

04 Medium- to Long-Term Strategy

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Positioning of Our New Medium-Term Business Plan




By steadily implementing the measures of Medium-Term Business Plan 2024, which ran from fiscal 2022 to fiscal 2024, we have laid the foundation for becoming a leading global manufacturer. Aiming to expand on this foundation while achieving growth in the global market, we have formulated a new medium-term business plan, ISUZU Transformation–Growth to 2030.





Measures of the Previous Medium-Term Management Plan

Under Medium-Term Business Plan 2024, Isuzu enhanced its product and service capabilities and responded to advancements in CASE technologies, guided by the three main pillars of expanding existing businesses and revenues, axis of innovation, and evolving management from an ESG perspective. As a result, the Company achieved net sales of approximately ¥3.4 trillion, exceeding its target.

Expansion of Existing Businesses and Increase in Revenues


- ▶ **Enhancement of product, sales, and service capabilities**
 - Executed full-model changes of light- and medium-duty vehicles 
 - Launch of new "D-MAX" pick-up truck with significant improvements 
 - Established modular design concept I-MACS
 - Introduced the ELF mio,* a model with a vehicle weight of less than 3.5 tons, to the Japanese market
* The N-Series is known as the ELF series in Japan.
- ▶ **Enhancement of synergies between Isuzu and UD**
 - Launched new jointly developed tractor models 
 - Enhanced capabilities for mutual cooperation
 - Performed advanced genuine maintenance for both brands (service networks in more than 400 locations)
 - Mutually utilized logistics/parts depots and overseas offices
 - Mutually benchmarked work practices across the functions of each brand

Axis of innovation

- ▶ **Introduction, improvement, and expansion of new products for the era of carbon neutrality**
 - Introduced light-duty, mass-produced battery-electric vehicles to the market
 - Announced new electric vehicle products (battery-electric route buses and heavy-duty fuel-cell trucks) 
- ▶ **Improvement and expansion of connected services**
 - Introduction of "GATEX," an information platform for commercial vehicles 
- ▶ **Development of autonomous driving technologies**
 - Conducted autonomous driving demonstration tests

Evolution of management from an ESG perspective

- ▶ **Focus on shareholder value**
 - Achieved dividend payout ratio of 40% or more and executed share repurchases
- ▶ **Strengthening of governance**
 - Adopted the company with audit and supervisory committee organizational system
 - Elected 5 outside directors out of 13 (incl. two women)
- ▶ **Transformation into a company that spurs innovation**
 - Improvement of work environment for group employees (relocation of headquarters)



	Targets of Medium-Term Business Plan 2024 (Fiscal 2024)	Results (Fiscal 2024)
Net sales	¥2.8 trillion	¥3.4 trillion
Operating income	¥250 billion	¥293.1 billion
ROE	12.5%	12.7%
Dividend payout ratio	40% Mid-Term BP average	40.3% Mid-Term BP average

Isuzu's New Medium-Term Business Plan: ISUZU Transformation–Growth to 2030

To provide solutions to various transportation-related social issues, the Company has formulated its new medium-term business plan, ISUZU Transformation–Growth to 2030 (hereinafter “Isuzu Transformation”), which aims to transform Isuzu into a commercial mobility solutions company in the global market by 2030. In pursuit of developing new businesses that will generate reliable and creative modes of transportation, we will accelerate our operations in the three areas of autonomous driving solutions, connected services, and carbon-neutral solutions as sources of new revenue in the future. By firmly driving forward these new businesses, with a focus on strengthening existing businesses across the Group, we aim to achieve sales of ¥6 trillion and an operating income ratio of over 10%.

Management Policies with an Eye to 2030

> Developing new businesses to drive innovative transportation Page 26

- **Autonomous driving solutions**
Commercialize Level 4 autonomous driving in the fiscal year ending March 31, 2028
- **Connected services**
Expand connected services to major overseas markets by 2028
- **Carbon-neutral solutions**
Offer multi-pathway products, and roll out of peripheral businesses

> Strengthening current businesses to underpin reliable transportation Page 34

- **Commercial vehicle business**
Expand sales by increasing new car sales and enhancing after-sales support
- **Light commercial vehicle business**
Expand sales to the Global South and develop technologies for future generations

> Establishing a management foundation based on the ISUZU ID Page 51

- Shift toward Group management and human capital management from a global perspective



Isuzu's Vision for 2030



Financial

- Sales **6 trillion yen** Operating income ratio **Over 10%**
- Growth investments for the 2030s
- Stakeholder returns

Business

- New vehicle sales **Over 850,000** units to support global logistics industry
- Deploy energy management business in multiple region utilizing battery as asset
- Achieve profitable level in autonomous driving solution business in both Japan and US

Organizational Foundation

- Establishing supply chain for **1,000,000** units
- Group management from a global perspective
- Human capital management

Financial Policy and Growth Strategy under ISUZU Transformation

Financial Policy

During Isuzu Transformation, we will place top priority on investing the ¥2.6 trillion that we deem necessary for business continuity and future growth. To ensure that such investments can be funded by operating cash flow, we will build a larger and more robust earnings base, targeting net sales of ¥6 trillion and an operating income ratio of 10% or more.

At the same time, we will aim for steady dividend growth in line with improved profitability by maintaining a dividend payout ratio of 40% and continue to execute share buybacks while being conscious of appropriate capital adequacy levels.

Taking into consideration global standards, we aim to improve capital efficiency (ROE target of 15% or more) by utilizing interest-bearing debt while maintaining our current level of financial soundness.

Financial Policy during the Period of Isuzu Transformation

	Medium-Term Business Plan 2024 (FY2022–FY2024)		Current Medium-Term Business Plan (through FY2031)*		
Profitability	FY2024 Net sales Operating income ratio ROE	¥3.4 trillion 8.7% 12.7%	Targets for final year Net sales Operating income ratio ROE	¥6 trillion 10% or more 15% or more	Proactively invest in innovation while leveraging DX in existing businesses to improve efficiency and ensure profitability
Capital expenditures Research and development expenditures	Cumulative total FY2024	¥636.9 billion ¥252.5 billion	FY2024–FY2031 Investment in innovation Investment in existing businesses	¥1 trillion ¥1.6 trillion	Keep capital and research and development expenditures at the same level as or higher than the final year of Medium-Term Business Plan 2024
Shareholder returns	Cumulative dividends Share buybacks	¥182.9 billion ¥50 billion	Dividend payout ratio (average) Continue share buybacks	Maintain at 40%	Aim for steady dividend growth Balance fixed assets and shareholders' equity
Financial soundness	Risk and insurance (issuer rating) Japan Credit Rating Agency, Ltd. (long-term issuer rating)	A A+	Maintain "A" rating		Utilize interest-bearing debt while maintaining financial soundness

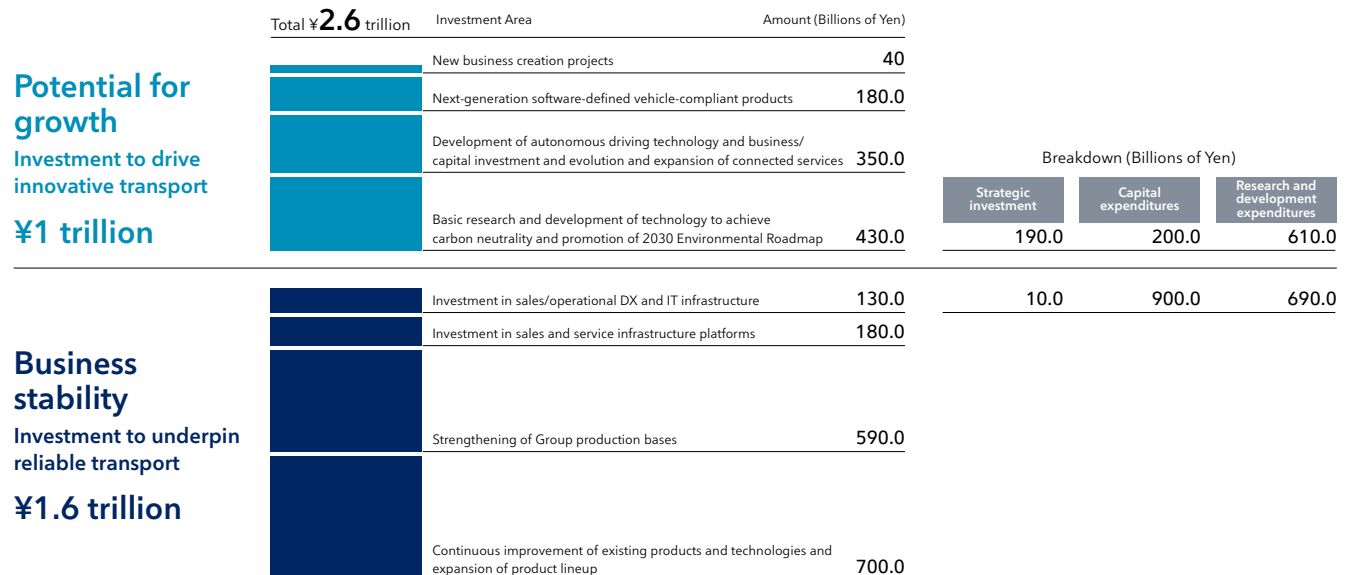
* Assumed exchange rate 1 USD=140 yen

Overview of Investments

During Isuzu Transformation, the Company will invest ¥1 trillion in innovation to establish three new business pillars—autonomous driving solutions, connected services, and carbon-neutral solutions. In addition, we will invest ¥1.6 trillion in maintaining and strengthening existing businesses in areas including product expansion, the reinforcement of production and sales bases, and IT infrastructure.

We will further accelerate investment in innovation while streamlining investment in existing businesses, thereby limiting increases in overall investment.

Investment Overview for Fiscal 2024 to Fiscal 2031



KPIs for Realizing Goals of the ISUZU ID

Under the ISUZU ID, our mission is to become No. 1 in terms of sustainability, satisfaction, engagement, and social impact. To this end, we have established seven areas and KPIs to be addressed under ISUZU Transformation. The Isuzu Group will work together to evolve both global transportation and Isuzu in order to deliver the expected results by 2030.

			Relation to the ISUZU ID (Mission)				Expected results through 2030
			No. 1 in Sustainability	No. 1 in Satisfaction	No. 1 in Engagement	No. 1 in Social impact	
Strengthen existing businesses	Strengthen "Reliability" "Transport"	<ul style="list-style-type: none"> Expand products and services that sustain transport 		●		●	Unit sales Over 850,000 units
	Group carbon neutrality	<ul style="list-style-type: none"> Promote efficient energy use Promote introduction and expansion of clean energy 	●				GHG emissions reduction (Scope 1+2) 50% decrease compared to 2013
Develop new businesses	Product carbon neutrality	<ul style="list-style-type: none"> Make xEV options available in all categories (trucks, buses, LCVs) Provide service solutions for the xEV era 	●	●			GHG emissions reduction (Scope 3) (Target to be set by FY 2027)
	Strengthen "Creativity" "Transport"	<ul style="list-style-type: none"> Lead the way in addressing social issues by adding value and improving transport efficiency 		●		●	Autonomous driving services FY2028- Connected vehicles: Over one million units
Establish management foundation based on the ISUZU ID	Innovation by employees for a better world	<ul style="list-style-type: none"> Create new businesses that address social issues (in-house recruitment and accelerator programs) 			●	●	Expand collaborative initiatives (startups, industry-academia collaboration)
	Embrace human capital management	<ul style="list-style-type: none"> Improve employee engagement Promote employee self-development (establish new HR system) Safety operation 			●		Employee engagement percentage of positive responses Over 70%
	Enhance brand value	<ul style="list-style-type: none"> Become a brand that is cherished by society, customers, and employees alike 		●	●	●	Interbrand Best Global Brands Within Top 100

Development of New Businesses to Drive Innovative Transportation

Leveraging its strengths, Isuzu will take on the challenge of developing new businesses that provide solutions to issues facing its customers and society through new technologies, starting in the areas of autonomous driving solutions, connected services, and carbon-neutral solutions. We will steadily invest ¥1 trillion in innovation—the foundation for technology and service development—in an aim to contribute to revenues by 2030 and build businesses with net sales of ¥1 trillion by the 2030s.



Autonomous Driving Solutions

- Begin phased launch of Level 4 autonomous driving truck and bus businesses that leverage Isuzu's strengths
- Aim to proceed with fundamental development of technology and services and begin monitoring and demonstration in 2026

Please see [page 27](#) for further details.



Connected Services

- Provide new services to increase logistical efficiency
- Expand operational support services to major overseas markets such as North America and Australia by 2028

Please see [page 29](#) for further details.



Carbon Neutral Solutions

- Develop technologies via multiple pathways and provide electric vehicles in all vehicle categories by 2030
- Fully introduce price-competitive battery-electric vehicles and develop peripheral businesses

Please see [page 30](#) for further details.

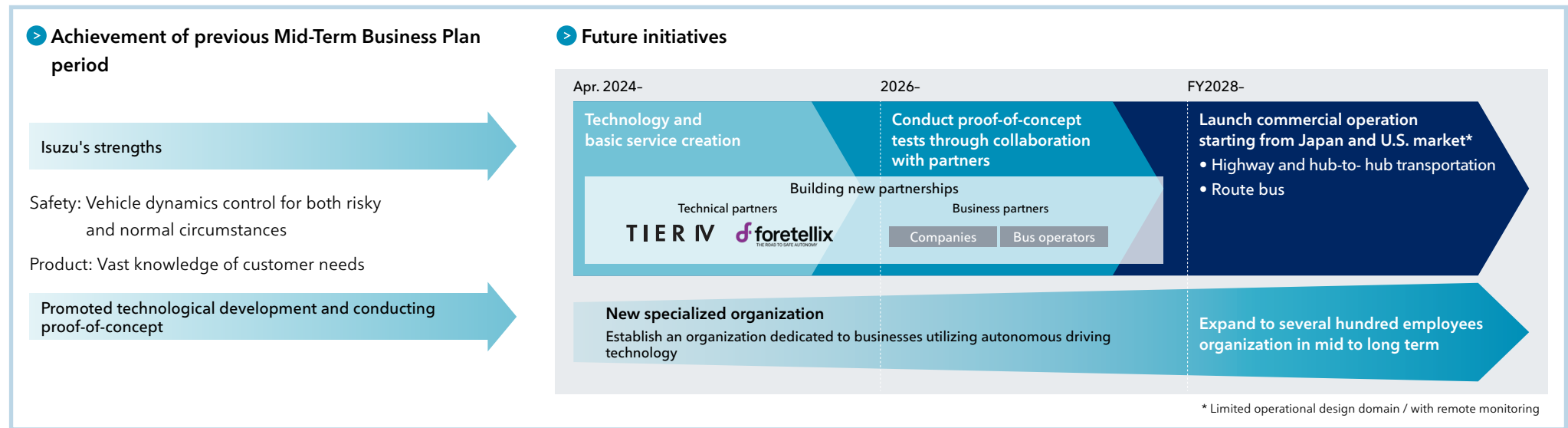


- Establish a system to identify latent needs of customers and society and link them to the starting of new businesses (in-house recruitment and accelerator programs)

Autonomous Driving Solutions

In response to the "2024 issue"* and other social challenges related to the transportation of goods and people, we will launch a truck and bus business in fiscal 2028 that utilizes Level 4 autonomous driving technology by leveraging our well-established strengths in vehicle control technology and our familiarity with how customers use our products. Building on the demonstration tests that we conducted up to the end of our previous medium-term business plan, we will commercialize the business in stages, starting with inter-hub transportation in Japan and the North America and route buses in Japan. Furthermore, we will establish a new specialized organization for business feasibility studies. In the medium term, we plan to expand the organization to include hundreds of members with the aim of achieving rapid commercialization.

* 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.



Major Demonstrations Conducted since the Previous Medium-Term Plan

Expressways and Heavy-Duty Trucks

Isuzu is participating in the RoAD to the L4 initiative spearheaded by the Japanese government, in which it contributes to efforts geared toward the practical application and social implementation of Level 4 autonomous trucks on expressways from 2026 onward. The Company is also proceeding with the commercialization and market launch of a 2020 model GIGA truck equipped with active cruise control and a lane keeping assistance system, while researching autonomous driving technologies exclusively for heavy-duty trucks, with some of these technologies being utilized in the development of mass-produced vehicles.

Low-Speed Driving and Parking at Ports

Isuzu is participating in the Ministry of Land, Infrastructure, Transport and Tourism's demonstration test project for the automation of incoming off-site trailers at ports. The Company is also verifying the safety of operating these incoming off-site trailers in restricted off-road areas in cooperation with manufacturers of heavy-duty trucks.

Restricted-Zone and Urban Area Buses

In March 2022, Isuzu began a one-month demonstration test in a closed space along the connecting bus route between the domestic and international terminals of Fukuoka Airport, where operator-led autonomous driving of restricted zone buses in rainy weather has been ongoing since June 2023. In addition, demonstration tests of autonomous driving in urban areas were conducted on a route bus at Kitakyushu Airport in December 2023 and on a route bus in Hiratsuka City from January to February 2024.

Autonomous Driving Solutions

→ Technology and Service Development during Isuzu Transformation

We have been acquiring autonomous driving technologies since the previous medium-term business plan. In April 2024, we embarked on a two-year endeavor to develop and establish basic services and technologies with an eye to commercialization in fiscal 2028, with monitoring tests set to begin in 2026. With the aim of increasing the pace of development as we move toward commercialization, we have been building collaborative systems with various business partners, and in fiscal 2024 we formed capital and business alliances with TIER IV, INC., which develops autonomous driving systems, and Gatik AI, Inc., which provides autonomous driving services in North America, and are developing technologies and services to be commercialized in the future.

Area of Initiatives: Route Buses

Isuzu entered into a business and capital alliance with TIER IV in March 2024 with the aim of commercializing autonomous driving in route buses in Japan and providing a service system for their operation in fiscal 2028.

TIER IV, the pioneering force behind the world's first open-source software for autonomous driving, Autoware, has been involved in proof-of-concept tests around the world, harnessing the software that facilitates the design and development of safe and reliable systems.

In 2019, Isuzu and TIER IV began looking into the automation of buses at Fukuoka Airport. The two companies will continue conducting demonstration tests for this purpose and are collaborating to develop autonomous driving systems and expand business initiatives in the route bus sector. Through the synergy of TIER IV's advanced technologies and Isuzu's extensive data and expertise in route buses, the companies will develop vehicles and systems compatible with Level 4 autonomous driving. Looking ahead, Isuzu envisions delivering comprehensive solutions to bus operators, offering route buses equipped with autonomous driving systems.



Area of Initiatives: Heavy Trucks for Trunk Line Transportation

With autonomous driving trucks that have been developed in-house, Isuzu is participating in the multi-brand collaborative demonstration tests that will begin in autumn 2024 as part of the Japanese government's RoAD to L4 initiative. Through the tests, we will confirm vehicle-to-infrastructure coordination, such as merging assistance and look-ahead tracking information, as well as acquiring data for autonomous driving. The test vehicle's autonomous driving controls have been developed as rule-based systems, which anticipate arrival and departure at transit areas, merging and splitting traffic on highways, and lane changes. In the future, AI will be used to develop systems that can respond safely and flexibly to a range of scenarios that occur on actual expressways.

Topic Partnership with Applied Intuition, Inc.

Isuzu has entered into a strategic partnership with Applied Intuition, Inc. with the aim of jointly developing Level 4 automated trucks, among other efforts. The partnership will span a maximum of five years, during which Isuzu will acquire cutting-edge automated driving technologies while developing the Level 4 automated truck designed for Japan's trunk lines. Specifically, in fiscal 2027, verification tests under the operational design domain*¹ specified by Isuzu will be carried out to lay the groundwork for launching Level 4 automated driving businesses in fiscal 2028.



*¹ Operational design domain refers to the conditions for operating an autonomous driving system. It ensures the safety of autonomous driving by suspending operation of the system unless it meets all road, geographical, environmental, and other conditions.

🌐 Please refer to the press release below for further details.
https://www.isuzu.co.jp/world/newsroom/details/20240827_1.html

Area of Initiatives: High-Speed and Inter-Hub Transportation in North America

In our pursuit of commercializing Level 4 autonomous driving for high-speed and inter-hub transportation in North America, we have formed a business and capital alliance with Gatik AI, which provides middle mile*² autonomous driving services.

Gatik is the only company that provides autonomous middle mile logistics services in North America, using class 3 to 7*³ autonomous driving trucks to deliver goods safely and efficiently. The company is particularly focused on middle mile B2B*⁴ logistics for large companies, and in 2021 it also successfully completed fully driverless middle mile deliveries.

Isuzu and Gatik will collaborate in the development of an autonomous driving business as well as the design and development of a new chassis (redundant chassis) that ensures safety when equipped with an autonomous driving system. We aim to commence mass production of the new chassis resulting from joint design and development during the fiscal year ending March 31, 2028.



*² Middle mile: Medium-distance and intermediate logistics that connect individual distribution centers and stores.

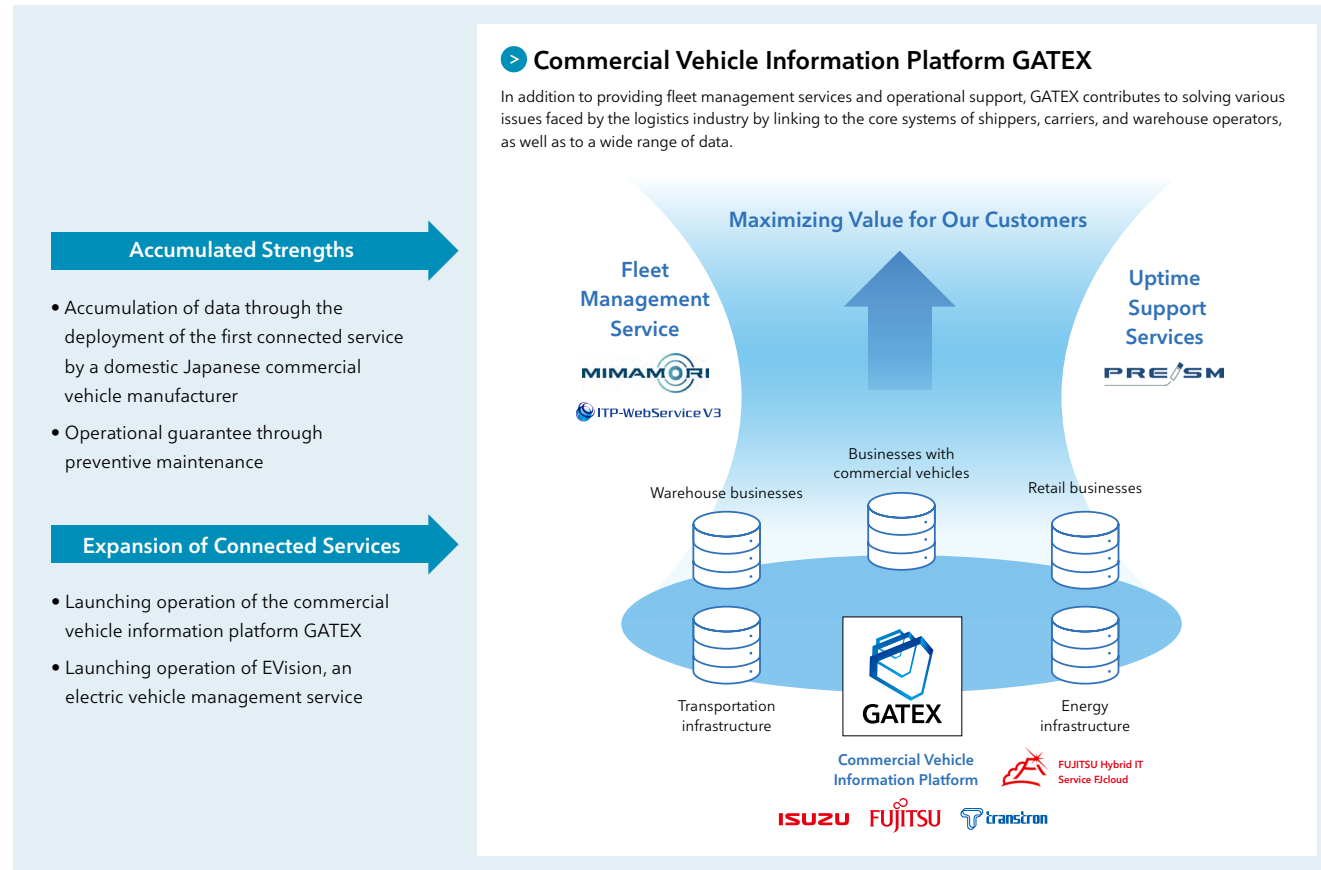
*³ Trucks in the United States are classified by gross vehicle weight, and classes 3 to 7 correspond to light to medium-duty trucks in Japan.

*⁴ B2B: Business-to-business

🌐 Press release: https://www.isuzu.co.jp/world/newsroom/details/20240514_1.html

Expansion of Value Provided through the Evolution of Connected Services

With ISUZU Transformation, we aim to evolve our services with the goal of streamlining logistics for shippers based on MIMAMORI, our fleet management service; PREISM, our uptime support services; and GATEX, our commercial vehicle information platform, which we currently provide. At the same time, we will gradually expand our uptime support service from North America to other overseas markets.



Forthcoming Initiatives

Enhancement of Services

In response to the need to address labor shortages and streamline logistics, we aim to provide services that make transportation and delivery more efficient for carriers and shippers. To that end, we will link GATEX to a wide range of cross-industry data to create new services with our partners.

Overseas Deployment of Uptime Support Services

We will pursue the overseas deployment of our uptime support services to meet overseas needs and fortify our overseas business foundation. In addition to rolling out the PREISM and EVision electric vehicle services to North America, we will deploy them in other major regions as well by 2028. We also aim to create region-specific services through the operation of GATEX as well as integrate the services of Isuzu and UD Trucks in the future.

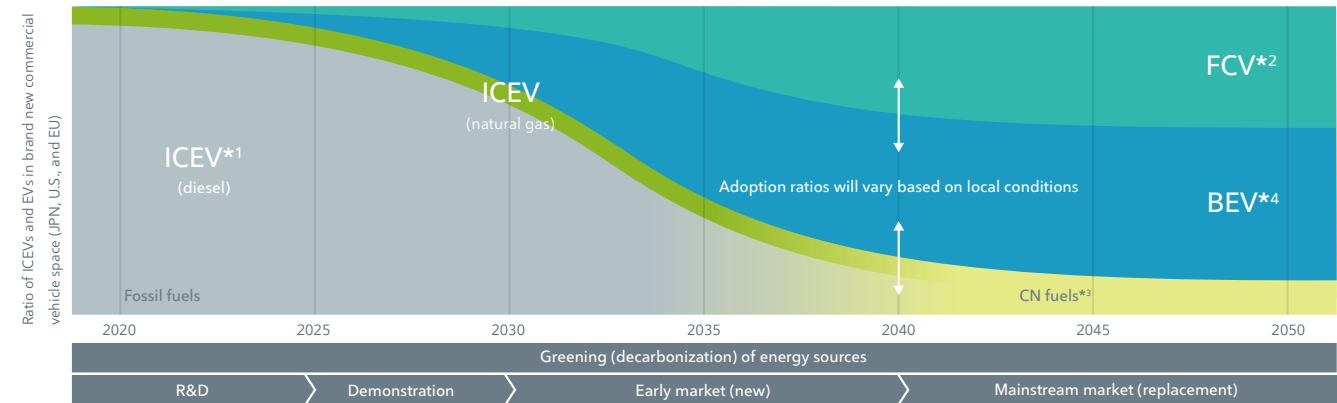
Isuzu has been a pioneer in providing connected services that support its customers' businesses, such as the MIMAMORI fleet management service and the PREISM uptime support services. In October 2022, GATEX, the commercial vehicle information platform developed by Isuzu, Fujitsu Limited, and Transtron Inc., went into operation. Based on information from approximately 650,000 trucks owned by Isuzu and Transtron (as of the end of March 2024), the two companies currently provide the largest connected service in the commercial mobility sector.

Isuzu's Strategy to Achieve Carbon Neutrality

Scenario for the Increase in Carbon-Neutral Vehicles

The prevalence of carbon-neutral vehicles cannot be assessed in a uniform manner, given that it varies depending on the social infrastructure in place in different countries and regions and how widely adopted the necessary energy sources are. However, based on various projected social changes, carbon-neutral vehicles are expected to gradually become more widely used, although the scale on which this will happen will vary according to regional and social trends. Of particular note is that both the initial costs of carbon-neutral vehicles themselves and their running costs are expected to decrease from 2030, at which point a period of widespread adoption of carbon-neutral vehicles is expected to begin as consumers switch over to new vehicles.

Projected Carbon-Neutral Vehicle Expansion



*1 ICEV (internal combustion engine vehicle): Vehicles powered by fuels such as diesel, gas, and CN fuels
 *3 CN fuels: Carbon-neutral fuels such as biofuels and synthetic fuels derived from renewable energies

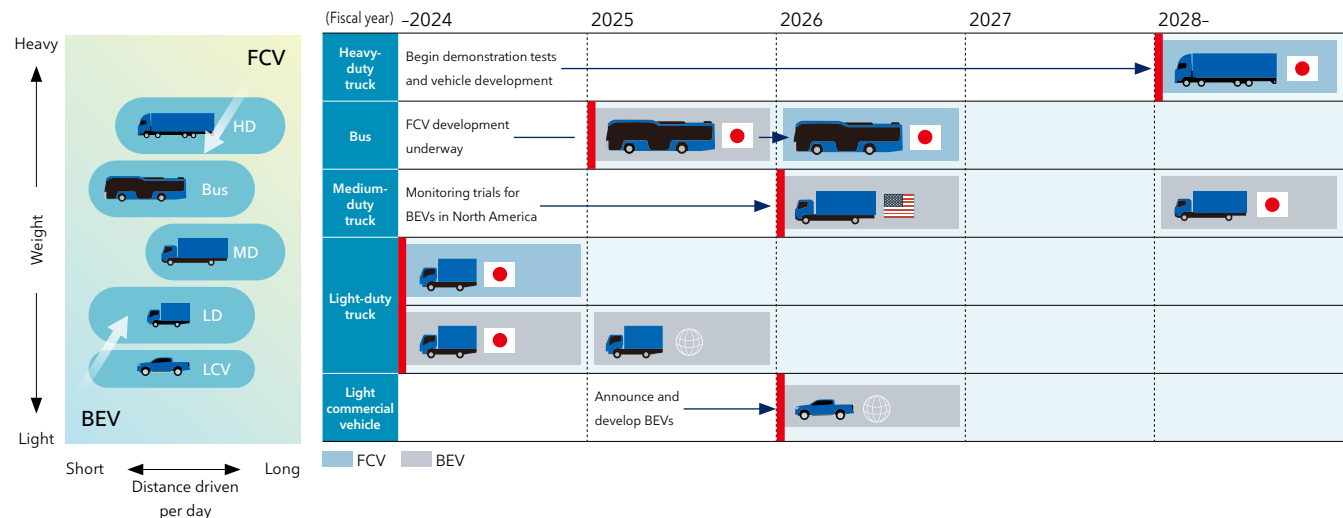
*2 FCV (fuel-cell vehicle)
 *4 BEV (battery-electric vehicle)

Isuzu's Multi-Pathway Strategy

Aiming to develop products that are tailored for optimal use in their target countries and in line with regional and social trends, Isuzu is pursuing a multi-pathway approach to technology and product development.

For example, we believe battery-electric power sources to be most suitable for light-duty vehicles, half of which have a daily range of 100 kilometers or less, with battery-electric power sources being most suited to heavy-duty vehicles with a range of up to approximately 400 kilometers and fuel-cell power sources as the best fit for heavy-duty vehicles with a range of 400 to 600 kilometers. Based on the results of the demonstration tests, we will enhance our vehicle lineup and establish a mass-production system that will enable us to offer electric vehicle (EV) options in all vehicle categories by 2030.








Offering Electric Vehicle Options in All Vehicle Categories by 2030



Isuzu's Strategy to Achieve Carbon Neutrality

→ Progress of Electric Vehicle Development

> Upcoming Initiatives for the Launch of Various Electric Vehicle Types

			Development Status	Upcoming initiatives
Light-duty truck	BEV		Sales underway in Japan and the United States	<ul style="list-style-type: none"> Isuzu launched its first mass-market battery-electric light-duty truck in the Japanese market in March 2023. A version compatible with standard driver's licenses was also made available from January 2024. It was introduced in the U.S. market in August 2024 and is scheduled to be gradually rolled out to Europe as well.
	FCV		Fuel-cell vehicles introduced to the market	<ul style="list-style-type: none"> Isuzu is promoting the planning and development of a mass-market light-duty fuel-cell truck in collaboration with partners of Commercial Japan Partnership Technologies Corporation (CJPT).
Medium-duty truck	BEV		Monitoring trials underway in North America	<ul style="list-style-type: none"> Isuzu and Cummins Inc. have installed a Cummins electric system in Isuzu's F-Series (FTR) medium-duty commercial vehicles for the North American market, and both parties began monitoring the system for a major North American fleet customer in September 2022.
Heavy-duty truck	FCV		Partnerships decided and start of monitoring runs	<ul style="list-style-type: none"> Isuzu has selected Honda Motor Co., Ltd. as a development and supply partner for fuel-cell battery systems to be installed in heavy-duty fuel-cell vehicles, which are scheduled for launch in 2027. The two companies signed a joint research agreement on heavy-duty fuel-cell trucks in January 2020 and plan to start demonstration tests on public roads using monitored vehicles from fiscal 2024.
Bus	BEV		Sales underway in Japan	<ul style="list-style-type: none"> Isuzu launched the ERGA EV in Japan in May 2024.
	FCV		Currently in development with an eye to market entry	<ul style="list-style-type: none"> Isuzu is continuing discussions with Toyota for the development and launch of next-generation fuel-cell route buses based on the aforementioned large battery-electric route buses.
Light commercial vehicle	BEV		New models unveiled	<ul style="list-style-type: none"> Isuzu plans to launch new models in Northern Europe in 2025, starting with Norway. Expansion to other areas, such as the United Kingdom, Australia, and Thailand will depend on the individual situation of each country and region.

Isuzu's Strategy to Achieve Carbon Neutrality

→ Initiatives for Implementing Battery-Electric Vehicles

Establishment of the EARTH lab.

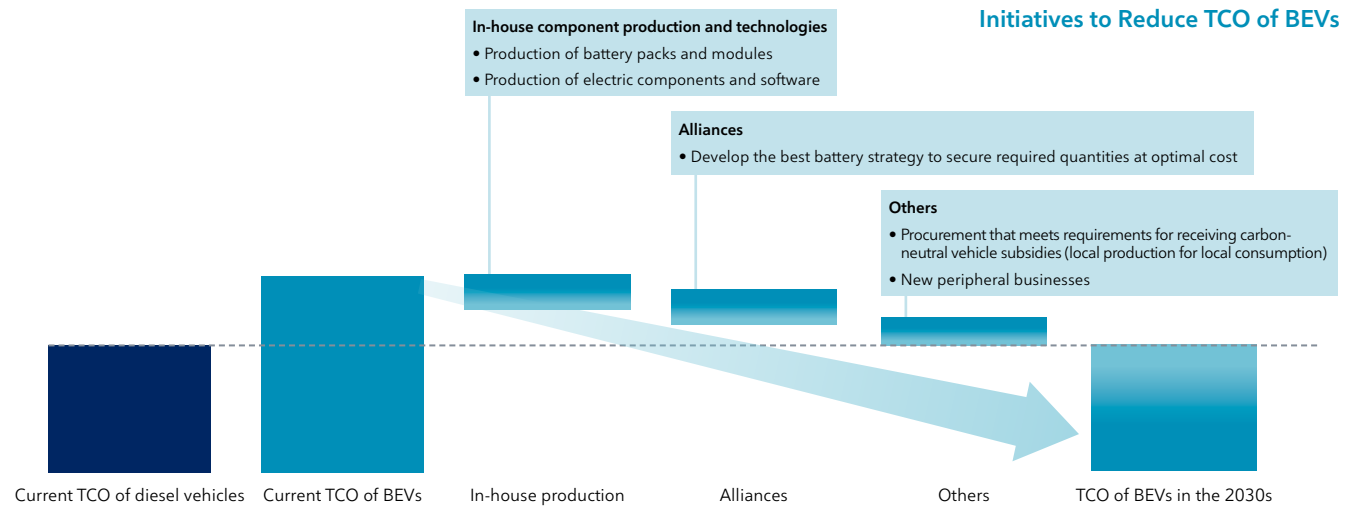
Isuzu has established the EARTH lab., a vehicle development and testing facility located within the Fujisawa Plant, to accelerate vehicle development toward the goal of offering EVs in all vehicle categories by 2030. We are aiming to commence operations there in June 2026. The facility employs testing and evaluation equipment for components such as batteries, motors, EV systems, and thermal management devices. By acquiring a deeper understanding of a battery's characteristics through the use of such equipment, we can achieve battery management that maximizes performance. The equipment will also enable us to optimize the functionality of EV components such as batteries and motors in their combined state, as well as to optimize the thermal management of the entire system. In addition, by utilizing the testing and evaluation facility for fuel-cell electric vehicle systems, we will be able to optimize advanced energy and heat management at the system level, contributing to improvements in cruising range and driving performance.



Reduction of Total Cost of Ownership

BEVs, which are expected to be the mainstay of carbon-neutral vehicles, currently have lower running costs than vehicles with internal combustion engines but a higher total cost of ownership due to their significantly higher purchase price. Looking ahead to the 2030s, when we expect BEVs to come into more widespread use, we aim to lower the total cost of ownership of BEVs to the same level as that of today's internal combustion engine vehicles by bringing all component and technology production in-house and utilizing battery-related strategies developed through alliances.

→ TCO* of Diesel Vehicles vs. TCO of BEVs (Conceptual Image)

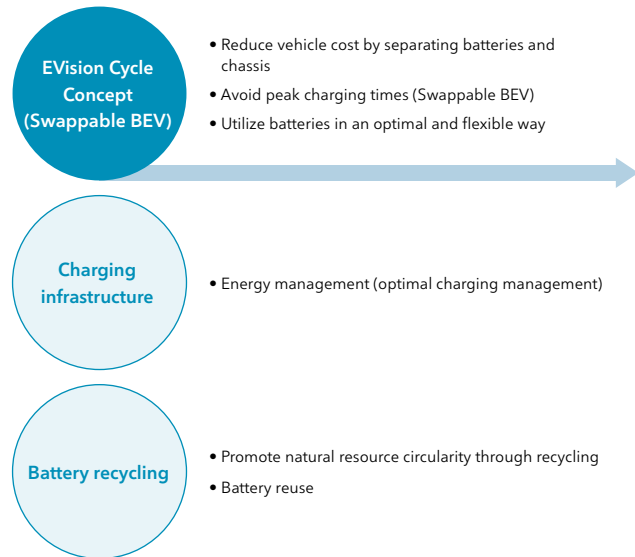


*TCO: Total cost of ownership (including fuel and electricity costs)


Isuzu's Strategy to Achieve Carbon Neutrality


→ Provision of Carbon Neutral Solutions

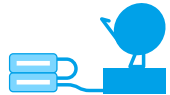
In anticipation of the popularization of BEVs, we aim to leverage batteries as an asset to the Company, extending their use beyond the scope of vehicle applications. Specifically, we envision batteries being used as emergency power sources and a means of storing energy in times of disaster, while serving as a source of electricity supply in countries and regions where power grids are underdeveloped. Based on this idea, we started looking into demonstration tests and social implementation in fiscal 2025, helping to drive the shift to carbon neutrality on a global scale.



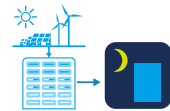
> An asset benefiting society

EVision Cycle Concept 


- Batteries are expected to be used not only for vehicles, but also as a power source during emergencies, renewable energy storage, or as a source of electricity in countries and regions where power grids are underdeveloped
- By collaboration with various range of partners across industries, we aim to conduct proof-of-concept tests in Japan by fiscal 2026 and expand to Thailand through CJPT-Asia collaboration 



Emergency power supply in case of disaster



Reducing the burden of electricity stockpiling



Electricity supply other than power grid

- Range extender unit as a precaution against the risk of BEV power loss

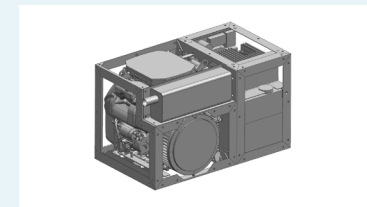
Topic 1 Launching the EVision Cycle Concept

For BEVs to become more widely adopted, we will have to overcome challenges such as the need to reduce recharging times, lower vehicle prices, and make effective use of batteries. Isuzu's proposed battery-swapping solution for EVs, the EVision Cycle Concept, employs a method in which a battery can be detached from the commercial electric vehicle and exchanged, enabling quick battery replacement and reducing the burden on the purchaser. In addition, by regarding batteries themselves as social assets we can expand the possibilities of battery utilization by enabling the transfer and storage of electric energy.



Topic 2 Considering the Use of Range Extenders

As the lithium-ion batteries used in BEVs fall behind conventional liquid fuels such as diesel in terms of energy density, BEVs face the constant risk of unexpected power shortages, such as when stranded in heavy snowfall or in the event of a disaster. To address this issue, we are developing a range extender unit equipped with a small power generator and are looking into solutions that will enable the charging of batteries, even in locations without charging infrastructure.



Strengthening of Existing Businesses to Underpin Reliable Transportation

To steadily invest in innovation and reinforce our management foundation, we will further reinforce the Isuzu Group's business foundation, aiming for new vehicle sales of 850,000 units (up 180,000 units from fiscal 2024) or more and sales of ¥5 trillion or more by fiscal 2031.

Commercial Vehicle Business

New Vehicle Sales Please see [page 35](#) for further details.

- Through product collaboration and dual sales channels between Isuzu and UD brands, we aim to expand worldwide sales volume
- Enhancement of products and services with ICE and CN multiple power sources

After Sales Services Please see [page 36](#) for further details.

- Establishing a cycle to support customer uptime overseas and to develop businesses
- Establishment of optimal service network to support units in operation and maximizing Uptime

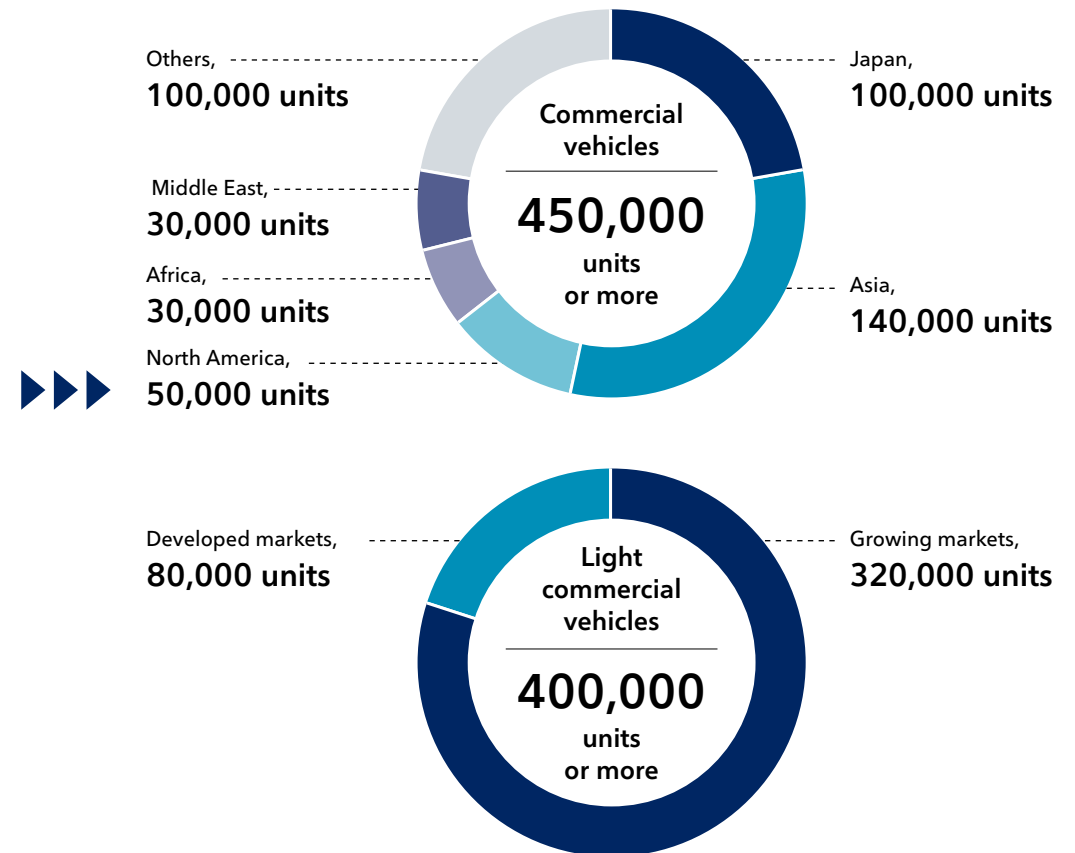
Light Commercial Vehicle Business

Please see [page 37](#) for further details.

- Sales expansion in growing markets by utilizing strong Isuzu brand value
- Providing multiple power source options tailored to specific use cases (high-efficiency ICE, PHEV*, BEV)
- Collaborate with alliance partners on the development of core technologies for next-generation models

* Plug in Hybrid Electric Vehicle

Unit Sales Targets (FY2031)

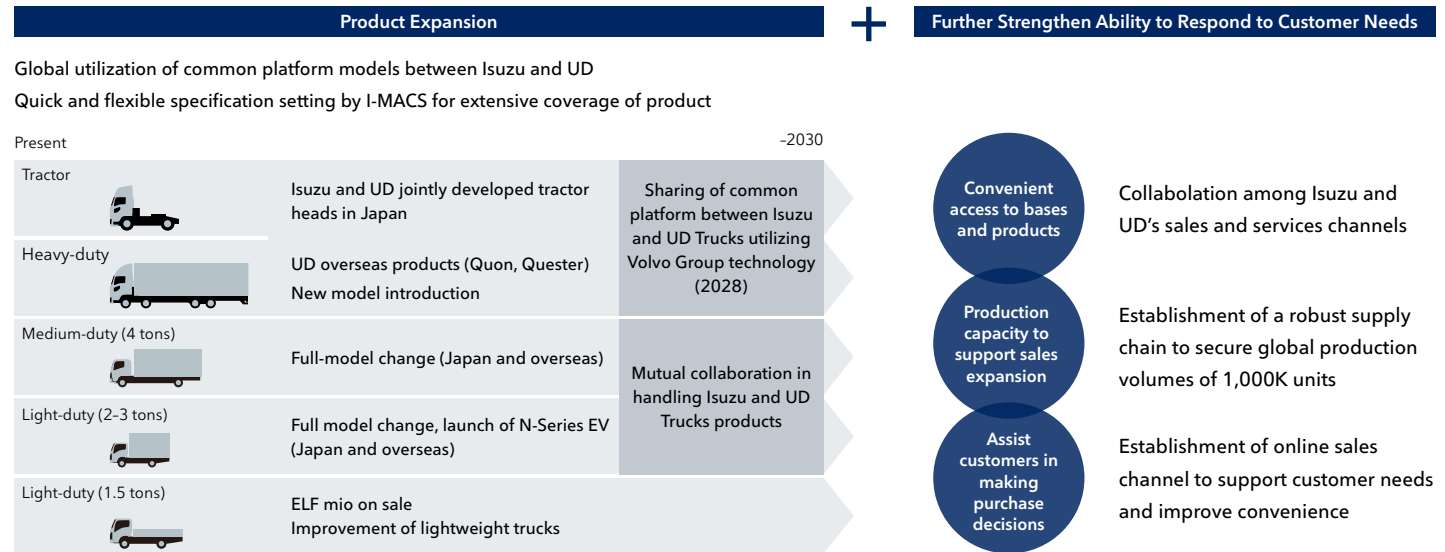


Strengthening the Appeal of Commercial Vehicle Products

In Isuzu's commercial vehicle business, the products and sales and service channels of Isuzu and UD Trucks Corporation complement each other, and by further accelerating the creation of synergies within the Group, we will achieve comprehensive sales expansion at the global level.

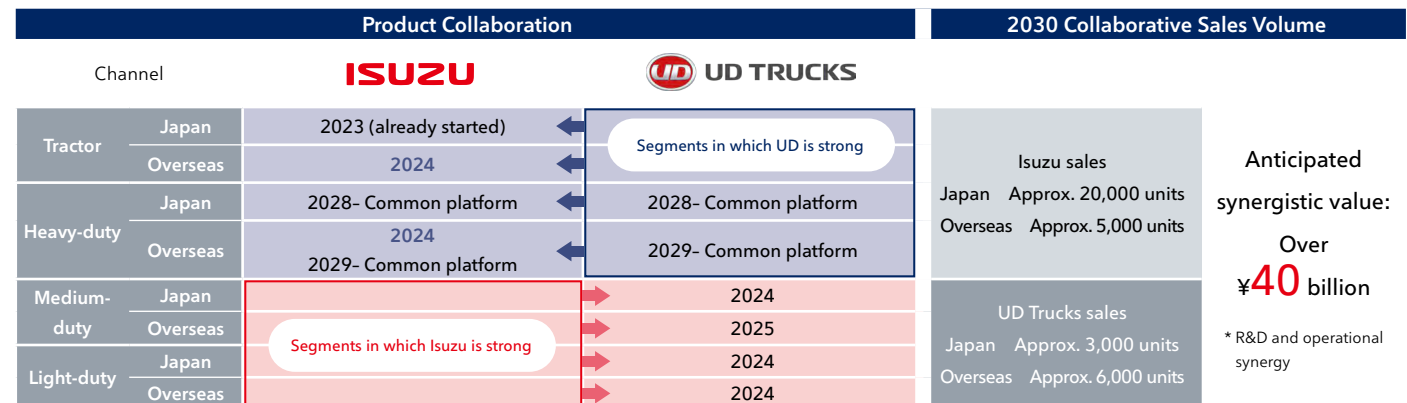
Policies for Product Expansion and Enhancement of Response Capabilities

In addition to the global deployment of common Isuzu and UD Trucks models, we will be able to offer an unparalleled lineup with fast and flexible specification settings using I-MACS design. In addition, Isuzu and UD Trucks will strengthen their ability to respond to even greater customer needs by coordinating sales and service channels, building a one million vehicle-strong supply chain, and building online sales channels.



Policy on Collaboration with UD Trucks

From 2024, the two companies will gradually expand product collaboration, with Isuzu expanding sales of UD Trucks-made heavy-duty trucks, and UD Trucks expanding sales of Isuzu-made medium- and light-duty trucks. This kind of collaboration between Isuzu and UD Trucks in areas such as development and operations is expected to generate synergies of more than ¥40 billion.



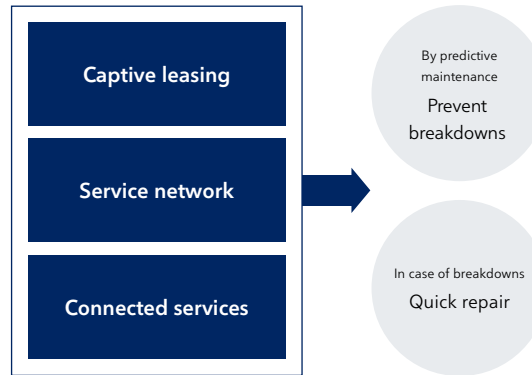
Raising Profitability by Enhancing After-Sales Services

Looking ahead to the carbon-neutral era, we will take the total life cycle uptime support services that we have cultivated thus far and expand them overseas to meet regional needs, thereby further strengthening solid after-sales service revenue.

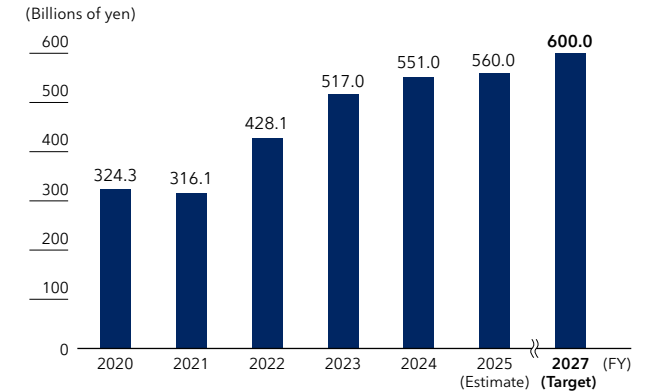
Starting in 2015

The Uptime Support Service Model in Japan That Isuzu Has Worked to Assemble Thus Far

We have been working to meet our customers' service needs by strengthening our captive leasing, service network, and connected services. As a result, we have been able to provide high-quality maintenance services, such as preventing vehicle breakdowns through predictive maintenance and quickly repairing any breakdowns that do occur, thereby minimizing customer vehicle downtime.



Sales Generated by After-Sales Services



Starting in 2024

Deployment of Services Tailored to Regional Needs

We will take the total life cycle uptime support services that have been cultivated in Japan and expand them into major regions by 2028 to meet local needs. In North America, we will roll out the EVision program, which is necessary for the introduction of commercial battery-electric vehicles (BEVs), and we will also introduce maintenance leasing and overseas connected services for the first time. In Australia and the ASEAN region, we will pursue the deployment of maintenance leasing.

Overseas Expansion of Programs Necessary for Commercial Electric Vehicle Adoption

- Simulation of electric vehicle operation plan
- Charging and energy management proposals



Region	Regional Environment	Service Deployment
North America	With countries leading in BEV regulations, the shift to zero-emission commercial vehicles is accelerating	Maintenance lease and overseas connected services will be introduced for the first time along with the launch of BEVs in 2024
Australia	High market share/presence and high demand for maintenance leasing from commercial vehicle customers	Establishment of a maintenance leasing system and provision of services including standard UD Trucks maintenance packages
ASEAN Region	High market share/presence, and with the development of e-commerce, after-sales demand from commercial vehicle customers is also expanding	

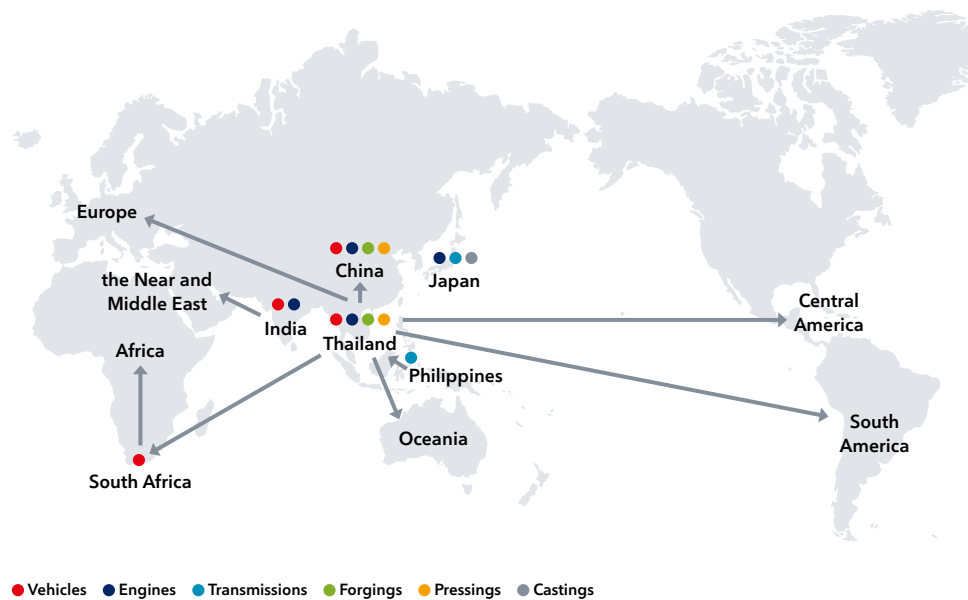
Initiatives for Growth in the Light Commercial Vehicle Business

In the light commercial vehicle business, which is an important revenue base for the Company, we offer a lineup including the D-MAX one-ton pickup truck and the MU-X passenger pickup vehicle, which we sell in a total of more than 120 countries, including ASEAN countries, such as Thailand and the Philippines, and Australia and the Near and Middle East.

Production System Based on Three Locations in Close Proximity to the Market

For light commercial vehicles, we have established a production framework consisting primarily of three bases: Thailand, South Africa, and India. For Africa, India, and the Near and Middle East, where demand for commercial use is strong, we utilize our production bases in South Africa and India, which are close to the markets, to enable prompt supply to the markets and to respond to their needs. Our facilities in Thailand, where we have our flagship plant, not only provide technical support to other bases but also function as a major development base, enabling us to develop and produce vehicles based on market needs.

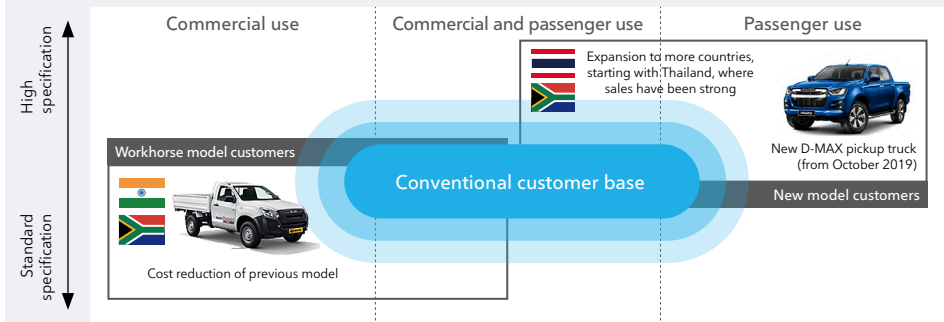
Major Light Commercial Vehicle Production Bases and Deployment Areas



Sales Strategies Tailored to Local Needs

In Thailand, in response to the expanding need for vehicles that are suitable for passenger use rather than commercial use, in 2019 we launched new models that can also be used for passenger use. At the same time, in India, South Africa, and the Near and Middle East, where there is strong demand for commercial and low-cost vehicles, we are implementing sales strategies that meet the needs of each region by offering cost-effective models.

Expansion of D-MAX Pickup Truck Customer Base



Topic: D-MAX Model Change

The full-model change of the D-MAX, carried out in 2019, improved fuel efficiency and safety while enhancing design under the concept of "Beyond the Pickup Truck" and the key words "bold," "emotional," and "smart," creating a lineup that also meets the needs of passenger vehicles. With the series of minor yet significant updates implemented in 2023, we not only revamped the exterior and interior design, but also added an advanced driver-assistance system and off-road modes to enhance safety, making it more appealing to passenger needs.



Since the full-model change, we have strengthened our customer base, achieving the No. 1 market share in Thailand for four consecutive years from 2020 onward.

Initiatives for Growth in the Light Commercial Vehicle Business

> Megatrends in Major Markets

Thailand

Demand is expected to shrink over the next two to three years due to stricter financing screening as part of the backlash from monetary easing. In the long term, sales are expected to grow due to ongoing latent demand, government support, and the growth potential of the Thai economy.

India, the Near and Middle East, and Africa

With Africa's population expected to grow by over 10% by 2030 and economic growth also expected in India and the Near and Middle East, demand for pickup trucks for commercial use is also expected to increase.

> Initiatives Aimed at Steady Business Growth

In addition to sales expansion in Thailand, one of our main markets, we also aim to expand sales to countries in the Global South, including Africa and the Near and Middle East, and thereby achieve sales of more than 400,000 units by 2030. Notably, in Central and South America we will reinforce our sales channels and conduct feasibility studies on production plants, while in South Africa we will expand production by reallocating factories and commence knockdown production in Kenya. Through these and other such measures, we will fortify our sales and production framework to capitalize on demand.

Central and South America

- Sales channels enhancement
- Consideration of new production bases

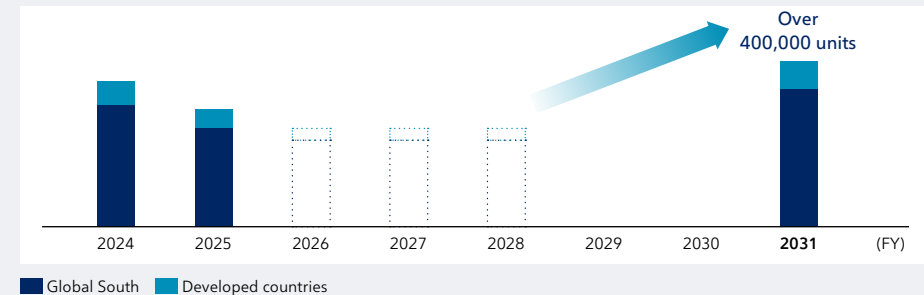
Africa

- Increase production by relocation of the South African plant
- Start of CKD* assembly in Kenya

* Complete Knock Down

Solid Business Growth

Despite leveling off in the near-term, growth is expected due to sales expansion in ASEAN, the Near and Middle East, Africa, and Latin America.



Initiatives toward 2030

To enable light commercial vehicles to meet various needs and use cases, such as decarbonization and connectivity, we will develop a variety of power sources, including high-efficiency engines, plug-in hybrid electric vehicles (PHEVs), and battery-electric vehicles (BEVs). In addition, through partnerships we will pursue the development of electric components, electrical and electronic architecture, and other core technologies required for the future.

Future Core Technologies

Promote development of core technologies for the next-generation through partnerships

Support for a Variety of Power Sources

Extensive power source line up to meet various use cases

- High-efficiency engines
- PHEVs
- BEVs

Topic: First BEV Pickup Truck Prototype Unveiled

We unveiled a prototype of the BEV model of the D-MAX 1-ton pickup truck at the 45th Bangkok International Motor Show in Thailand. We will launch sales in parts of Europe, including Norway, in 2025 and will then expand to other areas, such as the United Kingdom, Australia, and Thailand, taking into account how cars are used and the status of infrastructure in individual countries and regions.



Priority Market Strategies

Japan

Market Environment

- A shrinking working population and growing need for improved logistics efficiency due to the shortage of drivers arising from the 2024 workstyle reform legislation



Efficiency improvement is necessary to resolve labor shortage. Protect Japan's logistics and manufacturing industries by developing new businesses that utilize autonomous driving technology, and expand current businesses such as supply chain and infrastructure development

Market

- Invest to strengthen sales functions and service infrastructure network to support expansion of new vehicles and fleets (205 billion yen)
- Create new businesses that resolve challenges facing the logistics industry, utilizing autonomous driving technology that only Isuzu, with its extensive expertise in vehicle use, can provide



Monozukuri (Manufacturing)

- Establish a robust supply chain to secure global production volumes by utilizing generative AI to improve current infrastructure and re-structure current domestic monozukuri structure to prepare for labor shortage
- To resolve issues arising from 2024 workstyle reform legislation, improve operations based on the actual conditions of driver hours and loading rates, reduce driver workload, and promote proof-of-concept of autonomous driving (starting with our own logistics domain)

North America

Market Environment

- With countries leading in BEV regulations, the shift to zero-emission commercial vehicles is accelerating



As a pioneer for development of Isuzu's BEV business, actively invest in strengthening engineering and production capabilities in the US, starting with the launch of light-duty BEVs. Become leader in LCF* market by concentrating on aftersales service

Market

- Lead LCF* BEV market by evolving into a business model that utilizes maintenance leasing and connected services in conjunction with the introduction of BEVs to the market
- As major logistics companies and shippers are entering into vehicle manufacturing and autonomous driving, create a business utilizing Isuzu's unique autonomous driving technology, in order to expand the added value of vehicle OEMs



Monozukuri (Manufacturing)

- In order to locally procure BEV batteries and acquire autonomous driving technology, enhance Isuzu's engineering capabilities
- Increase production capacity to start light- and medium-duty BEV production



* Low Cab Forward

Priority Market Strategies

ASEAN Region

Market Environment

- Expansion of emerging players using BEVs
- Working populations are expected to decline leading up to 2030, including in Thailand where Isuzu has facilities.



By providing products in multi-pathway, including xEVs, and pursue factory modernization and efficiency improvements to secure labor force, maintain and strengthen manufacturing and customer foundation

Market

- As emerging players expand into ASEAN with BEVs, Isuzu aim to maintain and strengthens customer foundation by using connected services, and maintenance leasing
- Provide products in multi-pathway, including xEVs



Monozukuri (Manufacturing)

- Actively invest in the LCV supply chain (32 billion baht), mainly in Thailand, to make firm the LCV business and increase production capacity
- Continue to invest in existing factories in ASEAN countries for greater efficiency, modernization, and increase worker satisfaction to secure labor force



Strategic Regions

Market Environment

Demand is expected to expand sharply, driven by population growth from 2030 onward



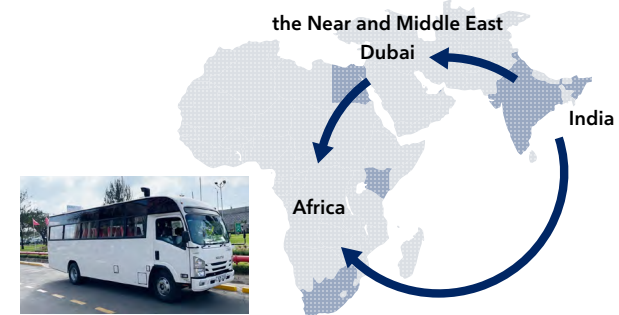
Positioning India and Africa as strategic bases for future growth, strengthening mutual collaboration for resources and sales channels across Isuzu Group especially with the Near and Middle East Base

Africa

- In preparation for the possibility of a rapid increase in demand due to population growth after 2030, enhance brand recognition and expand presence, leveraging current Monozukuri base in South Africa, Kenya, and Egypt
- Invest to increase LCV production capacity and invest to new CV plant in South Africa. Starting CKD assembly of LCVs in Kenya

India

- As an export base for LCVs and product development base for growing markets, UD R&D functions and local resources will be efficiently utilized



CFO Message

Steadily Improving Earnings and Investing for the Future

Preface

► Isuzu's New Medium-Term Business Plan: ISUZU Transformation—Growth to 2030

In its pursuit of providing solutions to various social issues related to transportation, Isuzu has formulated its new medium-term business plan, ISUZU Transformation—Growth to 2030 (hereinafter "ISUZU Transformation"). While focusing on strengthening existing businesses, we aim to become a commercial mobility solutions company in the global market by 2030 by focusing on our three new business pillars: autonomous driving solutions, connected services, and carbon-neutral solutions.

In this section, I will outline Isuzu's financial policy aimed at realizing the goals set forth in ISUZU Transformation and the initiatives the Company is undertaking through fiscal 2027, the halfway point of the plan.

My responsibility as Group CFO is to maximize corporate value by steadily building more robust revenue and financial bases and investing in growth for the future. In addition, from fiscal 2025, I have also assumed the role of chief strategy officer (CSO) to drive forward the business strategies outlined in Isuzu Transformation. To ensure the successful implementation of our medium- to long-term strategies, it is essential that they are underpinned by an appropriate financial strategy, and I aim to achieve prompt changes while maintaining a balance between the two.

Financial Policy

Our financial policy will evolve based on four key elements: growth investments, financial soundness, shareholder returns, and profitability and capital efficiency.

In terms of growth investments, we aim to sustainably increase corporate value by prioritizing investments that are necessary for the continuation of business activities and future growth.

At the same time, as a company that operates businesses engaged in the manufacture and operational support of trucks—an essential part of social infrastructure—it is our responsibility to maintain financial soundness by underpinning the stability of such businesses while maintaining a financial base that enables flexible financing for investments in growth.

After comprehensively considering the balance between shareholder returns and internal cash reserves for securing growth investments and maintaining financial soundness, the Company will return profits to shareholders based on the level of profitability for each fiscal year while aiming to achieve steady dividend growth through its continued efforts to increase profitability. In addition, the Company will acquire treasury stock in a flexible manner based on factors such as its financial condition, cash flows, and expected future revenues.

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, Isuzu



Director of the Board and
Managing Executive Officer,
CSO, Group CFO,
EVP of Corporate Strategy
Division,
EVP of Corporate Planning
& Financial Division,
SVP of Chief for External Affairs

Naohiro Yamaguchi

CFO Message

will strive to improve capital efficiency by regularly examining cross-shareholdings according to their necessity to business strategies, economic rationality, and other factors and by strengthening investment management.

For a more detailed outline of Isuzu's financial policy and investment strategy under ISUZU Transformation, please refer to [□ page 24](#).

Reflecting on Medium-Term Business Plan 2024

First, I would like to take a look back at Medium-Term Business Plan 2024 from a financial standpoint.

▶ Achieving Net Sales and Operating Income Targets One Year Ahead of Schedule

We set quantitative targets for the third year of Medium-Term Business Plan 2024, fiscal 2024, the year ended March 31, 2024, of net sales of ¥2.75 trillion in net sales, operating income of ¥250 billion, and ROE of 12.5%, and we were able to exceed all of these targets. We also met our targets for net sales and operating income in the second year of the plan.

However, the business environment has changed significantly compared with the projections made at the time we formulated Medium-Term Business Plan 2024. Looking at market environments, the pickup truck market in Thailand experienced an unprecedented decline in fiscal 2024. However, buoyed mainly by a combination of robust sales in developed markets, such as Japan and North America, and favorable foreign exchange rates, we were able to achieve a significant increase in sales. As for our profitability, the historic rise in material costs, especially for steel products, had an unprecedentedly large negative impact. However, we were able to counteract these negative impacts to some extent by promoting activities to reflect them in our sales prices with the understanding of our customers. In addition, we believe that we were able to achieve our goals due to the combination of increased sales, cost reduction activities, and the positive impact of the yen's depreciation.

▶ Maintaining a 40% Dividend Payout Ratio While Executing a ¥50 Billion Share Buyback

Regarding shareholder returns, we maintained a dividend payout ratio of 40% for all years during the period of the plan. In the third year of the plan, fiscal 2024, we also repurchased ¥50 billion of our own shares. Combined with dividends, total shareholder returns over the three-year period amounted to ¥232.9 billion, for a total return ratio of 51.3%. Compared with previous years, we were able to significantly increase shareholder returns.

▶ No Issues with Financial Soundness

During the three-year period of Medium-Term Business Plan 2024, capital expenditures totaled ¥289.2 billion and research and development expenditures amounted to ¥347.7 billion. Although cash outflows averaged at the ¥210 billion level each year, they were fully covered by operating cash flow backed by strong business performance. In addition to shareholder returns, the Company is in the process of repaying interest-bearing debt, which was utilized in the acquisition of UD Trucks Corporation in 2021. Our year-end capital adequacy ratio was 44.8%, which gives me no cause for concern about the Company's financial soundness.

Outlook for Fiscal 2025

For fiscal 2025, we are forecasting lower sales and profits, with net sales of ¥3.35 trillion, operating income of ¥260 billion, profit before extraordinary items of ¥275 billion, and profit attributable to owners of parent of ¥160 billion. The assumed exchange rate is ¥145 to US\$1.

▶ Market Conditions in Thailand Remain Challenging

The pickup truck market in Thailand is expected to take some time to fully recover, given that the local financing situation has shown no signs of improvement. Although developed markets are resilient, we expect conditions in emerging markets to be difficult on the whole due to weak momentum in such markets.

▶ Continuing to Reflect Ongoing Material Cost Increases in Our Pricing

In terms of profits, we expect material costs to continue to rise, although not as much as before. We will continue to sincerely respond to particularly strong requests from suppliers for price increases against the backdrop of wage hikes and other cost increases. We are continuing our efforts to reflect cost increases in selling prices, but we are forecasting a decrease in profit due to the fact that we have not been able to offset the impact of lower sales, mainly in Thailand.

▶ Maintaining Dividends per Share and Executing a ¥75 Billion Share Buyback Despite Forecast Decrease in Income

We forecast profit attributable to owners of parent of ¥160.0 billion, a year-on-year decrease of ¥16.4 billion. However, this decrease in profit will be temporary due to current sluggish demand, and as indicated in ISUZU Transformation, we are steadfastly committed to our growth scenario through 2030. Based on the assumption that profits will grow again in the future, we will not reduce the dividend in line with the forecast decrease in income but will maintain the same dividend forecast as the previous fiscal year of ¥92 per share.

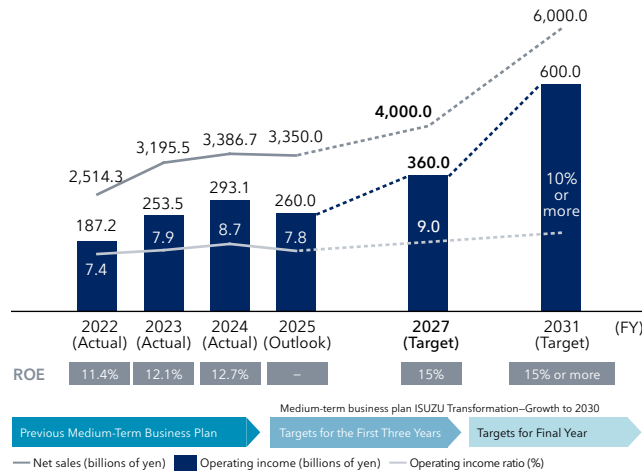
In addition, as announced in August 2024, the Company will execute a share buyback with a maximum value of ¥75 billion.

Quantitative Targets for Fiscal 2027

In order to achieve the goals set forth in ISUZU Transformation for fiscal 2031 of net sales of ¥6 trillion, an operating income ratio of 10% or more, and ROE of at least 15%, we have set our goals for fiscal 2027, three years from now, as net sales of ¥4 trillion, an operating income ratio of 9%, and ROE of 15%. The assumed exchange rate is ¥140 to US\$1.

CFO Message

Quantitative Targets for Fiscal 2027



► Net Sales of ¥4 trillion and Operating Income Ratio of 9%

We consider ¥4 trillion in net sales for fiscal 2027 to be the minimum we must achieve to realize our ultimate goal of ¥6 trillion in net sales by fiscal 2031 under ISUZU Transformation. In 2027, the market for electrification will still be small, and we will work to ensure that we reach our goal by effectively leveraging our existing business technologies that we have built up to date and by strengthening sales, especially in emerging markets.

Although we expect an increase in growth investment expenses, such as development and amortization costs, we believe that we will be able to achieve an operating income ratio of 9% by reflecting cost increases in product prices and cost reduction activities while also being helped by increased net sales.

In terms of the outlook for the market in Thailand, we are assuming that the market environment will remain similar in fiscal 2027, as it was in fiscal 2024, and that it will take some time for the market to fully recover.

► Growth Investments of Approximately ¥1 Trillion over Three Years

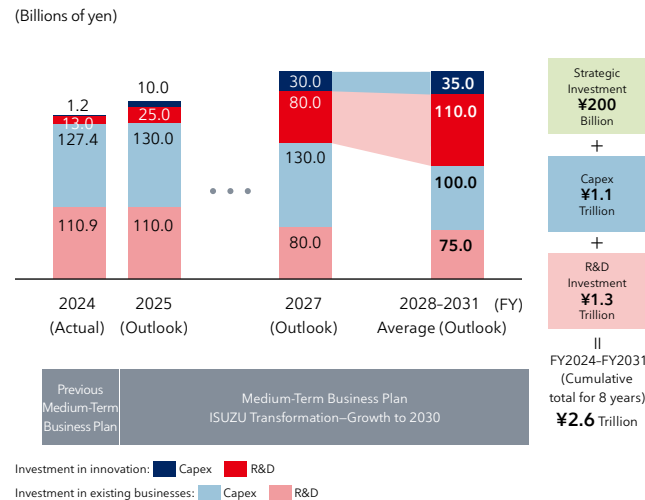
The investment plan in ISUZU Transformation sets forth a total of ¥2.6 trillion over the eight years through fiscal 2031. ¥1 trillion is allocated for investments in innovation and ¥1.6 trillion for investments in existing businesses.

In the three years through fiscal 2027, the Company will invest in innovation, including in electric, fuel-cell, and other vehicle technologies geared toward becoming carbon neutral; the introduction of various testing and evaluation facilities for the development of optimal systems and components for electric vehicles; the development of autonomous driving-related technologies; and investments aimed at acquiring and commercializing these technologies.

At the same time, we aim to sustain and expand our existing businesses by continuing to make investments in continuously improving existing products and technologies, strengthening domestic and overseas production bases, increasing the capacity of domestic sales and service bases, and making digital transformation-related investments.

Over the next three years, we expect to invest ¥300 billion in innovation and ¥680 billion in existing businesses, totaling almost ¥1 trillion. As we move toward fiscal 2031, we will further accelerate our investments in innovation while curbing our investments in existing businesses, thereby controlling the increase in the overall amount invested.

Quantitative Targets for Fiscal 2027: Investment Plan



► Further Improving Capital Efficiency

In ISUZU Transformation, the Company indicated that it will maintain a dividend payout ratio of 40%, aim for steady dividend growth, be aware of appropriate capital adequacy levels, and continue to flexibly purchase treasury stock. In addition, the Company has set a target for ROE of 15% or more, with an eye on the global market, and will strive to improve capital efficiency.

In Medium-Term Business Plan 2024, we set our ROE target at 15% for fiscal 2026; however, we have revised this target, now aiming for fiscal 2027. To achieve this target, we will promote activities to optimize the level of shareholders' equity in addition to improving profitability.

► Utilizing Interest-Bearing Debt to Stay as Financially Sound as Possible

There is no change in our policy of maintaining a financial strength rating of "A" in terms of management stability while continuing to invest in growth and return profits to shareholders. At the same time, we will continue to utilize interest-bearing debt from the perspective of capital efficiency so that we can maintain our "A" rating.

In Closing

As we contribute to a decarbonized society and address issues related to the transportation of goods and people, such as the "2024 issue," expectations for the commercial vehicle industry are higher than ever. Our response to these expectations is to evolve into a commercial mobility solutions company that provides solutions to the issues faced by customers and society through reliability and creativity, as stated in ISUZU Transformation. For this evolution to take place, it is essential that we achieve ISUZU Transformation's financial targets. I will continue to fulfill my responsibilities as Group CFO in achieving these targets.

Special Feature

Aiming to Reform Our Business Models

Isuzu's Competitive Advantages and Strategies in Its Commercial Vehicle Businesses in Japan and Overseas

In order to realize the goals set forth in Isuzu's new medium-term business plan, ISUZU Transformation—Growth to 2030 (hereinafter "ISUZU Transformation"), we must further strengthen the business foundation and competitiveness of our existing businesses.



Source of Isuzu Group competitiveness

- Light-duty trucks ● Light commercial vehicles
- Collaboration with UD Trucks Corporation ● *Monozukuri*
- Customer base ● Financial base ● Operational support



CASE 1

Keeping Vehicles in Operation throughout Their Entire Life Cycle

Isuzu's Foundational Business Model for the Commercial Vehicle Business in Japan

In this section, we will take an in-depth look at the business model behind where it all began for Isuzu—its commercial vehicle business in Japan. We will delve into the Company's vision for the business while exploring the challenges it faces and the actions it must take to achieve its goals.

CASE 2

Shift to a Business Model That Breaks Away from Our Approach with a Focus on Selling Every Last Vehicle

Overseas Commercial Vehicle Business: Transforming into a Value Provider That Keeps Vehicles in Operation While Accelerating Overseas Expansion

This section outlines how we aim to create added value in overseas markets by strengthening our vehicle supply and after-sales services and how we will reinforce our competitive edge.

CASE 1

Keeping Vehicles in Operation throughout Their Entire Life Cycle

Isuzu's Foundational Business Model for the Commercial Vehicle Business in Japan

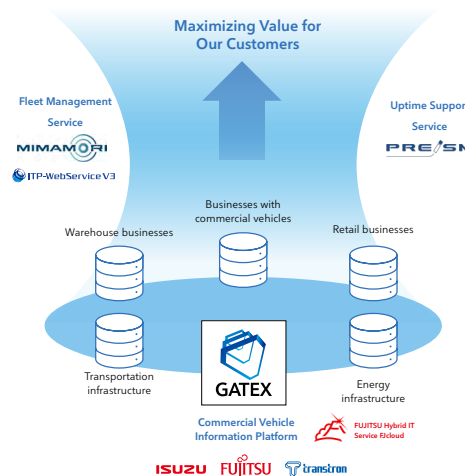
A Business Model That Enables Support for the Vehicle's Entire Life Cycle

In ISUZU Transformation, we set out our plan for the overseas rollout of a service that supports operations throughout the entire life cycle of a vehicle. At the heart of this is the business model and service expertise we have cultivated over many years of working with commercial vehicles in Japan.

Commercial vehicles are required to operate 24 hours a day, 365 days a year as tools for logistics. Centered on Japan, Isuzu has developed a business model for commercial vehicles that provides continuous after-sales support for the operation of vehicles by properly managing and tracking vehicle data, providing after-sales services to prevent breakdowns, and responding quickly in the event of a breakdown. This enables the Company to secure stable revenues, not only from the sale of new vehicles but also from the provision of parts and services, by encouraging customers to regularly visit service centers and maintain their vehicles over a period of ten years or more.

We have taken four main measures to enhance our after-sales support and establish the vehicle life cycle business in Japan: expanding our maintenance facilities, building vehicle databases, providing connected services, and offering maintenance leases. In order to minimize disruptions to our customers' operations when a vehicle breaks down as much as possible, it is necessary to have an abundance of service centers that can immediately accept a vehicle to be serviced. Since 1959, when Isuzu launched its system that turned auto repair businesses into designated Isuzu vehicle service centers under its dealerships, Isuzu has expanded its nationwide network of vehicle maintenance facilities. Isuzu currently has 250 service centers at 21 dealerships across Japan. If we include UD Trucks' service centers, the

Isuzu's Connected Services [Page 29](#)



network extends to over 400 centers nationwide. In addition, vehicle databases are centralized across Isuzu dealers, and information on vehicle inspections and breakdowns has been used to establish a system that allows customers to receive optimal maintenance and service based on their maintenance history, no matter which service center they visit in Japan.

Since 2004, we have stayed ahead of our competitors by providing our MIMAMORI connected fleet management service, which tracks the operation and usage of our customers' vehicles and provides timely and appropriate information. In 2015, the Company began offering PREISM, an uptime support service that utilizes remote vehicle data to manage the condition of vehicles and identify signs of breakdowns. The service performs predictive maintenance before vehicle breakdowns occur, providing added value to the customer by ensuring that the vehicle stays in operation. Additionally, in Japan, Isuzu Leasing Services Ltd. offers the PREISM CONTRACT maintenance lease, which packages together the latest connected services and advanced genuine maintenance services, providing full support throughout the vehicle life cycle and enabling customers to continue to introduce the latest Isuzu vehicles into their fleets at a fixed price.

Underlying these services is a commitment to always working closely with customers and responding sincerely to their needs. As a result of our continued efforts to meet customers' need to reduce disruptions to their operations caused by vehicle breakdowns as much as possible, fix issues before vehicle breakdowns occur, and make efficient use of their vehicles with peace of mind, we have been able to build a business model for the entire life cycle of vehicles based on maintenance and after-sales services in line with the way vehicles are used.

Investment in Facilities and Human Resources to Reliably Provide Services That Keep Vehicles in Operation

During ISUZU Transformation, Isuzu plans to not only increase vehicle sales and ownership but also launch various electric vehicles and create new businesses centered on automated driving and connected services in the Japanese market to help address social issues. We will strengthen our existing vehicle sales businesses by working together with UD Trucks to expand and complement each company's sales and service channels, and as part of our multi-pathway approach to carbon-neutral solutions, we will launch the ELF mio*1 in July 2024, following the launch of the N-Series electric vehicles in 2023. In an industry first, Isuzu has created a new category of diesel vehicles that are compatible with noncommercial driver's licenses. The vehicles will help to address "the 2024"*2 issue and meet a wide range of other needs, from those of the logistics industry at large to those of independent business owners—both of whom will require a more diverse workforce going forward.

On the other hand, the biggest challenge in increasing our top line is to secure and retain human resources, including maintenance staff. As the number of vehicles sold and owned increases, the demand for after-sales services will also increase proportionally, meaning it is imperative that we strengthen our

*1 The N-Series is known as the ELF series in Japan.

*2 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.

after-sales service capabilities. With a view to increasing the number of vehicles sold and owned and further improving service levels, the commercial vehicle business in Japan plans to invest approximately ¥200 billion over the next three years to strengthen its sales capabilities and expand its service infrastructure network, including investment in human resources and improving working conditions. This investment, which is four times the scale of investments made in the past, will be allocated to upgrading state-of-the-art facilities that will improve employee safety and working conditions, strengthening our network of service centers, building systems to simplify and streamline work processes, and constructing facilities and maintenance networks with an eye to the connected, autonomous, shared & service, and electric (CASE) era. This will lead to both reduced maintenance times and improved employee safety and working environments.

Based on these strengthened systems, we will continue to be the brand of choice for our customers by providing more enhanced services to keep vehicles in operation while promoting leading-edge initiatives to resolve social issues.



Our Sales Representatives in Japan Are the Driving Force behind ISUZU Transformation

It is no overstatement to say that our sales representatives in Japan hold the key to the success or failure of ISUZU Transformation. With regard to domestic sales, which account for about 30% of the Isuzu Group's total sales, our mission is to expand our top line in existing domains and implement leading-edge initiatives to resolve social issues. We believe that fulfilling these missions will directly lead to our underpinning of the transportation of people and goods in Japan.

To ensure that we carry out this mission successfully, we will actively invest on an unprecedented scale in all personnel involved in domestic sales, infrastructure centered on service centers at dealerships, and business reforms through digital transformation.

Through ISUZU Transformation, our sales team in Japan will become a part of social infrastructure that connects everyone involved in transportation and work, contributing to the creation of a vibrant and prosperous society in Japan.



Hidekazu Noto

Executive Officer
SVP, Sales Division

CASE 2

Shift to a Business Model That Breaks Away from Our Approach with a Focus on Selling Every Last Vehicle

Overseas Commercial Vehicle Business: Transforming into a Value Provider That Keeps Vehicles in Operation While Accelerating Overseas Expansion

Structural Differences between the Commercial Vehicle Businesses in Japan and Overseas That Form the Basis of Overseas Commercial Vehicle Strategies

In our commercial vehicle business in Japan, after-sales services have become a stable source of revenues owing to the establishment of the life cycle business, while in our overseas operations, new vehicle sales are our main revenue source. Underlying this are the structural differences between our commercial vehicle businesses in Japan and overseas.

In Japan, Isuzu has the infrastructure in place to work with local dealers to centrally manage customer vehicle and maintenance information, which is also aiding in the development of connected services. In contrast, most dealers overseas are independent and have no capital relationship with Isuzu, and customer information is generally managed by the independent dealers themselves. This makes it difficult for Isuzu to centrally manage information or to provide optimal services by referencing maintenance histories across different dealerships. In addition, in some countries overseas, there are no regular opportunities for vehicle inspections and the value of after-sales services that keep vehicles in operation is not yet fully recognized compared with Japan.

Structural Differences Relating to Commercial Vehicles in Japan and Overseas

	Overseas	Japan
Dealers	Independent dealerships	Network of exclusive Isuzu dealerships
Sales systems	Independent systems for each dealership No data sharing between dealerships	Common sales system exclusive to Isuzu Effortless data sharing and utilization through a common customer database
Vehicle Inspection Systems	No vehicle inspection system; repairs carried out as necessary	Regular visits to service centers via a vehicle inspection system
Connected services	Fleet management telematics system available in select countries only	Equipped as standard for all vehicle types, enabling acquisition of vehicle data
Leasing	Programs set up by local finance companies only	Wide range of maintenance leases available through Isuzu Leasing Services Ltd.
Used cars	Used car businesses currently not under development	Developing used car business

Against this backdrop, we have yet to roll out our connected services or maintenance leases overseas,* so our support services related to vehicle operation status and those that provide support throughout the entire vehicle life cycle are not as complete as they are in Japan, and there is significant room for further efforts.

Even in these overseas markets where the market landscape differs significantly from that in Japan, Isuzu has embarked on efforts with an awareness of the challenges it faces, guided by the premise of meeting the needs of customers in each region.

* MIMAMORI is also available in some regions outside of Japan.

Initiatives through the End of Medium-Term Business Plan 2024: Expansion of Customer Contact Points through Increased Proximity to the Market and Structural Reforms Focusing on After-Sales Services

Since the late 2000s, Isuzu has been strengthening its development and service systems in overseas markets. In particular, under the theme of increasing proximity to the market, Isuzu has expanded its network of dealerships and service centers that serve as points of contact with customers in countries around the world. The thinking behind this strategy is that vehicle development and a sales and after-sales support system that is fine-tuned to the needs of customers, which vary greatly from country to country and region to region, will ultimately help differentiate Isuzu from its competitors. We have established an extensive network of regional dealerships and sales offices, including after-sales centers in the Near and Middle East, to enable the prompt supply of parts across multiple countries and have been providing sales and technical support to local dealers. In addition, Isuzu has established a sales system in which sales representatives from the Isuzu headquarters visit customers directly in both rural and urban areas to directly take on their requests. Furthermore, in 2014, the Company established Isuzu Global CV Engineering Center Co., Ltd. (IGCE) in Thailand, a facility aimed at developing commercial vehicles for emerging countries. With IGCE, we have been able to identify market needs in emerging countries, speed up development, and bring to market products that meet those needs. These efforts have also led to the expansion of our revenue base, with sales in Asia and North America growing significantly from approximately ¥590 billion and ¥98 billion, respectively, in fiscal 2014 to approximately ¥940 billion and ¥240 billion, respectively, in fiscal 2023.

In addition, Isuzu has long regarded the goal of establishing an after-sales support system similar to Japan's in overseas markets as a key management issue. However, due to the abovementioned structural challenges in overseas markets, particularly in our main markets of the ASEAN region and North America, where most dealers are not consolidated and new vehicle sales are the only major source of revenues, both Isuzu and local dealers had a deeply rooted mindset of generating their earnings from new vehicles, and cooperation between the sales and after-sales support departments was weak.

With this in mind, since the start of Medium-Term Business Plan 2024, we began building an operational model that combines sales activities that focus on after-sales support and sales activities that focus on after-sales support and parts supply, while at the same time working to change the mindset of

our employees by changing our business model to break away from our approach with a focus on selling every last vehicle.

Customer Needs Have Changed since the COVID-19 Pandemic

The recent COVID-19 pandemic has changed lifestyles in various ways around the world. One such change is the increased demand for e-commerce due to stay-at-home requests during the pandemic. The shift to e-commerce for everyday shopping has led to a sharp increase in the number of packages handled by logistics companies, as well as a rise in demand for goods to arrive on time.

As a result of these changes, there has been a significant increase in demand overseas for trucks—which are essential in dealing with the rapidly increasing volume of cargo and building and maintaining a delivery system without delays—to have access to a 24-hour support system for immediate repairs in the event of a breakdown and be constantly maintained to prevent breakdowns.

The ASEAN region, a major market for Isuzu, has been directly affected by this structural shift. In contrast to developed countries, the COVID-19 pandemic has led to a rapid increase in e-commerce, and demand for truck maintenance and after-sales support has never been higher. On the other hand, in North America and Australia, there is a growing need for added value, such as efficiency and autonomous driving, which is premised on keeping trucks in operation. In North America in particular, there is a pressing need to respond to calls for an efficient transport system that can be maintained with even a small number of drivers, as well as for the adoption and use of electric vehicles, due to the driver shortage and advancing electric vehicles regulations.



Koji Nakamura

Executive Officer
SVP, Sales Division

Optimizing Our Division to Strengthen Isuzu's Revenue Base

As senior vice president of the International Sales Division, my role is to develop plans for the appropriate allocation of personnel and resources and to ensure the expansion of existing businesses and launch of new businesses. In the long term, I anticipate the so-called "final frontier" of African countries will become an important market for Isuzu alongside the ASEAN region. I believe that the success or failure of our efforts under ISUZU Transformation will be a major factor in creating a foundation that will enable us to capture the future market expansion of these emerging countries.

We will continue to create added value and promote organizational reforms without jeopardizing Isuzu's greatest strength, the trust we have built up with our customers.

Completion of the Cycle for Keeping Operations Running as Part of ISUZU Transformation

In response to the changes in the business environment brought about by the COVID-19 pandemic, Isuzu's meticulous efforts to build a sales and support system have become one of its major advantages over its competitors. In transforming the current changes in the external business environment into an opportunity for Isuzu, it is essential to further strengthen this advantage while simultaneously resolving structural issues.

Under ISUZU Transformation, we aim to complete the operational model for strengthening collaboration between sales and after-sales service divisions, an initiative that has been underway since Medium-Term Business Plan 2024. In addition, we plan to develop and expand connected services, focusing on developed countries such as North America and Australia, and to build a customer support model that spans the entire vehicle life cycle. Specifically, we aim to support customers from the time they introduce a new vehicle into their fleet to the time they replace it and introduce their next vehicle by horizontally expanding the regular vehicle servicing and preventive maintenance that utilizes connected services and the new vehicle sales model based on maintenance lease contracts that we have developed in Japan to overseas markets.

To achieve this, we must simultaneously promote two aspects of infrastructure development. The first is to standardize the quality of our after-sales service operations and the prices at which we supply parts. Under ISUZU Transformation, we will standardize our IT systems and service networks by country, and we will work to strengthen cooperation with dealers in each region to promote the establishment of an operational model that allows customers to receive the same quality of service at the same price, regardless of region or dealer.

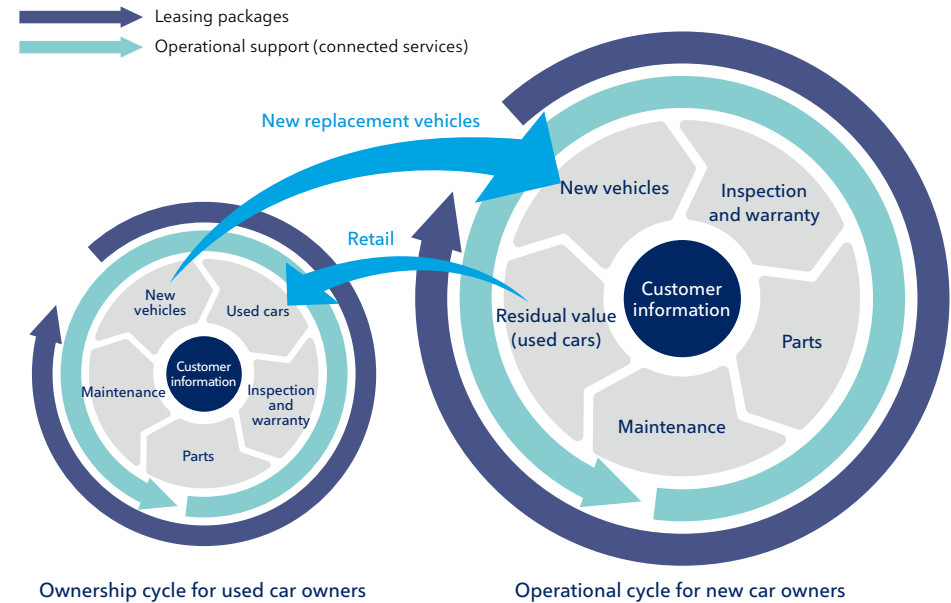
The second is the overseas expansion of connected services and maintenance leasing. In addition to keeping vehicles in operation, Isuzu will prioritize the expansion of PREISM, EVison, and its leasing packages in North America and Australia, where there is high demand for the introduction of electric vehicles. By providing maintenance and regular servicing that other companies do not offer, as well as effective operational solutions for the introduction and operation of electric vehicles, Isuzu aims to not only provide support throughout the entire vehicle life cycle but also to create even greater added value.

Organizational Reforms Aimed at Becoming a Value Provider That Keeps Vehicles in Operation

In the Overseas Commercial Vehicle Division, we have implemented two organizational reforms in conjunction with the launch of ISUZU Transformation. The aim of the reforms is to transcend the boundaries between sales and after-sales services to promote a change in mindset to break away from our approach with a focus on selling every last vehicle and work toward becoming a value provider that keeps vehicles in operation.

The first reform involved transferring half of the employees in the service department, which oversees after-sales support for individual markets, to the sales department and redefining the role of overseas sales

The Commercial Vehicle Business Model We Aim to Build



staff from supporting local sales companies and dealers with the aim of selling new vehicles to supporting sales companies and dealers with the aim of keeping vehicles in operation, including through after-sales support. As a result, it became essential for sales staff to acquire the skills and knowledge required for after-sales support and parts supply, while after-sales support staff needed to acquire the skills and knowledge required for sales. By having sales and after-sales support staff share knowledge and engage in business together in the same department, we aim to change the way we approach customers and dealerships, from simply selling vehicles and parts to focusing on keeping vehicles in operation, and then as a result of those efforts, selling parts and future vehicles to the customer.

The second organizational reform involved establishing a division that would be responsible for building a business model for the overseas expansion of connected maintenance leasing and for sharing knowledge in a centralized manner. The division brings together personnel with the necessary know-how in areas such as electric vehicles development, connected services, and leasing and is boldly working to get the overseas expansion of connected services and maintenance leasing on a growth trajectory by 2028.

Isuzu will continue to take on the challenge of becoming a provider that continues to earn the trust of and be chosen by its customers by building a system that applies the know-how it has built up in Japan to provide value that keeps vehicles in operation in overseas markets as well.

The Kind of Production We Aim for under ISUZU Transformation

To Achieve Our Vision for 2030

As the commercial mobility solutions company we aim to be under our new medium-term business plan ISUZU Transformation, we will strengthen our production bases, primarily in Japan and Thailand, through large-scale capital investment during the period of this plan so as to build a supply chain on the scale of one million units.

Notably, we will position our flagship factory, the Fujisawa Plant, as the pioneer among our production plants. We will establish a production framework there that can flexibly adapt to change, is highly competitive, and capable of stable supply. In addition, with decarbonization and securing human resources becoming crucial issues, we plan to achieve carbon neutrality in our production activities and put in place a human resource development system and working environment that will enable us to accomplish our vision.

> Vision for Our Production Department

A Production Plant Endorsed by All Stakeholders

Flexible adaptation, high competitiveness, and stable supply

- Excellent scalability and streamlined production capacity
- Achievement of high-mix mass production SQDC*1 with efficiency and short lead times

Satisfaction

No. 1

Coexisting with the local community and leading the way in harmony with the environment

- Leading in the achievement of carbon neutrality and a circular economy in production activities within the Group
- Production activities that use exclusively renewable energy; prevention of resource depletion

Sustainability

No. 1

A brain trust that acts, learns, and disseminates in an agile manner

- Proactive adoption of new technologies; core talent leading each area
- Consolidation of expertise and brand support using sophisticated Isuzu Monozukuri*2

Social Impact

No. 1

A high level of engagement that promotes respect for individuals and fosters mutual contributions

- A place of growth where diverse specialization thrives and employees are encouraged to take on challenges
- Flexible working styles that can be adapted to different generations, genders, cultures, etc.
- A brand synonymous with a quiet, clean, safe, secure, and comfortable environment

Engagement

No. 1

*1 SQDC: Production management indicators related to safety, quality, delivery time, and cost.

*2 Isuzu Monozukuri: The systematization of Isuzu's manufacturing philosophy, methods, and production expertise. It is shared at plants around the world to develop a high level of uniform manufacturing.

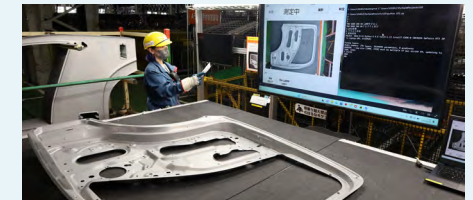
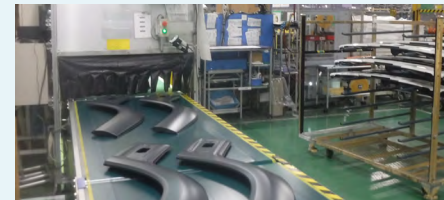
Expanding Production Capacity through Capital Investment and Streamlining

In Japan, which is home to our key production bases, we will use our existing infrastructure to update aging facilities and acquire streamlined, scalable production capacity.

Furthermore, in recent years, as declining working populations have become an issue worldwide, labor saving and the streamlining of each process have become essential to the expansion of production capacity and the achievement of a stable supply. By proactively adopting automation technologies, we will steadily achieve high-mix mass production SQDC with mechanisms that rely on humans as little as possible.

Topic 1 Imaging and Mechanics Technologies That Expand the Scope of Automation

As we look toward 2030, we aim to build an autonomous automation system that will determine the optimal division of roles between machines and humans in each individual process within the plant and thereby achieve higher productivity. In particular, with AI-driven imaging technology becoming more and more practical, we plan to expand its use to safety and preventive maintenance, in addition to fully automating the inspection process. We are also working to achieve labor saving and streamline processes by expanding the scope of automation to include assembly, picking, and on-site logistics processes.



Topic 2 High-Mix, Low-Volume Production: The Basis of Streamlined Production

Isuzu employs a high-mix, low-volume production method that minimizes the need to add production lines and reduces production costs per unit by producing a wide variety of vehicle models on a common line, which is a unique strength that enables highly efficient production.

Furthermore, in recent years, the Company has introduced the I-MACS modular design system, which has enabled the systematization of parts and standardization of connections. This means that even if demand for battery vehicles increases, mixed-flow production will be possible on existing production lines for the time being, and the Company has the scalability to support a multi-pathway strategy.

The Kind of Production We Aim for under ISUZU Transformation

Achieving Carbon Neutrality in Production Activities

Isuzu aims to reduce CO₂ emissions directly from its business activities (Scope 1 and 2) by 50% compared with 2013 levels by 2030 and achieve carbon neutrality by 2050. At our domestic factories, particularly in our production departments that have a heavy environmental impact, we are implementing the visualization of power consumption, implementing thorough energy conservation activities, and introducing highly efficient production equipment. Furthermore, we are planning to gradually introduce and expand clean energy through renewable energy sources, such as through power purchase agreements.

Creating an Organization and Culture Where Diverse Human Resources Can Thrive

In order to realize our vision laid out in ISUZU Transformation, it is important to create an environment where diverse human resources can thrive and work flexibly. In collaboration with the ISUZU ID, we aim to create a workplace where each employee can utilize their desire to grow and contribute in an open atmosphere where they are free to speak frankly.

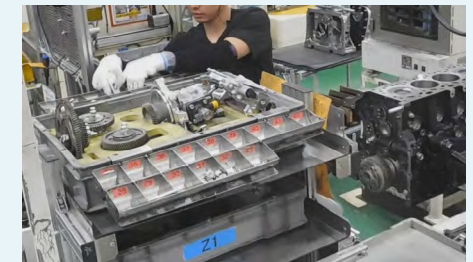
Topic 1 Increase in Work Processes That Anyone Can Do Right Away

As securing human resources becomes a challenge due to the decline in the working population, we are conscious of creating workplaces at our production sites where anyone from a wide range of backgrounds can easily work right away. In addition to reducing high-load work by expanding the scope of automation, we are implementing measures such as simplifying and diagramming our manuals to make it easier for even relatively inexperienced workers who may not be native Japanese speakers to get working.



Topic 2 Initiatives to Leverage the Desire to Contribute at the On-Site Level

Parts kitting, which is an essential element of Isuzu's current production methods, was an idea that originated at the factory floor level and has been deployed across the entire Company. By assembling parts into kits at the sub-line level so that workers at the main line level can focus on assembly work, kitting not only helps to level out the workload, but also prevents any parts being forgotten in the assembly process and helps minimize increases in main line work hours. This culture of encouraging ideas for improvements from the on-site level and the mechanisms for picking up on such improvements are strengths that Isuzu has cultivated over a lengthy history, and we intend to maintain and pass them on into the future.

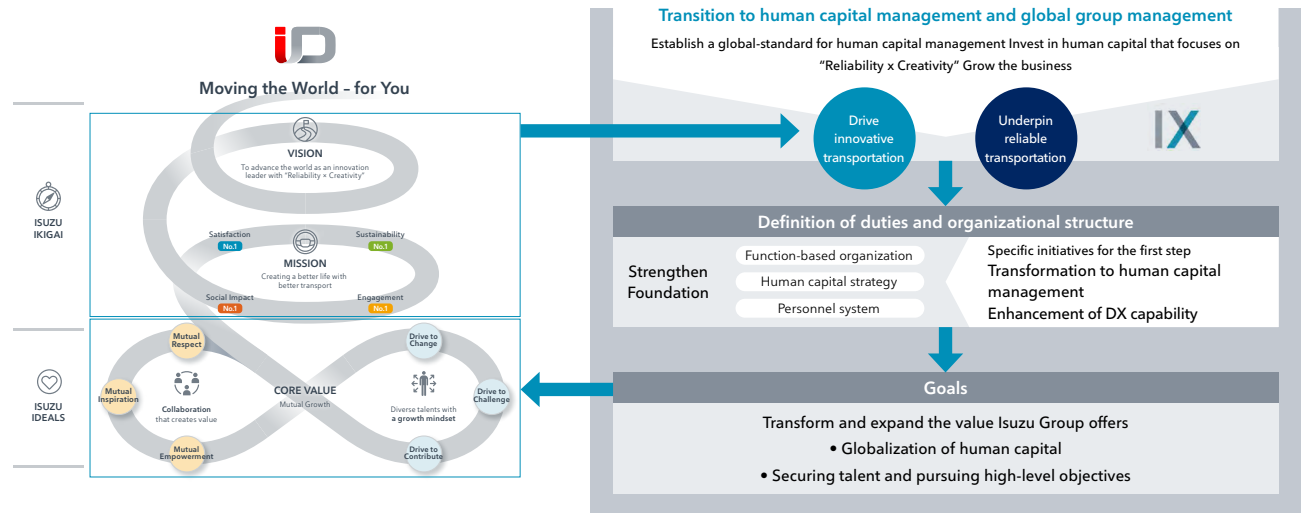


Achievement of Human Capital Management Rooted in the ISUZU ID

Basic Approach and Vision

To accomplish the aims of the ISUZU ID and ISUZU Transformation, we will develop a human capital management system that is based on the vision and mission of the ISUZU ID. We will move away from our traditional Japan-centric, improvement-oriented organizational foundation and instead invest in human resources who are reliable and creative by putting in place a human capital management foundation based on global standards, and we will translate these endeavors into further business growth.

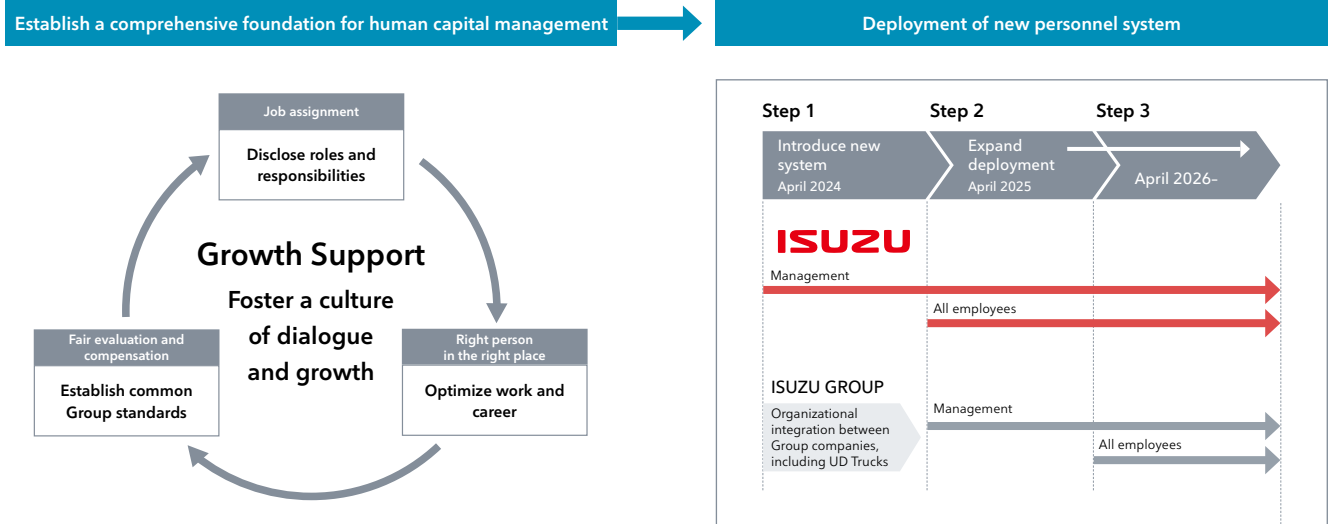
Specifically, we will define duties and organizational structures, transform into a function-centered organization, and implement a human resource strategy and personnel system based on that. From fiscal 2025, we will work to enhance our digital transformation capabilities for the sake of transitioning to human capital management and new business development. By doing so, we aim to globalize our human resources, manage the Group from a global perspective, support the autonomous growth of our employees, and secure specialized talent.



Transition to Human Capital Management

In order to develop new business, it is essential not only to strengthen the expertise of employees but also to evaluate and allocate human resources who have the appropriate skills and the will to take on challenges. Starting from fiscal 2025, we will assemble a comprehensive human resource management foundation and roll out a new personnel system by clarifying job assignments, placing the right people in the right place, providing fair evaluation and compensation, and supporting growth through these mechanisms.

In fiscal 2025, we will roll out this new system for managerial staff at the parent company, and in fiscal 2026 we will deploy it for all parent company employees. In addition, in terms of the Isuzu Group, we will proceed with organizational integration between Group companies, including UD Trucks, starting in fiscal 2025 and will deploy the new system at the management level from fiscal 2026 and to the entire Group from fiscal 2027.



Achievement of Human Capital Management Rooted in the ISUZU ID

Overview of New Personnel System

We have revised our previous function-based personnel system and launched a new job-based personnel system from April 2024. The new personnel system can be divided into three categories: opportunities for growth, growth through work, and rewards for growth. However, these are not separate independent categories; rather, they are all linked together to achieve common goals. Properly operating each category in accordance with its purpose will help achieve a human capital growth cycle and connect employee growth to Company growth.

1. Opportunities for growth

- Based on the career paths envisaged by each department as well as disclosed job descriptions (details of the job and personnel requirements), employees draw up their own growth plans and apply for the positions they desire.

2. Growth through work

- Employees will develop by setting their own goals for their jobs and receiving support from their managers in the process of achieving those goals.
- In addition to growing in their assigned roles, employees are encouraged to actively seek and utilize learning opportunities to enhance their expertise.

3. Rewards for growth

- The growth of each employee is monitored from multiple angles by managers, and employees are given feedback for future growth and rewarded appropriately.

➤ New Personnel System: Human Capital Growth Cycle



Message



Kenichi Asahara

Senior Executive Officer
EVP, Administration Division

Our new personnel system, which we have been gradually introducing from April 2024, is a mechanism for realizing the vision we have for the ISUZU ID. Under the new personnel system, we have organized the necessary duties and, based on the idea of "the right person in the right place,"—which means assigning personnel with the appropriate experience and skills—we have defined the responsibilities and authority of each duty and established a fair evaluation and compensation system. We believe that providing a place where capable and motivated employees can thrive as professionals, regardless of seniority or background, will create an environment that will revitalize the organization and bring about change.

Going forward, we plan to expand this to our Group companies as well, and by standardizing our personnel systems, we will put in place a mechanism that will enable talented people to transcend the Company boundaries and work globally.

The changes required to realize the vision of the ISUZU ID will not come about simply by putting systems in place. The employees themselves, who are the main players, must have a desire to grow and be determined to shape their careers independently as professionals. Furthermore, in order to realize the ISUZU ID's core value of "mutual growth," we expect managers to not only support their team members, but also demonstrate a willingness to take on new challenges and be drivers of change.

I myself am determined to take on the challenge and ensure the success of the new personnel system and accomplish organizational change.

Achievement of Human Capital Management Rooted in the ISUZU ID

➔ Cultivating Core Values to Achieve Human Capital Management

Shifting to an Organization That Encourages Mutual Growth

To accomplish the ISUZU ID, we are advancing the evolution of our Group into one where employees grow by taking on challenges proactively without fear of failure and where members energize each other to create mutual value. We are implementing various activities to deepen understanding of the ISUZU ID and to lead to actions that will drive change throughout the entire Group.

Introducing Engagement Surveys

To regularly confirm the impact of each measure aimed at achieving human capital management and check workplace conditions, we will collect and analyze the thoughts of each employee from various angles through an annual engagement survey, with a target of 70% positive engagement responses by 2030.

Using Survey Results for Workplace Improvement

Based on the survey results, each workplace will take a bottom-up approach to address issues and work to improve the workplace over the medium to long term. By analyzing the survey results, differences between organizations, job types, and attributes will become clear, enabling appropriate measures to be taken according to the characteristics of the workplace. Each workplace will be able to identify issues and develop and implement action plans, thus promoting proactive efforts and improvements.

Specific steps are as follows:

1 Publish survey results

The survey results will be made publicly available to all members of the workplace.

2 Analyze results and identify issues

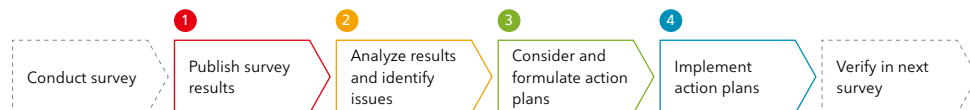
After analyzing results and understanding the trends in their own workplace, members will discuss results with each other to specify any issues.

3 Consider and formulate action plans

In order to solve the issues, short- and long-term action plans will be formulated through dialogue in each workplace.

4 Implement action plans

The manager will take the lead, and everyone will discuss and check progress and continue taking action.



Topic 1 The Isuzu Group Leadership Summit and Innovation Day Events

In April 2024, we held the Isuzu Group Leadership Summit (IGLS) for the top management and leaders of domestic and overseas affiliated companies and the second Innovation Day for general managers and change ambassadors of Isuzu Corporation, following on from our first Innovation Day in 2023. At the IGLS, the meaning and role of leadership were discussed through presentations and interactive group work. At Innovation Day, which featured the theme of “New You, New Isuzu,” participants considered how to change themselves and their workplaces and deepened discussions on how to use this to change their behavior.



Topic 2 President's Open Luncheon

As a symbolic action of the ISUZU ID, we held an open lunch where employees could talk directly with the president. The aim is not only to deepen understanding and empathy for the president's own ideas and the Company's business but also to lower the barriers to discussion and create a workplace where employees can motivate each other.



Comments from Participating Employees

President Minami sincerely engaged with each participant, and despite the small group of five, he was able to deliver a powerful message that expressed his aspirations for Isuzu's future, which was very impressive and made for a truly luxurious experience.