

# We will create new businesses and reform our management in our aim to evolve into a commercial mobility solutions company.

In April 2024, Isuzu unveiled its new medium-term management plan: ISUZU Transformation—Growth to 2030. Amid calls for solutions to the social issues facing the logistics domain, Isuzu aims to make reforms to its leadership and approach to organizational management and evolve into a purpose-driven community with a stronger desire to take on challenges. In doing so, the Company aims to achieve sustainable value creation by not only strengthening existing businesses but also creating new businesses with a view to the long term and rising to the challenge of being a provider of solutions.

# CEO

**Masanori Katayama**

Chairman and  
Representative Director, CEO

# Message

Lecture at Innovation Day



## CEO Message

### Meeting Society's Growing Expectations

A company is a public institution that benefits society. I often remind our employees of this. The primary mission of a company should not be to increase its own profits, but to provide value to society. Therefore, I believe that a company should only exist if it meets the expectations of society. Throughout our history, we have provided products and services that respond to the needs and challenges of our customers and society. One example of this is PREISM, a maintenance service aimed at satisfying our customers' need to keep their operations running. However, the environment surrounding commercial vehicles is undergoing a once-in-a-lifetime transformation. It is no overstatement to say that never before in its history has Isuzu been expected to play the role of a public institution that benefits society more than it is now. The expectation for Isuzu to create new products and solutions is rising. I feel a keen sense of this when I engage with customers and our many other stakeholders.

I believe that this expectation of Isuzu to create even more value is a result of our success in steadily implementing the measures of our previous medium-term business plan, Medium-Term Business Plan 2024, and solidifying our foundation for becoming a leading commercial vehicle company in both name and reality. In fiscal 2024, the final year of Medium-Term Business Plan 2024, we achieved all of our financial targets, posting net sales of ¥3.4 trillion, operating income of ¥293.1 billion, and ROE of 12.7%. Regarding our products and services, we implemented a full model change of our mainstay N-Series and F-Series models, launched mass-produced battery-electric vehicles (BEVs), unveiled BEV route buses, and commenced operation of our commercial vehicle information platform, GATEX. Through these efforts, I believe that we have laid a foundation for future growth that will enable us to further grow our existing businesses while addressing the challenges we expect to face in the future, such as achieving carbon neutrality and keeping pace with developments in connected, autonomous, shared & service, and electric (CASE) technologies.

As Japan faces pressing challenges, such as the "2024 issue"\* and the need to improve logistics efficiency and address labor shortages, Isuzu is increasingly fielding questions from customers wishing to know what kind of technologies and products the Company can provide in response to these challenges and telling us that they are looking forward to seeing the solutions that Isuzu has to offer. In addition, I believe that my appointment as chairman of Japan Automobile Manufacturers Association, Inc. is another indication of the fact that the logistics and commercial vehicle domains have become a central focus in the pursuit of solutions to issues that affect the entire automobile industry, and that Isuzu's role in this pursuit is becoming increasingly important.

I recognize that in order to meet these expectations, it is Isuzu's responsibility to clarify its long-term vision, identify what issues need to be addressed in the development of its future products and services, and deliver the solutions that will contribute to solving said issues. To this end, while keeping short-term profitability in mind, I believe that Isuzu should actively increase investments for the future and conduct business operations from a long-term perspective, which will ultimately lead to sustainable value creation.

\* The decline in transportation capacity and labor shortage due to an amendment to the Japanese Labor Standards Act limiting truck drivers' annual overtime to 960 hours, which took effect in April 2024.

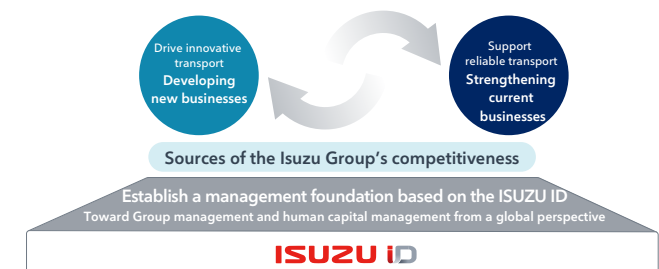
### Creating Value with a View to 2030

#### Evolving into a Commercial Mobility Solutions Company

In April 2024, Isuzu unveiled its new medium-term management plan: ISUZU Transformation—Growth to 2030 (hereinafter "ISUZU Transformation"). We have set 2030 as the final year of the plan and will continue to expand our business foundations over the next seven years. By putting in place a seven-year medium-term business plan through 2030, rather than a conventional three-year plan, we have indicated to those both inside and outside the Company our commitment to taking a

long-term perspective in responding to increasingly diverse needs and an ever-changing business environment. In ISUZU Transformation, we have set forth our vision of becoming a commercial mobility solutions company based not only on forecasts that consider the current business environment but also backcasting from where we want to be in 2030 in order to realize our corporate philosophy, the ISUZU ID. This is attributable to the fact that Isuzu faces two different types of market. The first is a market in which we respond to demand for vehicles—the market in which we are currently positioned. The second is a market centered on services and products that utilize next-generation technologies, such as autonomous driving and connected services.

For Isuzu to sustainably create value in both markets, it must change its business model. In providing solutions to the issues of improving logistics efficiency and addressing labor shortages that I mentioned earlier, it will not be enough for us to only offer products and services that focus on vehicles—or hardware—as we have done in the past. It will now be necessary to offer value in the form of solutions and services that utilize new technologies. Put simply, we need to focus on software as well as hardware. During ISUZU Transformation, we aim to achieve net sales of ¥6 trillion and an operating income ratio of 10% or more by further strengthening the revenue bases of our existing businesses so that we can develop and invest in new businesses with the profits earned from existing businesses.



## CEO Message

### Aiming to Resolve Social Issues by Pursuing New Businesses

A closer look at the two markets I mentioned earlier reveals two entirely different landscapes. In the first market—in which we operate our existing businesses—Isuzu has established a leading position in various vehicle categories, such as the light-, medium-, and heavy-duty vehicle categories in Japan; the low cab forward truck category in North America; and the light commercial vehicle category in Thailand. In overseas markets, there are certain needs and business areas that Isuzu has yet to tap into, such as the expansion of after-sales services and the development of existing connected services such as PREISM. Based on our current market share and customer base, we aim to monetize what has hitherto been a void in the market by rolling out to overseas markets our model for providing operational support for the entire life cycle of a vehicle, which combines the connected services and maintenance leasing that Isuzu has established in Japan. If we can establish such a business model, we will have room to expand our top line beyond what is currently apparent in our market share and revenue figures, and we expect that achieving ¥5 trillion in net sales as our baseline for 2030 will be well within our reach.

The second market differs from that of our existing businesses and is an entirely new venture for us. One might call it a “mobility” market rather than the traditional “commercial vehicle” market. What is clear is that we will shift the emphasis of providing added value from hardware to software in order to meet future customer needs, resolve social issues, and ultimately grow Isuzu itself. The market, however, has not yet fully taken shape, and I believe that the seven-year period through 2030 will be critical in determining whether or not we will be able to establish a system that can respond to such a shift. In my personal opinion, the current state of the mobility market could be likened to the original iPhone. Today, smartphones including the iPhone have evolved beyond their functions as telephones and portable computers to become devices that can be used for e-commerce platforms as well as a means of making cashless payments and trading digital currencies. When the original

iPhone was being developed, however, who could have envisioned how far-ranging the applications of smartphones would become? The same is true for today's autonomous driving and connected services. Various service models, such as mobility as a service, have been implemented, but the market is far from being fully defined. For example, if technology progresses to the point where, without human intervention, objects are able to communicate and execute tasks with other objects and vehicles with other vehicles, then the shape of the mobility market will change significantly.

However, with the need to offset labor shortages with autonomous driving and efficient transportation becoming ever more pressing by the day, we cannot simply wait for the market to take shape. As in the example of the original iPhone, Isuzu must take the lead in creating new products and services. The fact that Isuzu has set a target of ¥1 trillion in new businesses by the 2030s shows Isuzu's determination to shift its focus on added value from its conventional business model centered on hardware to software.

Commercial vehicles not only have a wide range of specifications and applications in various countries, regions, and industries but are also subject to various laws and regulations. In order to comply with such conditions and provide new products and services, it is essential that manufacturers understand how they are used and their various states when in operation. Isuzu has established a strong global client base, centered on Japan and the ASEAN region, and built a network of external business partners, such as vehicle body manufacturers. Over many years, Isuzu has leveraged this network to collect data on the state of vehicles when being operated under a wide variety of conditions as well on their maintenance status, and I am confident that our ability to propose optimal products and services based on this knowledge of how they are used is a strength of Isuzu and a major competitive advantage.

### — Evolving into a Purpose-Driven Community Called “Isuzu”

As I mentioned earlier, a company is a public institution that benefits society. As such an institution, Isuzu must meet the expectations of stakeholders and create value that contributes to resolving social issues while sustaining its own growth. That said, there are many challenging issues, such as the 2024 issue and the shrinking working population, that Isuzu cannot solve alone. For us to respond to these issues as a mobility solutions company, we will need to enlist outside support to supplement the technologies and human resources that Isuzu alone does not have in sufficient quantities. To this end, we must cease to be the closed-off corporate entity known as “Isuzu.” We must instead remove the barriers between the Company and the outside world and evolve into a purpose-driven community that shares objectives and values. As well as actively engaging in co-creation with our external partners, we aim to be an organization that can actively incorporate human resources from outside the Company. The ISUZU ID, which we formulated in May 2023, was the first step forward in this endeavor. By determining what Isuzu aims to accomplish in the future—something I often refer to as our “North Star,” which serves as a guidepost for the Company—we have identified the values that should be shared both inside and outside the Company.

However, it will take a considerable amount of time for Isuzu to evolve into a purpose-driven community in the truest sense. This is because the Company had the bitter experience of being unable to protect the employment of some of its staff during the management crisis of the early 2000s. I experienced firsthand the trauma of that time, which instilled in me the mindset that I must protect the employment of my staff at all costs, and I unintentionally constructed a thick shell between Isuzu and the outside world. Only when we break out of this closed-off shell known as “Isuzu” and become a group that is open to the outside world can we evolve into a purpose-driven community whose values resonate with external partners and other external stakeholders.

## CEO Message

### Human Capital Management: The First Step toward Becoming a Purpose-Driven Community

In order to realize the ISUZU ID and achieve its strategic business goals, Isuzu is promoting a transition toward human capital management and global Group management. To evolve into a purpose-driven community and break down the barriers between Isuzu and the outside world, we need to transform into an organization that can function in a sustainable manner, rather than depending on specific individuals. Instead of establishing duties and organizational structures in line with the attributes and abilities of specific individuals, we are transforming into a function-based organization that first defines duties and organizational structures and then assigns the right person to the right position in accordance with how well their skills align with the requirements. As a first step to achieving this transformation, in April 2024, we introduced a new personnel system and made reforms to our organizational structure with the aim of strengthening our management structure. The new personnel system, which was introduced for management at Isuzu, clearly defines job responsibilities and levels of authority, assigns human resources in line with established duties, and implements a fair evaluation and compensation system. By clearly defining duties, we will

dismantle the conventional seniority based evaluation and compensation system and promote the development of a system that enables employees with the ability and desire to take on challenges to be recognized without being restricted by their background or years of service. From April 2025, the new personnel system will be introduced to Isuzu on a Companywide basis before being gradually rolled out to Group companies.

With regard to organizational reforms, we newly established the positions of chief strategy officer (CSO) and chief monozukuri officer (CMzO), who, together with the chief operating officer (COO), directly support the CEO. In addition, we are working to further clarify the responsibilities and jurisdictions of the executive vice presidents (EVPs), who are the heads of each division, while strengthening and expediting management activities, including how the Management Meeting is run.

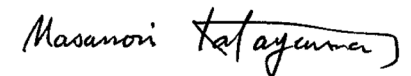
We introduced a system in which the EVP in charge of a division holds discussions with the relevant chief-level officer prior to submitting a proposal to the Management Meeting to ensure that it is consistent with the Company's overall strategy. The Management Meeting then discusses the impact of the proposal on other areas of the Company and makes a collective decision. This system has led to faster decision-making while developing discussions on management issues.

The management crisis of the early 2000s fostered a corporate culture at Isuzu in which the survival of the Company was paramount and stability was prioritized over taking risks. At the time, this was the best solution for the Company, but it is crucial that we dispel that culture in our pursuit of becoming an organization that takes on new challenges. In our efforts to spur innovation and create new businesses, it is critical that we identify where we are lacking and what our strengths are and engage in serious discussion about such matters. While I recognize that things will not change overnight, I will continue to promote the ISUZU ID throughout the Group.

### A Message to Our Stakeholders

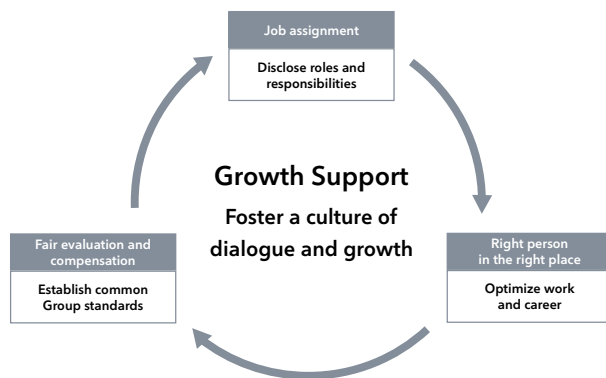
The automobile industry has long been at the core of Japan's competitive edge in manufacturing, employing millions of people, including those in peripheral industries such as materials. In the current environment of drastic change, companies have a responsibility to play their part in strengthening Japan's competitiveness by building a system of cooperation across industrial boundaries, rather than trying to survive on their own. As CEO of Isuzu—a leading commercial vehicle company—I will continue to lead Isuzu not only in achieving growth and creating sustainable value for the Company itself but also with a constant view to resolving issues in society and the automobile and logistics industries. Furthermore, for Isuzu to continue its operations, the support of our investors and other stakeholders will be indispensable. I will continue to make sincere efforts to disclose information and engage in dialogue with our stakeholders while striving to enhance Isuzu's corporate value.

September 2024




Masanori Katayama  
Chairman and Representative Director, CEO

#### Establish a Comprehensive Foundation for Human Capital Management



### Becoming an Organization That Takes on Even Greater Challenges

In conjunction with institutional reforms, we are working to familiarize employees with the ISUZU ID and transform ourselves into an organization that takes on new challenges. Following on from 2023, we held our second ISUZU Innovation Day in April 2024, and we undertook various other measures to promote the ISUZU ID over the past year, including at Group companies in Japan and overseas. Even so, I feel that we are only halfway through our transformation into an organization that takes on new challenges. It is essential that we continue our activities to this end, but I believe we are entering a phase in which we need to reexamine the substance of our activities, rather than just the form, to increase their effectiveness and impact.



**We will reinforce our existing  
businesses while creating new ones  
that will serve as the foundation for  
a new stage of growth for Isuzu.**

In order to realize our new medium-term business plan, ISUZU Transformation—Growth to 2030 (hereinafter “ISUZU Transformation”), we will enhance our profitability by strengthening existing businesses while pursuing the creation of new businesses. With our existing businesses at the core of ISUZU Transformation, we will establish a stable profit structure worldwide while aiming to enhance our earning power.

COO

Shinsuke Minami

President and  
Representative Director, COO

Message

## COO Message

### ——— Making Solid Preparations for Isuzu's Next Stage of Growth with Medium-Term Business Plan 2024

During the three-years of Medium-Term Business Plan 2024, which started in April 2021, Isuzu saw costs rise as it faced soaring material and logistics expenses, while at the same time feeling the impact of the depreciation of the yen and other factors that made for an unstable external business environment. Despite these circumstances, the effects of pricing measures, cost reduction activities, and efforts to expand after-sales services enabled the Company to achieve net sales of ¥3.4 trillion, operating income of ¥293.1 billion, and ROE of 12.7% in fiscal 2024, the final year of the plan, exceeding the final targets set in the previous medium-term business plan.

In addition to our strong top-line performance, we made steady progress in planting the seeds for future growth under our "axis of innovation" initiative—one of the pillars of Medium-Term Business Plan 2024. This initiative promotes the development of future technologies and services, with a focus on carbon neutrality and connected services. In addition to the introduction of battery-electric vehicles (BEVs) to the market in conjunction with the full model change of the N-Series, we began operation of our commercial vehicle information platform GATEX. Demonstration tests and technological developments throughout the three years of the plan have helped to clear the path toward 2030, particularly with regard to carbon neutrality. As we outlined in *ISUZU MOTORS LIMITED Integrated Report 2023*, we select the optimal power source for each vehicle type based on how the vehicle is used. For example, we are developing light-duty vehicles with battery-electric power sources, as they are mainly used over short distances. Heavy-duty vehicles, on the other hand, are being developed with fuel-cell power sources since fuel-cell batteries perform better in vehicles that carry heavy loads and travel long distances.

As part of our efforts to strengthen existing businesses, we launched key new models in Japan and North America, our main markets in

developed countries, and strengthened our sales and service networks, ensuring that we achieved our revenue goals as planned. Meanwhile, we saw steady progress in other regions, such as the ASEAN region, but not quite enough to be in a position to generate stable revenue streams. I think it is extremely important for the Company, including UD Trucks Corporation, to carefully address the challenges being faced on a region-by-region basis, such as how operation management is carried out, costs, and product lineups.

### ——— Paving the Way to Evolving into a Commercial Mobility Solutions Company

#### Launching ISUZU Transformation

In ISUZU Transformation, announced in April 2024, the Isuzu Group has set forth its vision for 2030 of transforming into a commercial mobility solutions company based on forecasts that take into account the achievements and challenges of Medium-Term Business Plan 2024 and the current business environment, and backcasts from the ISUZU ID and the projected future business environment. To achieve this transformation, it is essential that we shift from our traditional product-oriented approach to creating value by becoming more solution-oriented, allowing us to generate added value and revenues in new domains. The Company aims to expand its business through a two-pronged strategy: increase revenues by strengthening existing businesses and use the resources gained in doing so to invest in new businesses.

We will further strengthen our business foundations, aiming for a total sales increase of 180,000 commercial vehicles and light commercial vehicles to total 850,000 units or more in fiscal 2031 compared with fiscal 2024, and net sales of over ¥5 trillion. In the commercial vehicle business, we will further accelerate the creation of synergies through mutually complementary sales channels, service channels, and products with UD Trucks and achieve extensive global sales expansion, aiming to sell 450,000 units or more in fiscal 2031. In the light commercial vehicle business, we will expand into regions where demand is expected to grow, such as the Global South, aiming

to sell more than 400,000 units by fiscal 2031. We will also look to expand and grow the business by diversifying power sources and developing fundamental technologies for next-generation models.

By strengthening businesses across the Group and creating new businesses, centered on the three areas of autonomous driving solutions, connected services, and carbon-neutral solutions, we aim to achieve sales of ¥6 trillion and an operating income ratio of 10% or more by the fiscal year ending March 31, 2031.

#### Aiming to Build a Solid Revenue Base

The creation of new businesses will be crucial for Isuzu to achieve sustainable growth in the future. It is our existing businesses, however, that will provide the resources for making this happen, so we must ensure that we create a solid revenue base to support these new businesses. Currently, approximately 70% of Isuzu's sales are made outside of Japan, meaning its profit structure is affected by foreign exchange rates. Under the current historically weak yen, Isuzu is able to generate more revenues than it would without the tailwind of the exchange rate. I believe that it is essential, however, to enhance Isuzu's earning power to enable the Company to generate stable revenues, even if the yen swings to a stronger level.

In the commercial vehicle business, in which the vehicles we sell are used for a long time, it is important to solidify our revenue base by expanding after-sales services. In Australia, our after-sales customer service initiatives, which have been ongoing for more than twenty years, have contributed to an increase in revenues. The Australian commercial vehicle business maintained the number one position in terms of both sales volume and market share for 35 consecutive years.\* With these and other successful examples in mind, we will begin the overseas rollout of an operational support service that spans the total life cycle of a vehicle—a model that combines the connected technologies and high-quality maintenance services we have developed in Japan. Isuzu is building a system overseas in which it offers maintenance leases and provides visits

\* Between 1989 and 2023

## COO Message

to service centers and preventive maintenance before breakdowns occur. This system enables Isuzu to support customers every step of the way, from supplying vehicles to replacing them and helping add new vehicles to their fleet. This will provide added value to customers by allowing issues to be fixed before they lead to breakdowns, meaning their operations can continue without interruption. It also has the potential to encourage customers to choose Isuzu when replacing their vehicles if they are satisfied with the service and increase opportunities to provide after-sales services through regular service center visits.

Ultimately these efforts are also connected to part of our mission set forth in the ISUZU ID—to become No. 1 in customer satisfaction. Under ISUZU Transformation, the Group will promote maintenance leasing and the development of EVision, starting in North America, where demand for commercial vehicles is strong and calls for a transition to Electric Vehicles are also increasing.

Meanwhile, in Australia and the ASEAN region, the Company is currently working to develop and expand its maintenance leasing and after-sales networks, with a view to rolling out connected services in the medium term. Market conditions are particularly challenging in the ASEAN region, and the development of after-sales services, which can generate revenues from vehicles that are currently owned, is a task that needs to be approached both from the perspective of securing short-term revenues and building a business model for the medium to long term.

Light commercial vehicles, which are sold in the ASEAN region, are facing similarly challenging conditions to commercial vehicles. While current demand is slowing in Thailand, one of our key markets, latent demand remains, and we expect a recovery in demand over the long term in line with economic growth. In addition, we aim to strengthen our presence in the Global South. Demand in these regions is expected to increase as a result of economic growth, so we will bolster our sales networks and relocate and expand our production bases to build a supply system that can respond to demand.

### Building a System to Increase Vehicle Sales

Looking further down the time line of ISUZU Transformation, I believe that the Company will only achieve sustainable growth if it develops manufacturing capabilities and builds a supply chain with a production capacity of 1 million units by fiscal 2031. To this end, we will invest ¥1.6 trillion in existing businesses during the duration of ISUZU Transformation. Among other issues, I see improving the efficiency of our production and maintenance facilities and updating our equipment as a priority. First, we will increase our production capacity, which currently stands at 800,000 units. In Japan and Thailand, where our core sites are located, it is necessary to reduce manpower and improve efficiency in order to increase production capacity while coping with the expected shrinking of the workforce in the future. At Isuzu's flagship Fujisawa Plant in Japan and its Samrong Plant in Thailand, some equipment has been in operation for several decades. As such, we will focus investments on upgrading equipment, which will also improve efficiency.

At the same time, we will strengthen the foundation for increasing unit sales by creating further synergies with UD Trucks, which became a wholly owned subsidiary of Isuzu in 2021. There are three stages to our synergy creation. The first is to create synergies under our existing organizational structure. This entails the sharing of maintenance facilities and the joint development and sale of new tractor heads, as implemented under Medium-Term Business Plan 2024. The second stage is to create synergies through changes to organizational structures, and the third is to create synergies by extending the scope of our efforts to include the integration of organizations and products. Given the differences in the organizational cultures of Isuzu and UD Trucks, under Medium-Term Business Plan 2024, we limited ourselves to the first stage of synergy creation and concentrated on considering how best to execute integration in the future. This is because Isuzu, which is a Japanese company, and UD, Trucks a company that developed a European-style corporate culture under the umbrella of the Volvo Group, thought that a hasty merger would cause a major disruption. ISUZU Transformation goes a step

beyond Medium-Term Business Plan 2024, setting forth aims to unify sales and maintenance networks across Isuzu and UD Trucks' supply chains, as well as integrating the reporting lines of their various divisions. While retaining the brands of both companies, we seek to create a system of integrated development, production, and sales. At the same time, we are looking to realize the third stage of synergy creation under ISUZU Transformation. Specifically, we plan to jointly develop and launch a heavy-duty truck by 2028. Through the above measures, we aim to generate synergistic benefits amounting to more than ¥40 billion under ISUZU Transformation—a ¥26 billion increase from the ¥14 billion generated under Medium-Term Business Plan 2024.

### Priority Issues in the Software Domain

Using the resources generated from existing businesses, we will invest ¥1 trillion in innovation in the areas of carbon neutrality and autonomous driving, aiming to create new businesses with net sales of ¥1 trillion in the 2030s. I recognize that the creation of new businesses is a challenge that Isuzu needs to undertake in order to ensure its own survival. As well as creating businesses in the hardware domain, such as one that supplies electric vehicles geared toward realizing a carbon-neutral society, we are also working to create businesses in the software domain, such as solutions that promote efficiency and address labor shortages. Depending on their specifications and how they are used, it is possible that vehicles could be designed around autonomous driving and other software. To achieve this, I believe it is essential to create added value in terms of both hardware and software.

The current priorities for investing in innovation are the mass production of electric vehicles and the development of autonomous driving technologies. To realize our goal of providing electric vehicles in all vehicle categories—one of our solutions for becoming carbon neutral—we believe that we need to develop the technology needed to mass produce such vehicles by 2027. By 2030, we expect batteries and electric components to be produced using a combination of various

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ready-made parts. To this end, it is essential that we assess and identify the optimal combination of batteries and components for each vehicle model and specification. At the EARTH lab., an electric vehicle development and testing facility that will commence operations in 2026, we will establish a system for evaluating components and systems and improving the performance of BEVs and fuel-cell vehicles.

In terms of developing autonomous driving technologies, although Isuzu has amassed data on the operating conditions and usage of commercial vehicles and has the necessary vehicle technologies, start-up companies in Japan and overseas are ahead of Isuzu in their development of autonomous driving control software. Naturally, Isuzu will develop its own software, but in response to the ever-increasing need for autonomous driving technologies, Isuzu should prioritize commercialization and offering solutions to social issues rather than focusing solely on developing technologies on its own. By actively collaborating with external partners, such as start-up companies, we will combine Isuzu's technology and assets with those of external partners, and we will continue to conduct demonstrations tests for new technologies and create new services with the aim of commercialization in 2027.

### ———— Taking a Fresh Approach to Human Resource Management That Will Serve as One of the Foundations of ISUZU Transformation

In order to underpin our business strategy and encourage employees to strengthen their expertise and take on new challenges, we will transform our approach to human capital management and undergo a shift to Group management that takes on a global perspective. As explained by the chairman and CEO, the first step toward this goal is to reform our human capital management. We will implement a new personnel system that first defines duties and then assigns the right people to the right positions, and establish a system to develop and recognize employees who are willing to take on new challenges.

Underlying the reform is the defensive approach that we have been adhering to for the last 15 years. Like Mr. Katayama, our CEO, I experienced firsthand the management crisis of the early 2000s, and I have always prioritized the survival of Isuzu and adhering to basic operational principles when leading the Company forward. While this has led to cost reductions and strengthened the financial position of the Company, I feel that it has also stifled the desire to take on new challenges, especially among current senior managers, who have not been afforded opportunities to take on new challenges. In order for Isuzu as a whole to be proactive in taking on challenges, it is essential to foster an environment in which leaders first take on challenges by themselves and then actively encourage their subordinates to take on challenges. Implementing the new personnel system starting with senior management was also based on this way of thinking.

In fostering a new corporate culture, it will be essential to not only put the personnel system in place but also thoroughly promote the ISUZU ID. One year has passed since the new corporate philosophy was formulated, and through various measures such as distributing information throughout the Company, I feel that employees are beginning to align their views toward realizing the ISUZU ID. One of my most memorable moments of the past year was when I visited the Fujisawa Plant in April 2024. When I visited the production site and talked to frontline employees, I was pleasantly surprised at how different this visit was compared with those in the past. It used to only involve reports on initiatives and a brief Q&A session, but this time I joined a discussion on what can be done to prevent accidents and make the workplace a more pleasant environment. In its aim to become No. 1 in employee engagement, as set forth in the ISUZU ID, the plant creates opportunities for such discussions on a daily basis, with team leaders actively working to create an environment of openness by taking the time to talk to each team member individually. I also saw firsthand that a culture is developing in which each individual is willing to take on challenges, embrace change, and contribute while respecting, trusting,

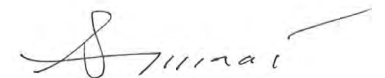
and inspiring others, embodying Isuzu's core value of mutual growth. That said, the reality is that the ISUZU ID cannot take root in every corner of the organization overnight. Going forward, we must continue to take measures to promote communication and help the ISUZU ID take root.

### ———— A Message to Our Stakeholders

For several years, the Company has been striving to manage its business with a greater awareness of capital markets and has been enhancing information disclosure and promoting corporate governance reforms, such as increasing the number of outside directors. As outlined in ISUZU Transformation, we intend to firmly present and realize the vision we aim to achieve and the strategies and investment paths that will lead to the realization of that vision. We believe that by continuing to steadily add to our revenues in line with our targets, we will be able to build relationships of trust with our investors and other stakeholders. Although there is still room for improvement, we will continue to actively disclose information and engage in dialogue.

As COO of Isuzu, I consider one of my key responsibilities to be building up the revenues that will be a foundation for future growth. In the future, we will invest the accumulated revenues and promote the creation of new businesses that will become a source of new added value. For this reason, it is imperative that we strengthen our current revenues. I will meticulously manage Isuzu's businesses operations, ensuring that the Company generates revenues and plants the seeds for the future growth.

September 2024



**Shinsuke Minami**  
President and Representative Director, COO