainability/report.html>

Integrated Report <https://www.isuzu.co.jp/world/company/investor/financial/annual.html>

### [Supplemental Principle 4-1-1. Roles and Responsibilities of the Board of Directors] (Scope of Delegation to Management)

The Board of Directors of the Company discusses and makes decisions on important matters for business execution such as fundamental policies of management and business strategies, and supervises the execution of duties by Directors of the Board. In addition, in order to enable swift and agile decision-making, the Company delegates a considerable portion of decisions on important business execution to Directors of the Board in accordance with the provisions of the Articles of Incorporation, and these matters are determined based on the Rules for the Management Meeting and the Rules for Approval Standards.

In addition, the Company has established committees such as the Budget Committee, the Capital Investment Committee, and the Product Development Committee as subcommittees of the Management Meeting, and has established a system to efficiently conduct deliberations in each specialized field. These subcommittees make decisions based on the Approval Authority Rules.

### [Principle 4-9. Independence Standards and Qualification for Independent Outside Directors]

Please refer to “2.1. [Independent Officers] Other matters concerning Independent Officers” in this report.

[Principle 4-10-1. Nomination and Remuneration Committee]

The Company has voluntarily established the Nomination and Remuneration Committee chaired by an Outside Director in order to enhance the independence, transparency and objectivity of the functions of the Board of Directors relating to the nomination of candidates for officers, the selection of senior management and other matters, and the determination of remuneration for Directors of the Board. The Committee is composed of two Inside Directors and three Outside Directors, and independence and objectivity is ensured by having Outside Directors form the majority of members. It discusses and reports on the consulted matters under the Board of Directors.

In fiscal year 2023, the Committee held nine meetings to discuss a review of the executive remuneration system (revision of remuneration levels, etc.), the selection of candidates for Outside Director, and specific individual proposals for nomination and remuneration.

[Supplemental Principle 4-11-1. Views on the Balance of directors' knowledge, experience and skills, and the Diversity, Scale of the Board of Directors as a Whole]

Please refer to Principle 3-1 (Policies and Procedures for Appointment and Dismissal of Senior Management and Nomination of Candidates for Officers) above.

In addition, in order to establish an effective supervisory system that takes into account strategies and the business environment, the Board of Directors will periodically verify its composition to make sure the necessary knowledge, experience, capabilities, and diversity (gender, internationality, work experience, and age) are considered. Skills expected of the Directors of the Board of the Company (skill matrix) are listed in “V. Other” under “2. Other matters concerning corporate governance system.”

[Supplemental Principle 4-11-2. Concurrent Positions held by Directors as Outside Officers]

For the significant concurrent positions held by the Directors of the Board of the Company including those at other listed companies, please refer to the “Notice of Convocation of the Annual General Meeting of Shareholders.”

<https://www.isuzu.co.jp/world/company/investor/stock/meeting.html>

[Supplemental Principle 4-11-3. Analysis and Evaluation of Effectiveness of the Board of Directors]

In order to improve the functions of the Board of Directors, the Company conducts evaluation and analysis of the effectiveness of the Board of Directors every year. An overview of the evaluation and analysis for fiscal year 2023 (fiscal year ended March 2024) is as follows.

#### 1. Analysis and evaluation process for fiscal year 2023

Based on the issues extracted in the evaluation of the effectiveness of the Board of Directors implemented last year, the Company implemented its evaluation focused on the strengths of the Company's Board of Directors and continuous monitoring of the state of issue resolution.

The Company also conducted a survey and interviews by a third-party organization on all Directors for analysis. In addition, the Company summarized measures to address issues picked out from the analysis results, and checked their evaluation and future measures after reporting them to the meeting of the Board of Directors held in April 2024.

#### 2. Summary of evaluation results (strengths)

The Board of Directors of the Company evaluated and identified the following three points as its strengths.

- (1) The composition of the Board of Directors is effective, backed by directors with diverse backgrounds.
- (2) The Board of Directors is working steadily and with a sense of speed on measures for improvement in its operation, the building of a risk management system by the Group CRMO, and other matters identified as issues.
- (3) Advance explanations, etc., to the directors, including Outside Directors, are functioning effectively for effective discussions at meetings of the Board of Directors, and their sufficiency has been secured.

#### 3. Summary of evaluation results (issues)

The Board of Directors of the Company identified the following three issues to be addressed in order to strengthen the monitoring functions.

- (1) Facilitation of discussions by the Board of Directors centered on the corporate philosophy and medium to long-term management plans
- (2) Enhancement of reporting on the state of internal controls, including risk management systems
- (3) Enhancement of discussions on capital cost / the business portfolio

#### 4. Major issues for fiscal year 2022 and the status of initiatives for fiscal year 2023

Major issues for fiscal year 2022 and the status of initiatives for fiscal year 2023

- (1) Appropriate agenda setting and the facilitation of discussions
  - Topics related to the corporate philosophy and medium to long-term management plans increased, and discussions took place that will contribute to monitoring from a medium to long-term perspective.
  - On the other hand, we will enhance discussions further by setting a systematic agenda throughout the year, such as setting an annual schedule.
- (2) Enhancement of reporting on the state of internal controls, including risk management systems
  - Executive-side monitoring functions were improved, including the strengthening of risk management systems and functions by the Group CRMO, and in increase in the frequency of risk-related reporting.
  - On the other hand, we will continue to strengthen preventive risk initiatives and collaboration between the Board of Directors and the Group CRMO.
- (3) Sharing of the opinions of each stakeholder with the Board of Directors

- The opinions of investors obtained through IR/SR and ESG interviews are reported to the Board of Directors as appropriate.
  - On the other hand, the content and frequency of reporting will be enhanced further.
- (4) Enhancement of discussions on capital efficiency/ the business portfolio
- Discussions on capital and financial strategies were advanced by holding discussions on the acquisition of treasury stock and financial strategies linked to the formulation of the mid-term business plan.
  - On the other hand, discussions on capital cost/ the business portfolio will be enhanced further.

[Supplemental Principle 4-14-2. Policy for Training of Directors]

The Company provides opportunities for Directors of the Board to raise their awareness of legal compliance within the Company at the time of their appointment. In addition, when Outside Directors assume their posts, the Company conducts orientation programs by each division, including tours of major sites in Japan and overseas, in order to deepen their understanding of the Company's business. In addition, Directors who are Audit and Supervisory Committee Members participate in seminars and other events held by the Japan Audit & Supervisory Board Members Association as appropriate, and work to acquire the necessary knowledge and information. The Company will continue to provide the necessary and sufficient support to enable Directors of the Board to fulfill their responsibilities more appropriately.

[Principle 5-1. Policy for Constructive Dialogue with Shareholders]

(Measures and initiatives to promote dialogue)

To promote constructive dialogue with shareholders, the Company has implemented measures and initiatives, including establishing a framework involving executives from Corporate Planning & Finance Division and Corporate Strategy Division, cooperating with other divisions as necessary. The Company will also consider enhancing the means of dialogue other than individual interviews, and will provide feedback on the content of the dialogue to senior management as appropriate, and report it to the Board of Directors depending on the content. In addition, as dialogue with shareholders is expected to increase in the future, the Company will make every effort to ensure that insider information and corporate information required to be disclosed in a timely manner under the Securities Listing Regulations is not communicated prior to disclosure, and to further strengthen information management by ensuring a silent period before each closing date, including quarterly financial results.

(Implementation status of dialogue)

In addition to financial result briefings organized four times a year, more than 250 dialogue sessions were held with shareholders and institutional investors last fiscal year.

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

From the perspective of emphasizing capital efficiency, we are aiming for ROE that exceeds the cost of shareholders' equity. In doing so, we will strive to improve profitability and strengthen cash management through measures that include increasing working capital efficiency. In addition, while comprehensively striking a balance between securing funds for growth investment and enhancing internal reserves for the purpose of maintaining financial soundness, we provide shareholder returns on the basis of profit earned in each period, and will maintain an average dividend payout ratio of 40% during the "ISUZU Transformation - Growth to 2030" mid-term business plan period. We will aim for steady dividend growth by improving profitability continuously.

[Supplemental Principle 5-2-1. Basic Policies and Review of Business Portfolio]

Based on the transformation of the corporate culture and strengthening of the financial base with its Corporate Philosophy, "ISUZU ID," as an origin, the Company will invest a total of 1 trillion yen in research and development, capital expenditure and strategic investments by 2030 to address issues such as carbon neutrality and DX for Logistics.

For details, "ISUZU Transformation - Growth to 2030" is available for reference on the company website.

【ISUZU Transformation - Growth to 2030】

[https://www.isuzu.co.jp/world/company/investor/plan/pdf/20240403\\_ISUZU\\_Transformation\\_EN.pdf](https://www.isuzu.co.jp/world/company/investor/plan/pdf/20240403_ISUZU_Transformation_EN.pdf)

In order to improve corporate value through management conscious of capital costs, the Company organizes profit and loss information and monitors its business from the perspectives of growth and profitability. Specifically, by setting and managing target profitability for each business, the Company pays attention to the appropriate allocation and collection of management resources.

## 2. Capital Structure

Foreign Shareholding Ratio	More than 30%
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[Status of Major shareholders] Update

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	101,630,200	13.54
Mitsubishi Corporation	63,633,040	8.47
ITOCHU AUTOMOBILE INVESTMENT L. L. C.	52,938,100	7.05
Custody Bank of Japan, Ltd. (Trust Account)	48,075,600	6.40
Toyota Motor Corporation	39,000,000	5.19
SSBTC CLIENT OMNIBUS ACCOUNT	11,569,431	1.54
STATE STREET BANK WEST CLIENT - TREATY 505234	11,121,114	1.48

JP MORGAN CHASE BANK 385781	10,717,834	1.43
JP Morgan Securities Japan Co., Ltd.	10,552,258	1.41
The Nomura Trust and Banking Co., Ltd. (Trust Account)	10,191,700	1.36

Controlling Shareholder (except for Parent Company)	-----
Parent company	None

#### Supplementary Explanation

- i) The table shows the status as of March 31, 2024.
- ii) The ratio (%) indicates the ratio to the total number of issued shares excluding treasury shares (26,606,851 shares).
- iii) Of the number of shares held by The Master Trust Bank of Japan, Ltd. (Trust Account), the number of shares pertaining to trust business is 100,723,600.
- iv) Of the number of shares held by Custody Bank of Japan, Ltd. (Trust Account), the number of shares pertaining to trust business is 43,654,100.
- v) In the Large Shareholding Report made available for public inspection on April 6, 2021, it is stated that Sumitomo Mitsui Trust Bank, Limited and its joint owners held the following shares as of March 31, 2021. However, as the Company cannot confirm the actual number of shares held as of March 31, 2024, they are not included in the major shareholders above. The content of the Large Shareholding Report is as follows.
- Sumitomo Mitsui Trust Bank, Limited: 1,581,000 shares  
Sumitomo Mitsui Trust Asset Management Co., Ltd.: 20,280,800 shares  
Nikko Asset Management Co., Ltd.: 17,275,900 shares
- vi) In the Large Shareholding Report (change report) made available for public inspection on March 7, 2024, it is stated that Nomura Asset Management Co., Ltd., held the following shares as of February 29, 2024. However, as the Company cannot confirm the actual number of shares held as of March 31, 2024, they are not included in the major shareholders above. The content of the Large Shareholding Report is as follows.
- Nomura Asset Management Co., Ltd. 45,365,700 shares
- vii) In the Large Shareholding Report (change report) made available for public inspection on November 22, 2023, it is stated that Mizuho Bank, Ltd. and its joint owners, Mizuho Securities Co., Ltd. and Asset Management One Co., Ltd. held the following shares as of November 15, 2023. However, as the Company cannot confirm the actual number of shares held as of March 31, 2024, they are not included in the major shareholders above. The content of the Large Shareholding Report (Amendment Report) is as follows.
- Mizuho Bank, Ltd. 7,965,705 shares  
Mizuho Securities Co., Ltd. 1,320,312 shares  
Asset Management One Co., Ltd. 25,067,300 shares
- viii) In the Large Shareholding Report (change report) made available for public inspection on January 11, 2024, it is stated that Wellington Management Japan Pte Ltd. and its joint owners, Wellington Management Company LLP, Wellington Management Europe GmbH and Wellington Management International Ltd., held the following shares as of December 29, 2023. However, as the Company cannot confirm the actual number of shares held as of March 31, 2024, they are not included in the major shareholders above. The content of the Large Shareholding Report (change report) is as follows.
- Wellington Management Japan Pte Ltd. 2,977,001 shares  
Wellington Management Company LLP 12,824,677 shares  
Wellington Management Europe GmbH 14,985,629 shares  
Wellington Management International Ltd. 7,227,947 shares
- ix) In the Large Shareholding Report made available for public inspection on December 20, 2023, it is stated that BlackRock Japan Co., Ltd. and its joint owners, BlackRock (Netherlands) BV, BlackRock Fund Managers Limited, BlackRock Asset Management Ireland Limited, BlackRock Fund Advisors and BlackRock Institutional Trust Company, N.A., held the following shares as of December 15, 2023. However, as the Company cannot confirm the actual number of shares held as of March 31, 2024, they are not included in the major shareholders above. The content of the Large Shareholding Report is as follows.
- BlackRock Japan Co., Ltd. 13,622,700 shares  
BlackRock (Netherlands) BV 2,388,605 shares  
BlackRock Fund Managers Limited 1,317,751 shares  
BlackRock Asset Management Ireland Limited 3,286,532 shares  
BlackRock Fund Advisors 10,456,000 shares  
BlackRock Institutional Trust Company, N.A. 8,078,050 shares

### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	March

Type of Business	Transportation equipment
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the previous fiscal year	More than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

#### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

#### 5. Other special Circumstances which may have Material Impact on Corporate Governance Update

## // Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with an Audit and Supervisory Committee
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#### [Directors] Update

Number of Directors Stipulated in Articles of Incorporation	18
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Company Chairperson
Number of Directors	14
Appointment of Outside Directors	Appointed
Number of Outside Directors	6
Number of Independent Directors	6

#### Outside Directors' Relationship with the Company (1) Update

Name	Attributes	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Mitsuyoshi Shibata	From another company									△			
Machiko Miyai	From another company												
Tetsuya Nakano	From another company												
Makoto Anayama	From another company									△			
Kanji Kawamura	Academic												
Kimie Sakuragi	From another company												

\* Categories for "Relationship with the Company"

- \* The mark “○” is shown if the person falls under the category “at present/recently” and “△” is shown if the person did so “in the past”
- \* The mark “●” is shown if the relative falls under the category “at present/recently” and “▲” is shown if the relative did so “in the past”
- a An executive of a listed company or its subsidiary
- b An executive or a non-executive director of the parent company of a listed company
- c An executive of a fellow subsidiary of a listed company
- d A person whose major business partner is a listed company or an executive thereof
- e A major business partner of a listed company or an executive thereof
- f A consultant, an accounting professional, and a legal professional who receives a substantial amount of money and other assets from a listed company other than remuneration for directors
- g A major shareholder of a listed company (in cases where the major shareholder is a juridical person, an executive of the said juridical person)
- h An executive of a business partner (those that do not fall under any of d, e and f) of a listed company (only the person himself/herself)
- i An executive of a company to which outside officers are mutually appointed (only the person himself/herself)
- j An executive of a company to which a listed company makes a donation (only the person himself/herself)
- k Other

#### Outside Directors' Relationship with the Company (2) Update

Name	Audit and Supervisory Committee Member	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Mitsuyoshi Shibata		○	Regarding the business relationship with Furukawa Electric Co., Ltd. (hereinafter referred to as the “business partner”), for which Mr. Mitsuyoshi Shibata has worked for many years, its nature and amount are not considered to be significant in light of the Company’s financial position, operating results and cash flow. In addition, the Company does not believe that there is any significance from the viewpoint of the business partner. Sales from the Company to Furukawa Electric Co., Ltd. and sales from Furukawa Electric Co., Ltd. to the Company both accounted for 0.1% or less of the Company’s consolidated net sales.	As an outside director, he supervises and advises the Board of Directors on business execution from an independent standpoint. The Company has appointed him as Outside Director in the expectation that he will be able to state his opinions as Outside Director 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-based insights as a manager of a listed company over many years, and to give advice and suggestions from his independent standpoint to ensure the validity and appropriateness of the decisions of the Board of Directors. In light of the independence criteria for Outside Directors set by the Company, the Company has determined that there is no risk of conflicts of interest with general shareholders and that he has sufficient independence. As a result, the Company appointed him as Independent Officer.
Machiko Miyai		○	There are no applicable items to be included in the table of “Relationship with the Company (1)” above.	She has experience working and participating in management in various industries and companies, and has been active across a wide range of activities, including giving lectures on diversity. She has abundant work experience in product development and marketing, and abundant knowledge of corporate communications, sustainability, etc., especially in the markets of ASEAN countries, areas where we operate. The Company has appointed her as Outside Director in the expectation that she will be able to strengthen the Company’s marketing area further based on perspectives from different industries and to provide opinions from multiple perspectives, and to give advice and suggestions from her



				<p>independent standpoint to ensure the validity and appropriateness of the decisions of the Board of Directors.</p> <p>In light of the independence criteria for Outside Directors set by the Company, the Company has determined that there is no risk of conflicts of interest with general shareholders and that she has sufficient independence. As a result, the Company appointed her as Independent Officer.</p>
Tetsuya Nakano		○	<p>There are no applicable items to be included in the table of “Relationship with the Company (1)” above.</p>	<p>He has overseen financial accounting and investor relations at a global food manufacturer.</p> <p>He has experience in the management of group companies and subsidiaries in multiple ASEAN countries, and also has an abundant track record in management from a global perspective.</p> <p>He has experience and knowledge of financial accounting, IT and corporate management, and knowledge in ASEAN countries, areas where we operate, and the Company has appointed him as Outside Director in the expectation that he will be able to give advice from multiple perspectives, and to give advice and suggestions from his independent standpoint to ensure the validity and appropriateness of the decisions of the Board of Directors.</p> <p>In light of the independence criteria for Outside Directors set by the Company, the Company has determined that there is no risk of conflicts of interest with general shareholders and that he has sufficient independence. As a result, the Company appointed him as Independent Officer.</p>
Makoto Anayama	○	○	<p>Regarding the business relationship with Development Bank of Japan Inc. (hereinafter referred to as the “business partner”), for which Mr. Makoto Anayama worked for many years, its nature and amount are not considered to be significant for the Company in light of the Company’s financial position, operating results and cash flow. In addition, the Company does not believe that there is any significance from the viewpoint of the business partner.</p>	<p>He has extensive knowledge and work experience in finance as well as considerable knowledge in finance and accounting. The Company has appointed him as Outside Director who serves as an Audit and Supervisory Committee Member in the expectation that he will audit the Company’s management from an objective and neutral standpoint and make timely and appropriate comments to the Board of Directors and the Audit and Supervisory Committee, based on this knowledge and work experience.</p> <p>In light of the independence criteria for Outside Directors set by the Company, the Company has determined that there is no risk of conflicts of interest with general shareholders and that he has sufficient independence. As a result, the Company appointed him as Independent Officer.</p>
Kanji Kawamura	○	○	<p>There are no applicable items to be included in the table of “Relationship with the Company (1)” above.</p> <p>While there are certain business relationship and capital ties between the Company and ITOCHU Corporation, where Mr. Kanji Kawamura worked for many years, a long time has passed since he left ITOCHU (26 years). As he has continued his activities in the field of</p>	<p>He has extensive knowledge and work experience in corporate legal affairs. The Company has appointed him as Outside Director who serves as an Audit and Supervisory Committee Member in the expectation that he will audit the Company’s management from an objective and neutral standpoint and make timely and appropriate comments to the Board of Directors and the Audit and Supervisory Committee, based on</p>

			research and education since his retirement, the Company believes that there is no significant relationship between Mr. Kawamura and ITOCHU and that he has secured sufficient independence.	this knowledge and work experience. Although he has not been directly involved in corporate management, the Company believes that he can appropriately perform his duties as an Outside Director who serves as an Audit and Supervisory Committee Member for the above reasons. In light of the independence criteria for Outside Directors set by the Company, the Company has determined that there is no risk of conflicts of interest with general shareholders and that he has sufficient independence. As a result, the Company appointed him as Independent Officer.
Kimie Sakuragi	○	○	There are no applicable items to be included in the table of "Relationship with the Company (1)" above.	She has extensive knowledge and work experience in corporate ethics and compliance. The Company has appointed her as Outside Director who serves as an Audit and Supervisory Committee Member in the expectation that she will audit the Company's management from an objective and neutral standpoint and make timely and appropriate comments to the Board of Directors and the Audit and Supervisory Committee, based on this knowledge and work experience. In light of the independence criteria for Outside Directors set by the Company, the Company has determined that there is no risk of conflicts of interest with general shareholders and that she has sufficient independence. As a result, the Company appointed her as Independent Officer.

### [Audit and Supervisory Committee]

Composition of the Committee and attributes of the chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	5	3	2	3	Outside Director
Appointment of Directors and/or Staff to Support the Audit and Supervisory Committee	Appointed				

Matters concerning the independence of such directors and employees from executive directors [Update](#)

In order to support the Audit and Supervisory Committee, the Company has established the Audit and Supervisory Committee Group, which reports directly to the Audit and Supervisory Committee and consists of four staff members to assist the Audit and Supervisory Committee Members in executing their duties. The Company has established the rules for assistant employees for the Audit and Supervisory Committee to ensure the independence of the Group and the effectiveness of instructions given to its staff.

Cooperation among the Audit and Supervisory Committee, Accounting Auditors, and Internal Audit Division

The Audit and Supervisory Committee and the Audit Division meet on a regular basis to share information and exchange opinions on the respective audit results and findings.

In addition, the Audit and Supervisory Committee and the Accounting Auditor meet on a regular basis, and if necessary, the General Manager of the Audit Division attends these meetings to exchange necessary information and promote cooperation.

### [Voluntary Established Committee]

Voluntary Establishment of committee(s) corresponding to the Nomination Committee or the Remuneration Committee	Established
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Status of Voluntarily Established committees, composition of committees, and attributes of the chairperson [Update](#)

	Name of the Committee	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Committee corresponding to Nomination Committee	Nomination and Remuneration Committee	5	0	2	3	0	0	Outside Director
Committee corresponding to Remuneration Committee	Nomination and Remuneration Committee	5	0	2	3	0	0	Outside Director

#### Supplementary explanation

[Update](#)

The Company has voluntarily established the Nomination and Remuneration Committee chaired by an Outside Director as an organization for corporate governance in order to enhance the independence, transparency and objectivity of the functions of the Board of Directors relating to the nomination of candidates for officers, the selection of senior management and other matters, and the determination of remuneration for Directors of the Board.

The Nomination and Remuneration Committee is composed of five members, two Inside Directors and three Outside Directors, and under the supervision of the Board of Directors, this committee deliberates on agenda items for which consultation is sought and provides recommendations.

In fiscal year 2023 (fiscal year ended March 2024), the Committee held nine meetings to submit proposals for nomination and remuneration discussed at its meetings to the Board of Directors and discuss matters such as a review of the executive remuneration system (revision of remuneration levels, etc.), the selection of candidates for Outside Director, and specific individual proposals for nomination and remuneration.

#### [Independent Directors]

[Update](#)

Number of Independent Directors

6

#### Other matters concerning Independent Directors

The Company has established the independence criteria for Outside Directors as follows, and all Outside Directors who meet the qualifications for Independent Directors are designated as such.

##### <Independence Criteria for Outside Directors of the Board>

The Company's independence criteria for Outside Directors are in accordance with the independence criteria set forth by the Tokyo Stock Exchange. Executives of the Company's major business partners, persons whose major business partner is the Company, or their executives, as well as consultants, accounting professionals or lawyers who receive a significant amount of money from the Company in addition to officer remuneration, are judged not to be independent in principle.

Of these, a "major" business partner is a company whose transaction volume with the Company accounts for 2% or more of the consolidated sales of either the business partner or the Company in the previous consolidated fiscal year, and the criteria for a "significant" amount is 10 million yen or more per year.

#### [Incentives]

Measures to provide incentives to Directors

Performance-linked remuneration system

#### Supplementary Explanation

Please refer to the "[Remuneration for Directors of the Board] Disclosure of the amount of remuneration and policy for the method of calculating remuneration" for details.

Recipients of Stock Options

#### Supplementary Explanation

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#### [Director Remuneration]

Disclosure of Individual Directors' Remuneration

Selected Directors

#### Supplementary Explanation

In the Business Report and the Annual Securities Report, the Company discloses the total amount of remuneration paid to each category of Officers and the number of Officers eligible to receive remuneration.

Officers whose total amount of remuneration is 100 million yen or more are individually disclosed in the Annual Securities Report. (Notice of Convocation of the Annual General Meeting of Shareholders

<https://www.isuzu.co.jp/world/company/investor/stock/meeting.html>)

(Annual Securities Report <https://www.isuzu.co.jp/world/company/investor/financial/securities/>)

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods Update

Matters concerning the policy for determining the amount and the calculation method of Directors' remuneration

## a. Basic policy for remuneration system

The Company has established the basic policy for remuneration for Directors and Executive Officers as follows.

1. Remuneration should contribute to the sustainable growth and enhancement of corporate value of the Company, and share value with shareholders
2. The remuneration level should be necessary and appropriate to secure and retain talented personnel, taking into account the economic environment, market trends and the level of other companies
3. The amount of remuneration should reflect the Company's and each person's performance, and be commensurate with their job responsibilities and positions
4. The process to determine remuneration should be highly objective, fair and transparent
5. The officer remuneration system and the payment level should be reviewed on a regular basis in line with the update of the Mid-Term Business Plan, in light of the economic environment, the levels and systems of other companies, and the operational status of the system in the Company

## b. Policies for remuneration structure and determining remuneration

## 1. Overview of remuneration structure

- Remuneration for Directors (excluding Directors who serve as Audit and Supervisory Committee Members) consists of basic remuneration, bonuses linked to the degree to which targets for consolidated performance in a single fiscal year are achieved, and remuneration based on the performance share remuneration system linked to the degree to which management indicators aimed at sustainable enhancement of corporate value are achieved during the Mid-Term Business Plan period (the "share-based remuneration"). The number of Directors (excluding Directors who serve as Audit and Supervisory Committee Members) is nine (of those, three are Outside Directors).
- Remuneration for Directors who serve as Audit and Supervisory Committee Members consists solely of basic remuneration. The number of Directors who serve as Audit and Supervisory Committee Members is five (of those, three are Outside Directors).
- Notwithstanding the above, remuneration for Outside Directors consists solely of basic remuneration from the viewpoint of their roles and independence.

## 2. Policy for determining remuneration for individual Directors

Based on the basic policy for the remuneration system, in order to build a remuneration system that functions appropriately as an incentive to achieve short-term performance targets and increase corporate value over the medium to long term, and ensures the transparency and objectivity in the remuneration determination process, the Board of Directors, after deliberation by the Nomination and Remuneration Committee, resolved at its meeting held on June 26, 2024 on a policy to determine remuneration for individual Directors.

- Basic remuneration for each Director is determined within the limit approved at the General Meeting of Shareholders and according to the Director's position and performance.

The Board of Directors entrusts the evaluation of individual performance to the CEO, who conducts evaluations based on individual performance in the previous fiscal year, and after consulting with the Nomination and Remuneration Committee, finalizes the amount to be paid to each Director in June each year. The amount divided by 12 is paid as monthly remuneration. However, for Outside Directors, individual performance is not evaluated and reflected. Remuneration for Directors who serve as Audit and Supervisory Committee Members is determined by discussion of Directors who serve as Audit and Supervisory Committee Members within the limit approved at the General Meeting of Shareholders, and the amount divided by 12 shall be paid as monthly remuneration. Bonuses for each Director are calculated by reflecting the Company performance in the base amount by position and within the limit approved at the General Meeting of Shareholders. Then, they are determined in May every year upon consultation with the Nomination and Remuneration Committee and discussion by the Board of Directors, and paid in July each year.

At the 122nd General Meeting of Shareholders held on June 26, 2024, the amount of annual remuneration, including basic remuneration and bonuses, for Directors (excluding Directors who serve as Audit and Supervisory Committee Members) was set at no more than 1,300 million yen (of which, the amount for Outside Directors shall be no more than 131 million yen per year, and bonuses shall not be paid to Outside Directors in light of their roles and independence), taking into account the number of Directors, the economic environment, market trends, and the levels of other companies.

In addition, the amount of such remuneration does not include the salary for employees for Directors who also serve as employees, as has been the case in the past.

- Remuneration for Directors who serve as Audit and Supervisory Committee Members is set at no more than 300 million yen per year, taking into account the number of Directors, the economic environment, market trends, and the levels of other companies.
- Share-based remuneration for each Director is calculated by reflecting the Company performance based on the targets of the Mid-Term Business Plan in the base amount by position and within the limit approved at the General Meeting of Shareholders. Then, it is determined upon consultation with the Nomination and Remuneration Committee and discussion by the Board of Directors, and paid in the fiscal year following the end of the Mid-Term Business Plan. There is no discretion in determining the amount of bonuses and share-based remuneration for each Director, because after the base remuneration is determined as described in "e." below, the amount is automatically calculated by factors and such, and depends only on the Company's performance.

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

Performance-based remuneration under the Company's officer remuneration system paid to Directors (excluding Directors who serve as Audit and Supervisory Committee Members and Outside Directors) as described above consists of bonuses (linked to short-term performance) and share-based remuneration (linked to the degree of achievement of targets in the Mid-Term Business Plan) linked to medium- to long-term performance. The ratio of basic remuneration, bonuses and share-based remuneration is 1.00 : 0.70 : 0.70 (Chairman and CEO), 1.00 : 0.50 : 0.50 (President and COO, Vice President, CMzO and CSO), and 1.00 : 0.40 : 0.30 (Directors other than the above) when performance targets are achieved 100%.

d. Delegation of determination of remuneration and other

At a meeting of the Board of Directors held on June 26, 2024, the Board of Directors passed a resolution to delegate the determination of the specific details of the basic remuneration for each Director to the CEO.

The authority delegated is to evaluate the individual performance of Directors (excluding Directors who serve as Audit and Supervisory Committee Members and Outside Directors) and, based on this, to determine the amount of basic remuneration for each Director. The reason for delegating such authority is that the CEO is the most appropriate person to properly evaluate the business each Director is in charge of, including the process, while taking a bird's eye view of the Company's overall performance. To ensure that such authority is properly exercised by the CEO, the Board of Directors has established the procedures for consulting with and reporting to the voluntary Nomination and Remuneration Committee, a majority of which consists of Independent Outside Directors. The CEO fulfills accountability to this Committee and ensures the objectivity and fairness of the remuneration.

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

1. Bonuses

As an indicator of performance-based remuneration, bonuses are linked to the degree to which targets for consolidated net sales, consolidated operating income, and net income attributable to owners of parent company are achieved. We 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.

The reason for selecting these performance indicators is that they are consistent with the goals set out in the Group's mid-term business plan and we believe they are important scale indicators to steadily accumulate results each fiscal year toward realizing these goals, and because we think we should adopt multiple indicators based on recent trends at other companies, etc.

2. Share-based remuneration

At the 122nd General Meeting of Shareholders held on June 26, 2024, it was resolved that the maximum amount of the Company's contribution as performance share remuneration for Directors (excluding Directors who serve as Audit and Supervisory Committee Members and Outside Directors) and Executive Officers ("Directors and others") would be 4,900 million yen for each fiscal year (three fiscal years in principle, "Target Period") covered by the Mid-Term Business Plan, and the Company determined the amount to be paid within this limit.

Those who are eligible for the share-based remuneration system are six Directors (excluding Directors who serve as Audit and Supervisory Committee Members and Outside Directors) and 17 Executive Officers (excluding Executive Officers who serve as Directors), a total of 23.

For the amount of share-based remuneration, the performance-linked coefficient is calculated at between 0 and 240.0% by first multiplying the degree of achievement of the targets for consolidated net sales, consolidated operating income and consolidated return on equity (ROE), etc., during the Target Period, the degree of achievement of the GHG emissions reduction target aimed at the promotion of the carbon neutrality strategy, and the coefficient related to the degree of growth of shareholder value (\*1). We determine the points to be granted by using the base amount by position that serves as a basis for basic remuneration and the composition ratio mentioned above, in addition to the assumed stock price (\*2).

Each evaluation indicator is a target set forth in the Company's mid-term business plan, "ISUZU Transformation - Growth to 2030," (fiscal year ending March 2025 to the fiscal year ending March 2027), and each indicator is selected because it is an important indicator of the progress of the plan.

\*1 Valuation is based on the comparison between total shareholder return of the Company and TOPIX growth rate (including dividends) during the Target Period.

Total shareholder return is the total investment return for shareholders, including capital gains and dividends.

\*2 The average closing price (fractions are rounded down) of the Company's shares in ordinary trading on the Tokyo Stock Exchange on each day of the month preceding the month in which the start date of the Target Period falls (excluding the days on which no trade is made)

The purpose of this system is to further raise Directors' awareness of the achievement of medium- and long-term management goals and the improvement of corporate value by further clarifying the link between the remuneration of Directors and others, and the Company's performance as well as share value, and by sharing not only the benefit of an increase in the share price but the risk of a decline among Directors and others. The Company believes that the introduction of this system is appropriate. As for the upper limit of money the Company pays, the Company believes that the level is reasonable in light of the economic environment, market trends, and the levels of other companies, and that the level is necessary and appropriate to secure and retain talented personnel. The Nomination and Remuneration Committee has also reported the same.

The target for consolidated operating income for the fiscal year under review was 293.1 billion yen, compared with the announced earnings forecast of 280 billion yen. The target for consolidated operating income for the fiscal year ending March 2025 is 260 billion yen, which is the announced earnings forecast.

In the Mid-Term Business Plan 2024 (from the fiscal year ended March 2022 to the fiscal year ended March 2024), the Company set the targets for the fiscal year ended March 2024, the final year of the plan, at 2.75 trillion yen in consolidated net sales, 250 billion yen in consolidated operating income, and 12.5% in consolidated return on equity, and the results were consolidated net sales of 3.3867 trillion yen, consolidated operating income of 293.1 billion yen and a consolidated return on equity of 12.7%.

f. Reasons why the Board of Directors has determined that the details of the remuneration for individual Directors for the fiscal year under review are in line with the policy

In determining the remuneration for individual Directors, the Board of Directors has determined that the Nomination and Remuneration Committee verified the remuneration amount calculated based on the policy, the individual performance evaluation process, and the Company's performance objectively and multilaterally, and that it is in line with the policy for determining remuneration.

g. Policy for activities of the Board of Directors and the Nomination and Remuneration Committee in determining remuneration

The authority to determine the policy for determining the amount and the calculation method of remuneration for Directors is delegated to the Board of Directors.

Regarding the activities of the Board of Directors in determining officer remuneration for the fiscal year under review, the resolution was passed for payment of basic remuneration for Directors at an extraordinary meeting of the Board of Directors held on June 28, 2023, and for payment of bonuses at a meeting of the Board of Directors held on May 24, 2024.

The voluntary Nomination and Remuneration Committee, a majority of which consists of Independent Outside Directors, discusses matters concerning policies and procedures for determining remuneration, the amount of remuneration and the process for evaluation of individual performance, passes a resolution for them and reports them to the Board of Directors. Agendas on remuneration at the meeting of the Board of Directors are presented based on what was discussed and reported at the meeting of the Nomination and Remuneration Committee held a few days earlier. Major matters discussed by the Nomination and Remuneration Committee and resolved by the Board of Directors during the fiscal year under review are as follows. The Nomination and Remuneration Committee has convened nine times during the current fiscal year

- Review of the executive remuneration system (revision of remuneration levels, etc.)
- Amounts of basic remuneration paid to each individual
- Bonus payment amounts (scheduled for payment in July 2024)

### **[Support System for Outside Directors]**

In order for Outside Directors of the Board to actively express their opinions at the Board of Directors meetings and to facilitate deliberations, the Company provides advance explanations for proposals at the Board of Directors meetings, and continuously strives to enhance materials so as to provide information necessary for management supervision.

## **2. Matters concerning the functions of business execution, audit and supervision, Nomination, and remuneration decisions (Overview of the current corporate governance system)**

The Company is a company with an Audit and Supervisory Committee. The Company has established the Board of Directors and the Audit and Supervisory Committee as statutory meeting bodies and uses them to resolve, supervise and audit major business operations. In addition to the statutory meeting bodies, the Company has established the Management Meeting to deliberate important policies and measures, perform business management, and execute other overall business operations. It has also established various advisory bodies and meeting bodies to contribute to decision-making on supervision and business execution.

### **<Board of Directors>**

The Board of Directors makes important management decisions and supervises them in order to respond to the mandate from and trust of shareholders and to continuously enhance corporate value. In principle, the Board of Directors meets every month and holds extraordinary meetings as needed to deliberate and determine necessary matters.

The current Board of Directors consists of 14 Directors. The chairperson is irman and CEO, Masanori Katayama, and six of the 14 Directors are Independent Outside Directors.

### **<Audit and Supervisory Committee>**

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

The current Audit and Supervisory Committee consists of five members. In order to strengthen the audit and supervisory functions of the Audit and Supervisory Committee Members, and to enable information-sharing as well as sufficient cooperation with the Accounting Auditor and the Internal Audit Division through daily information collection and attendance at important internal meetings, the Company has appointed three Members as full-time Audit and Supervisory Committee Members.

The Chairman is Makoto Anayama, a Director who serves as a full-time Audit and Supervisory Committee Member. Three of the five Directors who are Audit and Supervisory Committee Members are Independent Outside Directors of the Board.

All five Directors who serve as Audit and Supervisory Committee Members are appointed Audit and Supervisory Committee Members.

### **<Nomination and Remuneration Committee>**

In addition to the statutory bodies above, the Company has voluntarily established the Nomination and Remuneration Committee chaired by an Outside Director as an organization for corporate governance in order to enhance the independence, transparency and objectivity of the functions of the Board of Directors relating to the nomination of candidates for officers, the selection of senior management and other matters, and the determination of remuneration for Directors of the Board.

The Nomination and Remuneration Committee of the Company is composed of five members, two Inside Directors and three Outside Directors. The committee is chaired by Mitsuyoshi Shibata, an Outside Director, and discusses the matters it is consulted upon under the Board of Directors and submits reports.

<Executive Officer system and Management Meeting>

At the Company, the segregation of supervision and business execution enables the Board of Directors, which is a supervisory body, to facilitate its deliberations, and the Company has established a system for swift decision-making and execution through appropriate delegation of authority from the Board of Directors. The Company places Executive Officers and persons in charge of execution as persons responsible for swift decision-making and execution as well as business execution in the respective areas they are responsible for.

The Company has also established the Management Meeting consisting of Chairman and CEO, Masanori Katayama, President and COO, Shinsuke Minami, the EVP of each division and such. The chairperson is Masanori Katayama, Chairman and CEO, and the Management Meeting resolves and discusses matters concerning business management and execution within the scope of the delegation of authority from the Board of Directors.

### 3. Reasons for Adoption of Current Corporate Governance System

In order for a company to increase its corporate value in response to the mandate and trust of all stakeholders surrounding the Company, management must strive to expand the common interests of the company and all stakeholders and to align the interests of each stakeholder, without being biased toward its position, its own interests, or the interests of specific stakeholders.

In order to establish a corporate governance system that is considered appropriate for ensuring the trust of all stakeholders and to further improve the reasonableness and speed of management decision-making, as well as to enhance the deliberation of the Board of Directors and strengthen its supervisory function, the Company has adopted a Company with an Audit and Supervisory Committee, which is able to delegate to Executive Directors a considerable portion of decisions on important business execution made by the Board of Directors.

## /// Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Vitalize the General Meetings of Shareholders and smooth exercise of Voting Rights

	Supplementary Explanations
Early Notification of Notice of Convocation of the General Meeting of Shareholders	As a general rule, the Company mails the Notice of Convocation of the General Meeting of Shareholders approximately three weeks prior to the date of the Meeting. The Company also posts an electronic file on the website of the Tokyo Stock Exchange and the Company's website approximately four weeks prior to the date of the Meeting.
Allowing Electronic Exercise of Voting Rights	The Company adopts the exercise of voting rights by electromagnetic means from the viewpoint of improving convenience for investors.
Participation in the electronic voting platform and other efforts to improve the voting environment for institutional investors	The Company has been participating in the platform since its first year of operation.
Provision of Notice of Convocation (Summary) in English	In addition to providing English translations of all pages on the above platform and on the website of the Tokyo Stock Exchange, the Company also posts them on its website.

### 2. IR Activities Update

	Supplementary Explanations	Explanation by the representative
Preparation and publication of Disclosure Policy	Please refer to the "Investor Relations" page of the Company website.	
Regular Investor Briefings for Analysts and Institutional investors	The Company holds quarterly financial results briefings by the President or the officer in charge by web conference. In addition, the Company holds individual briefings for securities analysts and institutional investors in person, over the phone and on the Web.	Yes

Regular Investor Briefings for Overseas investors	Although the Company does not hold company-sponsored briefings, it holds individual briefings for overseas institutional investors in person, over the phone and on the Web. In addition, we participate in conferences sponsored by securities companies, and participated four times last year.	None
Posting of IR Materials on Website	The Company has developed an "Investor Relations" page on its website. As information for investors, the Company discloses various reports such as the President's Message, the mid-term business plan (IX), financial summary, Notice of Convocation of the General Meeting of Shareholders, and the Integrated Report. In addition to the materials used in the aforementioned financial results briefing, the Company discloses explanatory videos and the Japanese and English versions of Q&A sessions. The Company has a "Press Release" page to post various released materials, and updates them as needed.	
Establishment of Department and/or Manager in Charge of IR	The division in charge of IR is the Corporate Planning Department of the Planning and Finance Division. The officer in charge of IR is the General Director of the Division.	

### 3. Measures to Ensure Due Respect for Stakeholders Update

Supplementary Explanations	
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company has established and disclosed the Basic Policy for Compliance with the purpose of fulfilling its corporate social responsibility and realizing its Corporate Philosophy while building a relationship of trust with its stakeholders.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	Aiming to realize "Isuzu Environmental Vision 2050," which was formulated in March 2020, the Group has established the Sustainability Committee, chaired by a Director and consisting of executives including officers in charge of the respective area as full-time members, to promote sustainability on a group-wide basis. The Group has established the four Environmental Subcommittees and the Sociality Subcommittee under this Committee to address environmental and social issues. Details of the environmental conservation and CSR activities are available on the Company website. ( <a href="https://www.isuzu.co.jp/world/company/sustainability/report.html">https://www.isuzu.co.jp/world/company/sustainability/report.html</a> )

## IV Matters Concerning the Internal Control System Update

### 1. Basic Views on Internal Control System and the Progress of System Development

The Company has established the following basic policy for the establishment of a system to ensure the appropriateness of the Company's business operations, and will develop and maintain systems based on this policy.

(1) System to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

- The Company positions strict compliance as its top priority. In the Company, "compliance" means not only complying with laws and regulations but also acting individually as an officer or an employee on a high ethical basis that responds to the trust placed in us by society.
- The Company thoroughly informs its officers and employees of its Basic Policy for Compliance and Compliance Code of Conduct, and secure the effectiveness of compliance.
- The Company obtains objective advice, supervision and evaluation on the promotion of compliance and the development of systems from the Compliance Committee, which includes outside experts as members. The Risk Management Division manages and promotes matters related to compliance, and expands the activities throughout the Company via the Quality and Compliance Promotion Meetings, which representatives of each division attend. In addition, the Company secures the internal audit function for compliance by having the Audit Division conduct audits.
- The Audit Division conducts internal audits with the aim of ensuring that the Company is recognized and trusted by society and contributing to the achievement of the Company's management goals by fairly and objectively evaluating the status of management activities related to "compliance," "risk management system," "corporate governance" and other matters from an independent standpoint and issuing improvement instructions and requests.



- The Company appoints independent Outside Directors to enhance the objectivity, neutrality and transparency of the supervisory function of the Board of Directors in the execution of their duties.
- The Company takes a resolute attitude to cut off all ties with antisocial forces and organizations and to reject unjust demands.
- The Company will establish three consultation services (a workplace service, division service, and company-wide service) as contact points for internal reporting and consultation on compliance matters. In addition, the Company will establish a reference box (external consultation service) at an external law firm to respond in cases where it is difficult to consult and resolve issues through the internal consultation services for some reason.

(2) System for the preservation and management of information for the execution of duties by Directors

- In accordance with laws and regulations, the Rules of the Board of Directors and other internal rules, the Company appoints a department in charge of storing and managing the minutes of the Board of Directors meetings and other information related to the execution of duties by Directors for each type of information, and such department shall store and manage such information appropriately, and the Supervising Manager of Confidential Information Management shall properly manage confidential information in accordance with laws and regulations and the Rules for Handling of Confidential Information. In addition, such information will be made available for inspection at the request of the Audit and Supervisory Committee.
- For information management and information security management, the Company has developed a proper information management system in association with the “Group Information Security Policy” by having the Information Security Management Council, consisting of the Group CRMO and representatives from each division, evaluate the status of security measures by each division and report the status to the Board of Directors as appropriate to ensure thorough information management.
- The Company has established the Rules for Handling Collaborative Information in order to prevent the loss of trust between the Company and its collaborative partners. Accordingly, the Company will make sure to have employees fully aware of such measures as preventing confidential information of collaborative partners from being leaked from the Company to outside parties, including other collaborative partners, and preventing it from being mixed into or misused in research and development with other collaborative partners.

(3) Rules and other systems for management of risk of loss

- In accordance with the Risk Management Rules, based on a three-line defense system, the General Managers of the respective divisions, who are the first line, take preventive measures and respond to events where risks manifest themselves as risk owners, including the Group companies, through business execution, and the Group CRMO and the Risk Management Division, who are the second line, establish a risk management system for the entire Group and manage and supervise the first line’s measures to address risks. In addition, the third line, the Audit Division, determines the rationality of the risk management system and mechanisms independently of the divisions and the Group CRMO.
- The Group CRMO regularly reports to the Representative Director and the Board of Directors on the status of risk management and follows instructions given by the Representative Director or the Board of Directors. The Group CRMO reports the status of risk management to the Representative Director and the Board of Directors when it deems necessary.
- The Group CRMO regularly hosts Risk Management Check Meetings to understand the progress of risk prevention efforts and risks that have manifested themselves, and to constantly review measures and risk awareness. The Board of Directors regularly checks and evaluates the status of risk management, and in the event of a crisis that has a significant impact on management, the Group CRMO is responsible for determining and implementing crisis responses (including the establishment of a system) to minimize the impact and reduce the damage to corporate value.

(4) System to ensure that duties of Directors are executed efficiently

- In accordance with Article 399-13, Paragraph 6 of the Companies Act and Article 25 of the Company’s Articles of Incorporation, all or part of the decisions on important business execution are delegated to Directors. Directors delegated by the Board of Directors make decisions on important business execution in accordance with the Rules for Approval Standards and other regulations.
- The Board of Directors formulates basic management policies such as a management plan to guide decisions by Directors on business execution, and monitors whether Directors are making decisions in line with these policies.
- The Company appoints CxO (Chief Executive Officer by Sector) and Executive Officers who provide appropriate support in the execution of duties by Directors.

(5) System to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries

- In order to be recognized and trusted by society, the Company and the Group have adopted the “ISUZU ID” as its corporate philosophy and formulated the “Group Compliance Code of Conduct,” and take appropriate actions to ensure that all the Group officers and employees act in accordance with these principles.
- The Company requests each company in the Group to develop a compliance system appropriate to each company and to ensure strict compliance, as well as to develop an appropriate risk management system and take measures to address risks.
- The Company has established the Rules for Management of Group Companies and the Detailed Regulations for Management of Group Companies to strengthen the system to ensure the appropriateness of the Group’s business operations.
- In addition to the continuous monitoring of the senior management of each company in the Group on the business status thereof by the senior management of the Company, the Company receives reports on the compliance status, risk management status, and systems to ensure operational efficiency of the respective company, and requests improvements if any improvements are identified.
- Group companies conduct internal audits in accordance with the “Internal Audit Rules of the Company”, and make necessary notices, requests and reports to the department in charge of business management of Group companies. However, for group companies that have an audit function, the results of internal audit will be followed.
- The Company establishes a system to ensure the reliability of financial reporting under the Financial Instruments and Exchange Act.

(6) Matters concerning an employee assigned upon request of the Audit and Supervisory Committee who should support their duties

- In accordance with the request from the Audit and Supervisory Committee, the Company establishes an “Audit and Supervisory Committee Group” as an internal organization of the Company, and appoints an employee who should support the duties of the Audit and Supervisory Committee.

(7) Matters concerning ensuring the independence of an employee who should support the duties of the Audit and Supervisory Committee from Directors (excluding Directors who serve as Audit and Supervisory Committee Members) and the effectiveness of instructions given to such employee

- In order to ensure the independence of an employee who should support the duties of the Audit and Supervisory Committee from Directors (excluding Directors who serve as Audit and Supervisory Committee Members) and the effectiveness of instructions given to such employee, the Company places such employee under command of the Audit and Supervisory Committee, and obtains prior consent of the Audit and Supervisory Committee with respect to personnel changes, performance review and awards and penalties.

(8) System for Directors and employees of the Company and its subsidiaries to report to the Audit and Supervisory Committee

- The Company establishes a system in which Directors (excluding Directors who serve as Audit and Supervisory Committee Members), Executive Officers and other equivalent persons and employees of the Company and each company in the Group report to the Audit and Supervisory Committee, as appropriate, the status of business execution and management of the Company and each company in the Group and other matters determined in consultation with the Committee, and disclose or report necessary and sufficient information to the Committee as and when required by the Committee.
- The Company cooperates with liaison meetings held on a regular basis by the Audit and Supervisory Committee of the Company and the Audit & Supervisory Board Members of each company in the Group for the purpose of enhancing and strengthening auditing across the Group through mutual cooperation.

(9) System to ensure that a person who has made reports to the Audit and Supervisory Committee is not treated unfavorably because he/she has made such reports

- The Company prohibits any person who has made a report to the Audit and Supervisory Committee pursuant to the preceding paragraph from being treated unfavorably on the basis of making such report, and ensures that all officers and employees of the Company and each company in the Group are fully aware of this.

(10) Procedures for advance payment or reimbursement of expenses incurred in connection with the execution of duties by Directors who serve as Audit and Supervisory Committee Members, and matters concerning policies for the treatment of other expenses or liabilities incurred in connection with the execution of such duties

- If a Director who serves as an Audit and Supervisory Committee Member requests the Company to prepay expenses, reimburse expenses or perform obligations in connection with the execution of their duties, the Company pays such expenses or obligations promptly in accordance with laws and regulations.
- The Company secures adequate budget every year to pay expenses and such incurred in the execution of duties by Directors who serve as Audit and Supervisory Committee Members.

(11) Other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

- For the reporting lines of the Audit Division, in addition to the reporting line to Chairman and CEO, the Company secures a direct reporting line to the Audit and Supervisory Committee.
- The Company obtains prior consent from the Audit and Supervisory Committee for personnel changes of the General Manager of the Audit Division and the managers above the General Manager of the Audit Division in the chain of command.
- The Company ensures that Directors who serve as Audit and Supervisory Committee Members have an opportunity to attend Management Meetings.
- In addition, in order to develop other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively, the Company continues to consult with the Audit and Supervisory Committee on an ongoing basis, and works to take necessary measures to fulfill requests from the Audit and Supervisory Committee through such consultations.

## 2. Basic Views on Eliminating Anti-Social Forces

- ◇ Basic views on elimination of antisocial forces

As a member of civil society, the Company stands firm against antisocial forces and groups.

- ◇ Progress in measures to eliminate antisocial forces

Development of Code of Ethics and Code of Conduct

The Company thoroughly informs its Officers and employees of its Compliance Code of Conduct, which includes the aforementioned basic stance on elimination of antisocial forces. In addition, the Company’s basic policy for the establishment of a system to ensure the appropriateness of the Company’s business operations clearly states that it will resolutely take measures to block any such relationships.

Development of Other Internal Systems

- The General Affairs and Human Resources Division is in charge, and has one person in charge of preventing unreasonable demands.
- In preparation for unreasonable demands from antisocial forces, the Company is working to build closer cooperation with external professional organizations and collect information on antisocial forces.
- Specifically, the Company holds training sessions with the police twice a year to receive information and guidance on the situation of organized crime and countermeasures, and promote measures to eliminate and prevent unreasonable demands. In addition, the Company has entered into an advisory contract with an attorney and receives legal guidance on unreasonable demands.

- The Company joins the Association for Organized Crime Prevention Measures within the Metropolitan Police Department and examines measures to eliminate and prevent unreasonable demands through seminars, public meetings, and lectures on organized crime.

## **V Other**

### **1. Adoption of Anti-Takeover Measures**

Adoption of Anti-Takeover Measures

Not Adopted

Supplementary Explanation

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### **2. Other Matters Concerning to Corporate Governance System**

#### 1. Basic policy for timely disclosure

Since its listing on the Tokyo Stock Exchange in May 1949, the Company has endeavored to comply with all applicable laws and regulations and disclose corporate information in a timely and appropriate manner.

When material facts prescribed in the Financial Instruments and Exchange Act (FIEA) arise, the Company determines the timing, method, and content of the disclosure of such material facts at the time when such material facts arise or without delay thereafter, in accordance with the Securities Listing Regulations, the systems and rules of the Tokyo Stock Exchange, and the FIEA Ordinance. In particular, the Company strives to disclose information subject to timely disclosure in an accurate, fair and prompt manner through TDnet, including information that does not fall under the category of material facts, and the Company works to actively provide supplemental information on financial results on the Company website in order to deepen the understanding of investors.

#### 2. Internal system for timely disclosure

##### (1) Aggregation of information

Each division will report any information that may be subject to timely disclosure to the Public Relations Group of the Public Relations Division. Information on subsidiaries will also be reported to the Public Relations Group of the Public Relations Division via the division in charge at the Company.

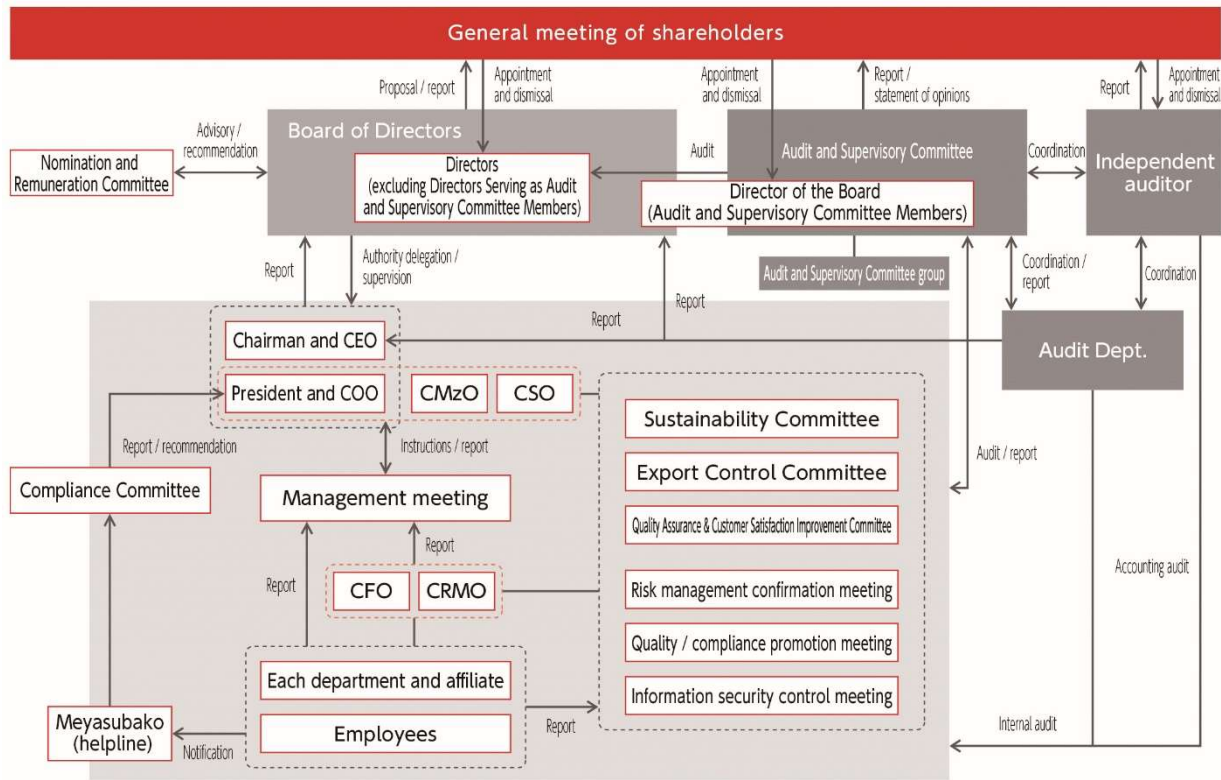
##### (2) Submission of proposals to the Board of Directors and disclosure of information

Important decisions of the Company go through a process where the department responsible for the specific matter or the proposing department conducts internal deliberations at lower-level committees and obtains approval from the Board of Directors or other relevant bodies. Decisions of significance among them shall be sent to the Public Relations Group of the Public Relations Division and disclosed on the same day. For any facts that arise, they are promptly reported within the internal reporting line, and upon examination by the relevant department and the occurrence site, appropriate information is disclosed expeditiously through the Public Relations Group, via the Public Relations Department.

##### (3) Other

In addition to information that is disclosed in a timely manner, the Company will promptly make comments regarding unclear news reports after checking the facts with relevant divisions.

Corporate Governance Organization Chart Update



Skills expected of the Directors of the Board (skill matrix) Update

Name	Audit and Supervisory Committee Member	Independent Outside	Corporate Management	Finance and Accounting	Global Experience	Legal/Risk Management	ESG/ Sustainability	Sales/ Products/ Marketing/ After-sales service	Manufacture /Technology /R&D	IT/Digital/ DX
Masanori Katayama <span style="border: 1px solid black; padding: 1px;">Male</span>			●	●	●		●		●	
Shinsuke Minami <span style="border: 1px solid black; padding: 1px;">Male</span>			●	●	●			●		
Shinichi Takahashi <span style="border: 1px solid black; padding: 1px;">Male</span>					●		●	●	●	
Naohiro Yamaguchi <span style="border: 1px solid black; padding: 1px;">Male</span>			●	●	●			●		
Shun Fujimori <span style="border: 1px solid black; padding: 1px;">Male</span>								●	●	●
Tetsuya Ikemoto <span style="border: 1px solid black; padding: 1px;">Male</span>			●	●				●		
Mitsuyoshi Shibata <span style="border: 1px solid black; padding: 1px;">Male</span>		●	●		●		●		●	●
Machiko Miyai <span style="border: 1px solid black; padding: 1px;">Female</span>		●	●		●		●	●	●	
Tetsuya Nakano <span style="border: 1px solid black; padding: 1px;">Male</span>		●	●	●	●			●		●
Makoto Anayama <span style="border: 1px solid black; padding: 1px;">Male</span>	●	●		●		●	●			
Kenji Miyazaki <span style="border: 1px solid black; padding: 1px;">Male</span>	●		●	●	●			●		
Masao Watanabe <span style="border: 1px solid black; padding: 1px;">Male</span>	●				●	●				
Kanji Kawamura <span style="border: 1px solid black; padding: 1px;">Male</span>	●	●			●	●				
Kimie Sakuragi <span style="border: 1px solid black; padding: 1px;">Female</span>	●	●				●	●	●		