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A Dialogue

between Two Outside Directors

Isuzu's Transformation as Seen by Outside Directors

It has been a year since the formulation of the ISUZU ID. Isuzu is transforming its business model and corporate culture to achieve its vision of becoming a commercial mobility solutions company by 2030. Outside directors Mitsuyoshi Shibata and Kimie Sakuragi discussed their assessment of the new medium-term business plan announced in April 2024 and the challenges that lie ahead on the path to achieving Isuzu's vision.

Q: To begin with, could you tell us how you evaluate the efforts made under the previous medium-term business plan?

Shibata: Isuzu exceeded the targets of the previous medium-term business plan for net sales, operating income, and ROE, and I would like to express my respect for the efforts of the executive team. I believe that through the efforts made in the previous medium-term business plan, the Company has succeeded in rising to the next level as a leading global manufacturer.

Sakuragi: I agree. Looking back, the previous medium-term business plan can be seen as a period of preparation for further growth as Isuzu confronts a once-in-a-century period of transformation. In the first year of the previous medium-term business plan, fiscal 2022, the Company changed its organizational system from a company with audit and supervisory board to a company with audit and supervisory committee. It also formulated a new corporate philosophy, the ISUZU ID, and has proceeded with formulating a new medium-term business plan, ISUZU Transformation—Growth to 2030, as a concrete path to accomplishing the ISUZU ID. I commend the highly skillful implementation of this series of steps.

Shibata: Many companies consider making changes to their organizational structure, but they usually end up simply listing issues and are unable to make dramatic changes. In that respect, Isuzu carried out the changes to its organizational structure with firm resolve. It moved quickly after making the decision, and I also appreciate the fact that the Company considered and implemented its changes voluntarily, rather than at the request of an outside party.

Sakuragi: The automobile industry itself is currently undergoing a period of change, so Isuzu is driven by a sense of urgency that it, too, is destined to change. When I say "urgency," I don't mean that the changes in the industry are viewed negatively; rather, I get the impression that management is using the changes as an opportunity to transform the Company.

Shibata: Isuzu had previously been conservative and reluctant to take the lead in fortifying its governance in line with global trends. As it proceeded with the previous medium-term business plan, the Company changed its stance to one of proactively promoting more robust governance to increase corporate value and incorporating the opinions of us outside directors as well as examples of initiatives from alliance



Mitsuyoshi Shibata

Outside Director

Kimie Sakuragi

Outside Director and
Audit & Supervisory Committee Member

A Dialogue between Two Outside Directors



partners. This represents a major achievement, as well as progress. I hope the Company will continue to maintain this stance.

Q: What is Isuzu's vision for the new medium-term business plan and what is your assessment of the formulation process?

Sakuragi: I find it highly significant that the word "solutions" has been included in the new medium-term business plan's vision of becoming a commercial mobility solutions company. The premise is the idea of working with customers to solve logistics issues, and it also shows Isuzu's determination to tackle social issues and safeguard logistics, people, and manufacturing. This vision is both convincing and easy to empathize with, and I think each employee will be able to fully understand their own mission.

Shibata: The new medium-term business plan sets out Isuzu's vision as a milestone on the road to 2030 and its accomplishment of the ISUZU ID. It indicates clear KPIs for each aspect of Isuzu's management foundation, something that was not present in previous medium-term business plans. I see it as a major step forward that Isuzu has been able to formulate the plan to that extent, which I find highly commendable.

Furthermore, to create new businesses and achieve its vision, it is essential for the Company to generate cash from existing businesses and invest in new businesses and other future earnings sources. In the previous medium-term business plan, the Company also gave considerable thought to measures to generate cash from existing businesses, which forms its financial base. As a result, although it faced various challenges during the previous plan, it was nevertheless able to generate sufficient cash. With that in mind, what I emphasize the most in the new medium-term business plan is

investment in future earnings. It is vital that Isuzu be able to proceed with capital allocation, not just in new businesses but with an eye to the future of its business overall.

Sakuragi: In the process of formulating the new medium-term business plan, we outside directors participated in eight discussions, including Board meetings and advance briefings for outside directors. Notably, it was extremely meaningful to have time to focus on the theme of how to manage the Company with an awareness of capital costs, upon which its business strategies are premised. In addition, prior to the Board meetings, discussions were held among young general managers. I think it is significant that the formulation of the plan involved not only current management executives but also members who will play key roles in the future.

Shibata: The formulation process has evolved significantly since the last time. With previous medium-term business plans, each business strategy was discussed individually and explained side by side, but this time, I believe the Company has succeeded in creating content that is conscious of the connections between various elements to create a cohesive story. For example, previously there was a lack of discussion about capital allocation in terms of capital costs. In formulating this medium-term business plan, however, the Company discussed investment in individual

business strategies only after first addressing issues focused on capital costs and capital strategies from a Group perspective. It also deepened the discussion of what kind of story would link the individual functional strategies and business strategies and whether to present it both inside and outside the Company. Ultimately, I believe the new medium-term business plan as a whole has a plausible and convincing story.

Sakuragi: I certainly agree. With that in mind, I think it will be necessary to have deeper discussions at future board meetings on themes that will help manifest the new medium-term business plan. For example, to strengthen human capital, how much should be invested in which areas? We need to discuss the details of Isuzu's human resource strategy.

Q: How do you assess employees' awareness of the ISUZU ID? Also, please describe the issues that Isuzu needs to address in order to evolve its corporate culture.

Sakuragi: When I visit various locations both in Japan and overseas as an Audit & Supervisory Committee member, I talk with employees about the ISUZU ID. I get the feeling that employees of Group companies are also taking the content of the ISUZU ID to heart to a greater extent than expected.

Shibata: I agree. The ISUZU ID is steadily taking hold, and I think that Isuzu's vision is gradually being shared throughout the Company. However, whether behavioral changes will progress toward that vision is another matter, and this is a challenge for the future. One of the factors impeding behavioral change could be Isuzu's somewhat conservative corporate culture. That said, while there are aspects of its corporate culture that should be changed, I think there are also many aspects that should remain the same. By distinguishing between the two and boldly advancing the necessary changes, I believe the ISUZU ID will be accomplished.

So how do we change corporate culture? First, in order to achieve the eventual objective, superiors need to encourage employees to act

A Dialogue between Two Outside Directors

with an eye not only on the scope of their own duties but also on their team, department, and even Isuzu as a whole. Secondly, the Company must foster a culture of taking on challenges. For employees to proactively take on challenges, it is vital to first create a culture that tolerates risk-taking. At the same time, the Company also needs a revenue base that can tolerate such risk-taking. To do this, it must further strengthen its existing businesses.

Sakuragi: I am pleased to see that the Company has introduced both the ISUZU ID and various reforms to its human resource system as an initiative to evolve its corporate culture. I think these two actions send a message to employees that the Company is changing, that it values people who develop themselves for the mutual growth of themselves and the Company, and that it's working to change the mindset of its employees as a whole. I think it will make it easier for employees to accept the changes in the Company as their own.

These human resource system reforms are a major change that introduces a dedicated job-based system based on the idea of "the right people in the right place." Going forward, I think it is important to continue to communicate to employees that the ISUZU ID and the various measures of the new medium-term business plan, including these human resource system reforms, are not treated as separate things, but rather that they are firmly connected.

Q: What is your assessment of Isuzu's efforts to strengthen its management structure and make its governance more effective?

Shibata: In 2023, Isuzu changed its management structure to appoint a CEO who will develop medium- to long-term strategies and a COO who will ensure their implementation. This structure was positioned as a "normal" business structure, so to speak.

However, over the past year, as Isuzu has made more partnerships with various companies, social demands such as carbon neutrality and autonomous driving have become stronger day by day, and CEO Katayama has become chairman of the Japan Automobile Manufacturers Association, the situation in which Isuzu finds itself has changed significantly. These are no longer "normal" times. In light of Isuzu's current situation, the Nomination and Remuneration Committee argued that the Company should clarify the authority and responsibility for individual management issues and make decisions more promptly. As a result, with the April 2024 organizational change, the CEO is now positioned at the top, and the new positions of chief monozukuri officer (CMzO), in charge of manufacturing, and chief strategy officer (CSO), in charge of Companywide strategy, have been created to directly support the CEO together with the COO.

Since transitioning to this new structure, the EVPs at the head of each division have begun to function as expected, and I believe we have seen significant improvements in the way information is absorbed and circulated, as well as in the speed of decision-making.

Sakuragi: Discussions and reports on topics that should be monitored by the Board of Directors have also expanded. For example, previously I felt that there were not enough proposals related to internal control that would contribute to the Board of Directors' supervisory function, and that there were issues with the risk management system. Now, regular reports are submitted and progress is being made in establishing a risk management system headed by the Group chief risk management officer (CRMO). There are a variety of risks reported, but I would like to continue to provide opinions and suggestions from an outside perspective, thereby helping to raise risk sensitivity and strengthen Isuzu's risk management system.

Q: Lastly, please tell us what you expect from Isuzu going forward.

Shibata: In its new medium-term business plan, Isuzu has set the goal of becoming a commercial mobility solutions company, but I believe two changes are necessary to achieve this. First, management must act with a greater desire for change and a greater sense of ownership than ever before. Although it is embedded in Isuzu's DNA, it is essential to awaken this desire for change, which has tended to be buried at Isuzu up until now. Secondly, based on the strengthening of its financial structure, the Company must take on growth opportunities that involve risk taking. I hope to keep a close eye on these two changes.

Sakuragi: With the new medium-term business plan, Isuzu has clarified its vision, and achieving its goal rests on the shoulders of each and every employee. I hope to see the Company retain its legacy strengths of earnestness and reliability while also demonstrating a spirit of taking on challenges, and to achieve the mission set out in the ISUZU ID of "moving the world" with "Reliability × Creativity."



Corporate Governance

Isuzu will enhance its supervisory function, increase the rationality and speed of decision-making, and fulfill its duty of accountability to all stakeholders.

Basic Approach

In order for Isuzu to continuously increase revenues and enhance corporate value through its corporate activities, the Company believes that it is essential to establish a corporate governance system that provides a framework for regulating such activities.

Furthermore, we believe that the fundamental purpose of corporate governance is to respect the perspectives of and build constructive relationships with all of our stakeholders. To that end, we endeavor to ensure fairness and transparency in our corporate affairs through timely and appropriate disclosure of important information. In particular, we believe that a key element of corporate governance is to develop an internal structure and environment that protects the rights and interests of all stakeholders and ensures equality among stakeholders.

Corporate Governance Structure

As a corporate governance system considered appropriate for a company and its management to secure the confidence of all stakeholders, Isuzu adopted the company with audit and supervisory committee organizational system, which enables the Board of Directors to delegate a significant portion of important business execution decisions to executive officers, with the objective of achieving greater rationality and speed of business-related decision-making, more robust deliberations at Board of Directors' meetings, and a strengthened supervisory function.

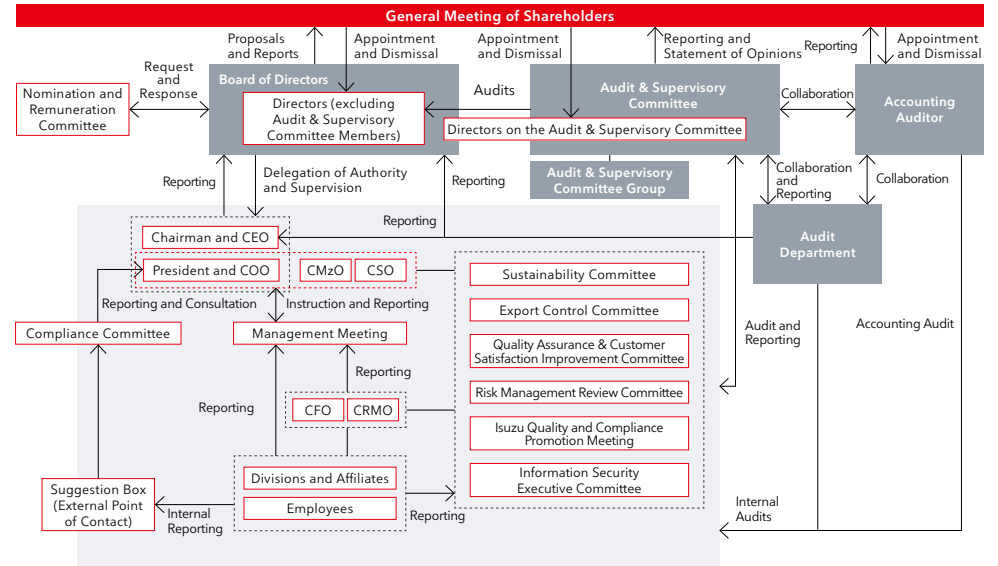
This corporate governance structure has an Audit & Supervisory Committee comprising five directors, three of whom are outside directors. By giving directors on the Audit & Supervisory Committee voting rights at Board of Directors' meetings, the Company aims to further increase the soundness and transparency of management. Furthermore, as a voluntary body related to governance, the Nomination and Remuneration Committee, with a majority of members being outside directors, has been established to strengthen independence, transparency, and objectivity in the functioning of the Board of Directors in such matters as the nomination of officer candidates, the appointment of management executives, and the determination of officer remuneration.

Board of Directors

The Board of Directors carries out important business-related decision-making and supervision in order to respond to the mandate from and trust of shareholders and to continuously enhance corporate value. In principle, the Board of Directors holds regular monthly meetings, as well as conducting extraordinary Board of Directors' meetings as necessary, to deliberate and make decisions on necessary matters. At present, the Board of Directors consists of 14 directors. Its chair is Chairman and CEO Masanori Katayama, and six of the 14 directors are highly independent outside directors.

In fiscal 2024, the Board of Directors met 14 times and active discussions were held on the formulation of Isuzu's new medium-term management plan and human resource system reforms.

Corporate Governance Structure (As of June 26, 2024)



Audit & Supervisory Committee

In accordance with its established auditing plan, the Audit & Supervisory Committee audits and supervises decision-making by the Board of Directors and execution of business by directors.

The current Audit & Supervisory Committee is composed of five directors. The Company has appointed three members as Standing Audit & Supervisory Committee members in order to strengthen the audit and supervisory functions of the committee members and to enable them to share information by collecting information on a daily basis and attending important internal meetings, as well as to sufficiently cooperate with the accounting auditor and the Internal Audit Division. The chair is Outside Director Makoto Anayama, and three of the five members are highly independent outside directors. All five directors who are Audit & Supervisory Committee members are elected members.

Further, to support the Audit & Supervisory Committee, the three-person Audit & Supervisory Committee Group, which reports directly to the Audit & Supervisory Committee, has been established as an organization dedicated to assisting the Audit & Supervisory Committee's execution of duties. Further, the Audit & Supervisory Committee Support Staff Regulations have been established to ensure the independence of the committee group and the effectiveness of instructions to its staff.

In fiscal 2024, the Company held 15 Audit & Supervisory Committee meetings.

Corporate Governance

Nomination and Remuneration Committee

Isuzu has voluntarily established the Nomination and Remuneration Committee, chaired by an outside director, as a voluntary body related to corporate governance. The committee was established with the aim of strengthening the independence, transparency, and objectivity of the Board of Directors' functions related to such matters as the nomination of officer candidates, appointment of senior management, and determination of officer remuneration.

Isuzu's Nomination and Remuneration Committee comprises five members: two inside directors and three outside directors. The committee is chaired by Outside Director Mitsuyoshi Shibata, and under the supervision of the Board of Directors, it deliberates and reports on matters it is consulted on. In the fiscal 2024, the committee met nine times and considered matters such as reviewing the officer remuneration system (including revisions to remuneration levels) and selecting outside director candidates.

Executive Officer System and Management Meeting

By separating the Board's supervisory and business execution functions, Isuzu is working to enhance deliberations by the Board of Directors, which is the supervisory body, and to create a prompt decision-making and execution system through the appropriate delegation of authority from the Board of Directors. At Isuzu, executive officers have been put in place to carry out a prompt decision-making and execution system and to be responsible for the execution of operations in their respective areas. In addition, we have established the Management Meeting, comprising Chairman and CEO Masanori Katayama, President and COO Shinsuke Minami, and the EVPs of each division. The meeting is chaired by the chairman and CEO and makes decisions and deliberates on matters related to management and business execution within the scope of authority delegated to it by the Board of Directors.

History of Strengthening Governance

Isuzu has been working to reform its governance in response to the recent trend of strengthening corporate governance in Japan. Furthermore, from June 2021, the Company has transitioned to the Company with audit and supervisory committee organizational system, and it will continue its efforts to further strengthen governance and improve its corporate value.

Corporate Governance Initiatives

	115th Term Fiscal 2017	116th Term Fiscal 2018	117th Term Fiscal 2019	118th Term Fiscal 2020	119th Term Fiscal 2021	120th Term Fiscal 2022	121st Term Fiscal 2023	122nd Term Fiscal 2024	123rd Term Fiscal 2025
Independent outside directors (of whom are female directors)	2 (0)	2 (0)	2 (0)	2 (0)	2 (1)	5 (2)	5 (2)	5 (2)	6 (2)
Officer remuneration	Introduction of performance-linked, share-based remuneration plan		Setting of annual upper limit for directors' bonuses				Non-financial indicators (GHG emissions) added as performance indicators for performance-linked stock compensation plans		
Advisory committees				Establishment of Nomination and Remuneration Committee		Chair of the Nomination and Remuneration Committee changed to an independent outside director			

	115th Term Fiscal 2017	116th Term Fiscal 2018	117th Term Fiscal 2019	118th Term Fiscal 2020	119th Term Fiscal 2021	120th Term Fiscal 2022	121st Term Fiscal 2023	122nd Term Fiscal 2024	123rd Term Fiscal 2025
Separation of execution and supervisory functions					Revision of decision-making rules	Transition to the Company with audit and supervisory committee organizational system	Establishment of position of chief coordination officer	Establishment of CEO and COO positions	Establishment of CM&O and CSO positions
Improvement of the Board of Directors' functions					Commencement of Board of Directors' effectiveness evaluations	Ratio of independent outside directors of at least one-third	Setting of agenda for management strategy	Creation of skills matrix	Commencement of institutional shareholder engagement

Attendance of Directors and Audit & Supervisory Committee Members (Attendance Rate) (April 1, 2023 to March 31, 2024)

Current Position	Name	Meetings Attended	
Chairman and Representative Director, CEO	Masanori Katayama	Board of Directors' meetings	14/14 (100%)
President and Representative Director, COO	Shinsuke Minami	Board of Directors' meetings	14/14 (100%)
Senior Executive Vice President and Director	Shinichi Takahashi	Board of Directors' meetings	14/14 (100%)
Director of the Board and Managing Executive Officer	Shun Fujimori	Board of Directors' meetings	14/14 (100%)
Director of the Board and Managing Executive Officer	Tetsuya Ikemoto	Board of Directors' meetings	14/14 (100%)
Director of the Board and Managing Executive Officer	Naohiro Yamaguchi	Board of Directors' meetings	14/14 (100%)
Director of the Board	Mitsuyoshi Shibata	Board of Directors' meetings	14/14 (100%)
Director of the Board	Kozue Nakayama*1	Board of Directors' meetings	13/14 (93%)
Director of the Board	Makoto Anayama*2	Board of Directors' meetings	10/10 (100%)
Standing Audit & Supervisory Committee Member		Audit & Supervisory Committee meetings	11/11 (100%)
Director of the Board	Kenji Miyazaki	Board of Directors' meetings	14/14 (100%)
Standing Audit & Supervisory Committee Member		Audit & Supervisory Committee meetings	15/15 (100%)
Director of the Board	Masao Watanabe*2	Board of Directors' meetings	10/10 (100%)
Standing Audit & Supervisory Committee Member		Audit & Supervisory Committee meetings	11/11 (100%)
Director of the Board	Kanji Kawamura	Board of Directors' meetings	14/14 (100%)
Audit & Supervisory Committee Member		Audit & Supervisory Committee meetings	15/15 (100%)
Director of the Board	Kimie Sakuragi	Board of Directors' meetings	14/14 (100%)
Audit & Supervisory Committee Member		Audit & Supervisory Committee meetings	15/15 (100%)
Director of the Board	Tetsuhiko Shindo*3	Board of Directors' meetings	4/4 (100%)
Standing Audit & Supervisory Committee Member		Audit & Supervisory Committee meetings	4/4 (100%)
Director of the Board	Masayuki Fujimori*3	Board of Directors' meetings	4/4 (100%)
Standing Audit & Supervisory Committee Member		Audit & Supervisory Committee meetings	4/4 (100%)

*1 Until retirement on June 26, 2024

*2 Since appointment on June 28, 2023

*3 Until retirement on June 28, 2023

Corporate Governance

Board Members (as of June 26, 2024)

N Nomination and Remuneration Committee member **I** Independent officer

Directors



Masanori Katayama
Chairman and Representative Director, CEO

N

Apr. 1978 Joined ISUZU MOTORS LIMITED
Jun. 2007 Director of the Board, ISUZU MOTORS LIMITED
Apr. 2014 Executive Vice President and Director, ISUZU MOTORS LIMITED
Apr. 2015 Executive Vice President and Director, Supervisory Management Officer, and Senior Division Executive of Operations Headquarters, ISUZU MOTORS LIMITED
Jun. 2015 President and Representative Director, ISUZU MOTORS LIMITED
Apr. 2023 Chairman and Representative Director, CEO, ISUZU MOTORS LIMITED (to present)
Jan. 2024 Chairman, Japan Automobile Manufacturers Association, Inc. (to present)



Shinsuke Minami
President and Representative Director, COO

Apr. 1983 Joined ISUZU MOTORS LIMITED
Apr. 2017 Senior Executive Officer and Division Executive of Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED
Jun. 2018 Director of the Board and Division Executive of Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED
Apr. 2019 Director of the Board, Senior Division Executive of Quality Assurance Division, and Division Executive of Corporate Planning & Finance Division, ISUZU MOTORS LIMITED
Apr. 2020 Director of the Board and Division Executive of Corporate Strategy Division and Corporate Planning & Finance Division, ISUZU MOTORS LIMITED
Apr. 2022 Director of the Board, Group Chief Coordination Officer, Division Executive of Corporate Strategy Division and Corporate Planning & Finance Division, and Commercial Vehicles Business Collaboration Promotion Manager, ISUZU MOTORS LIMITED
Apr. 2023 President and Representative Director, COO, ISUZU MOTORS LIMITED (to present)



Shinichi Takahashi
Senior Executive Vice President and Director

CMzO

N

Apr. 1980 Joined ISUZU MOTORS LIMITED
Jun. 2017 Director of the Board and Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED
Apr. 2020 Director of the Board, Senior Division Executive of Quality Assurance Division, and Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED
Apr. 2021 Executive Vice President and Director, Senior Division Executive of Operations Headquarters, and Senior Division Executive of Quality Assurance Division and Product & Technology Strategies Division, ISUZU MOTORS LIMITED
Apr. 2023 Senior Executive Vice President and Director, ISUZU MOTORS LIMITED (to present)
Apr. 2024 Executive Vice President and CMzO, ISUZU MOTORS LIMITED (to present)



Naohiro Yamaguchi
Director of the Board and Managing Executive Officer

CSO, Group CFO, EVP of Corporate Strategy Division, EVP of Corporate Planning & Financial Division, and SVP of Chief for External Affairs

Apr. 1986 Joined ISUZU MOTORS LIMITED
May 2015 President of Isuzu Motors India Private Limited
Apr. 2019 Executive Officer, ISUZU MOTORS LIMITED
Apr. 2021 Senior Executive Officer, General Manager of Light Commercial Vehicle Business, and Executive of Light Commercial Vehicle Operations Dept. and Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED
Jun. 2022 Director of the Board; Executive of Sales Planning Dept., Trade Control Dept., Overseas Product Policy Dept., Rear Body & Special Equipment Planning Dept., and Sales Management Dept.; General Manager of Engineering Division, Operations Headquarters; and Chief Executive of Light Commercial Vehicle Business Management, ISUZU MOTORS LIMITED
Apr. 2023 Director of the Board, Group CFO, EVP of Corporate Strategy Division, EVP of Corporate Planning & Finance Division, Executive of administrative and liaison affairs, ISUZU MOTORS LIMITED
Apr. 2024 Director of the Board, CSO, Group CFO, EVP of Corporate Strategy Division, EVP of Planning & Finance Division, SVP of Chief for External Affairs, ISUZU MOTORS LIMITED (to present)



Shun Fujimori
Director of the Board and Managing Executive Officer

EVP of Product & Technology Strategies Division
 EVP of CV Alliance Planning Dept.

Apr. 1984 Joined ISUZU MOTORS LIMITED
Oct. 2018 Executive Officer, Associate Division Executive of Corporate Planning & Finance Division, and General Manager of Program Management Dept., ISUZU MOTORS LIMITED
Apr. 2019 Executive Officer and Associate Division Executive of Corporate Planning & Finance Division, ISUZU MOTORS LIMITED
Apr. 2020 Senior Executive Officer, Division Executive of Product Strategy Division, and Deputy Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED
Apr. 2021 Senior Executive Officer, Division Executive of Product & Technology Strategies Division, and Deputy Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED
Jun. 2021 Director of the Board, Division Executive of Product & Technology Strategies Division, and Deputy Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED
Apr. 2023 Director of the Board, EVP of Product & Technology Strategies Division, and EVP of CV Alliance Planning Dept., ISUZU MOTORS LIMITED (to present)



Tetsuya Ikemoto
Director of the Board and Managing Executive Officer

EVP of Sales Division

Apr. 1983 Joined ISUZU MOTORS LIMITED
Apr. 2017 Senior Executive Officer, ISUZU MOTORS LIMITED, and Executive Vice President and Director, ISUZU MOTORS SALES LTD.
Apr. 2018 Senior Executive Officer, ISUZU MOTORS LIMITED, and President and Representative Director, ISUZU MOTORS SALES LTD.
Jun. 2019 Director of the Board, ISUZU MOTORS LIMITED, and President and Representative Director, ISUZU MOTORS SALES LTD.
Apr. 2021 Director of the Board and Division Executive of Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED, and Chairman and Representative Director, ISUZU MOTORS SALES LTD.
Oct. 2021 Director of the Board and Division Executive of Sales Division, Sales Headquarters
Apr. 2023 Director of the Board and EVP of Sales Division, ISUZU MOTORS LIMITED (to present)



Mitsuyoshi Shibata
Outside Director of the Board
Chair of the Nomination and Remuneration Committee

N I

Apr. 1977 Joined Furukawa Electric Co., Ltd.
Jun. 2010 Director and Corporate Senior Vice President and President of Metals Company, Furukawa Electric Co., Ltd.
Apr. 2012 President and Representative Director, Furukawa Electric Co., Ltd.
Apr. 2017 Chairman of the Board, Furukawa Electric Co., Ltd.
Jun. 2018 Outside Director, Tobu Railway Co., Ltd., and Outside Director of the Board, ISUZU MOTORS LIMITED (to present)
Jul. 2018 Outside Statutory Auditor, Asahi Mutual Life Insurance Company (to present)
Apr. 2023 Director of the Board, Furukawa Electric Co., Ltd.
Jun. 2023 Special Advisor, Furukawa Electric Co., Ltd (to present)



Machiko Miyai
Outside Director of the Board

N I

Apr. 1983 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation)
Apr. 2012 Executive Officer, R&D Headquarters, Future Lifestyle Research at Panasonic Holdings Corporation (resigned in March 2014)
Jun. 2014 Outside Director, Morinaga & Co., Ltd.
Dec. 2014 Outside Director, Kato Sangyo Co., Ltd. (retired in December 2018)
May 2015 Outside Director, YOSHINOYA HOLDINGS CO., LTD. (retired in May 2019)
Jun. 2018 Director and Managing Executive Officer, Morinaga & Co., Ltd.
Feb. 2019 Chairman, NPO Sustainability Forum Japan (to present)
Apr. 2022 Part-time Auditor, Ochanomizu University (to present)
Jun. 2022 Outside Director, Sekisui Chemical Co., Ltd. (to present)
Apr. 2024 Director of Morinaga & Co., Ltd. (retired in June 2024)
Jun. 2024 Outside Director of the Board, ISUZU MOTORS LIMITED (to present)

Corporate Governance

→ Board Members (as of June 26, 2024)

N Nomination and Remuneration Committee member **I** Independent officer



Tetsuya Nakano
Outside Director of the Board

I

Apr. 1986 Joined Ajinomoto Co., Inc.
Jul. 2002 Director of Finance, PT Ajinomoto Indonesia
Jul. 2012 Managing Director of Corporate Affairs, Ajinomoto Co., (Thailand) Ltd.
Jun. 2015 President and Representative Director, Ajinomoto Philippines Corporation.
Jun. 2017 Executive Officer, General Manager of Finance and Accounting, Ajinomoto Co., Inc.
Jun. 2019 Managing Executive Officer (in charge of the Finance Department), Ajinomoto Co., Inc.
Jun. 2021 Managing Executive Officer, Finance and IR, Ajinomoto Co., Inc.
Apr. 2023 Advisor, Ajinomoto Co., Inc. (to present)
Jun. 2024 Outside Director, Ajinomoto Co., Inc.
Director of the Board ISUZU MOTORS LIMITED (to present)



Kanji Kawamura
Outside Director of the Board and Audit & Supervisory Committee Member

I

Apr. 1971 Joined Itochu Corporation
Apr. 1998 Professor, Faculty of Law, Meiji Gakuin University
Jun. 2011 Outside Audit & Supervisory Board Member, Jamco Corporation (resigned in June 2019)
Apr. 2013 Legal Advisor to the President, Meiji Gakuin University (resigned in March 2017)
Jun. 2017 Outside Auditor, ISUZU MOTORS LIMITED
Jun. 2021 Outside Director of the Board and Audit & Supervisory Committee Member, ISUZU MOTORS LIMITED (to present)

Directors and Audit & Supervisory Committee Members



Makoto Anayama
Outside Director of the Board and Standing Audit & Supervisory Committee Member

N I

Apr. 1986 Joined Japan Development Bank (Predecessor of Development Bank of Japan Inc.)
Sep. 2013 Executive Officer, General Manager of Business Planning Dept., Development Bank of Japan Inc.
Jun. 2015 Senior Executive Officer, Development Bank of Japan Inc.
Jun. 2018 Director of the Board and Senior Executive Officer, Development Bank of Japan Inc. (retired in June 2022)
Mar. 2019 Director of the Board, Senior Executive Officer, and Director of the Research Institute of Capital Formation, Development Bank of Japan Inc.
Jun. 2022 Director of the Research Institute of Capital Formation, Development Bank of Japan Inc. (retired in June 2023)
Jun. 2023 Director of the Board and Standing Audit & Supervisory Committee Member, ISUZU MOTORS LIMITED (to present)



Kenji Miyazaki
Director of the Board and Standing Audit & Supervisory Committee Member

Apr. 1981 Joined ISUZU MOTORS LIMITED
Apr. 2013 Executive Officer and Associate Division Executive of Corporate Planning & Finance Division, ISUZU MOTORS LIMITED
Apr. 2015 President and Representative Director, Isuzu Motors Asia (Thailand) Ltd., and Senior Vice President and Director, Isuzu Motors Co., (Thailand) Ltd.
Jun. 2018 Managing Director, NIPPON FRUEHAUF CO., LTD.
Jun. 2020 Standing Audit & Supervisory Board Member, ISUZU MOTORS LIMITED
Jun. 2021 Director of the Board and Standing Audit & Supervisory Committee Member, ISUZU MOTORS LIMITED (to present)



Masao Watanabe
Director of the Board and Standing Audit & Supervisory Committee Member

Apr. 1983 Joined ISUZU MOTORS LIMITED
Apr. 2008 General Manager of General Affairs and Personnel Dept., ISUZU MOTORS LIMITED
Apr. 2013 Vice President and Director, Isuzu Motors Co., (Thailand) Ltd.
Apr. 2019 Executive Officer of Audit Dept., ISUZU MOTORS LIMITED
Apr. 2023 Senior Expert of Administration Division, ISUZU MOTORS LIMITED (to present)
Jun. 2023 Director of the Board and Standing Audit & Supervisory Committee Member, ISUZU MOTORS LIMITED (to present)



Kimie Sakuragi
Outside Director of the Board and Audit & Supervisory Committee Member

I

Mar. 1981 Joined Fukutake Publishing Co., Ltd. (predecessor of Benesse Holdings, Inc.)
Apr. 1995 General Manager of Book Businesses in Publishing Division, Benesse Holdings, Inc.
Nov. 1998 General Manager of Business Ethics and Compliance Division, Benesse Holdings, Inc.
Jun. 2003 Standing Audit & Supervisory Board Member, Benesse Holdings, Inc. (resigned in June 2019)
Apr. 2007 Adjunct Professor (part-time) of the University of Aizu Graduate School (to present)
Jun. 2019 Outside Director, Toyobo Co., Ltd. (to present)
Jun. 2021 Outside Director, Kumagai Gumi Co., Ltd. (to present)
Outside Director of the Board and Audit & Supervisory Committee Member, ISUZU MOTORS LIMITED (to present)

→ Composition of Officers (as of June 26, 2024)

Percentage of Female Directors
14.28%



Percentage of Outside Directors
42.85%



▶ Directors

Men **Women**

Inside: **8**

Outside: **6**

▶ Audit & Supervisory Committee Members

Inside: **2**

Outside: **3**

Corporate Governance

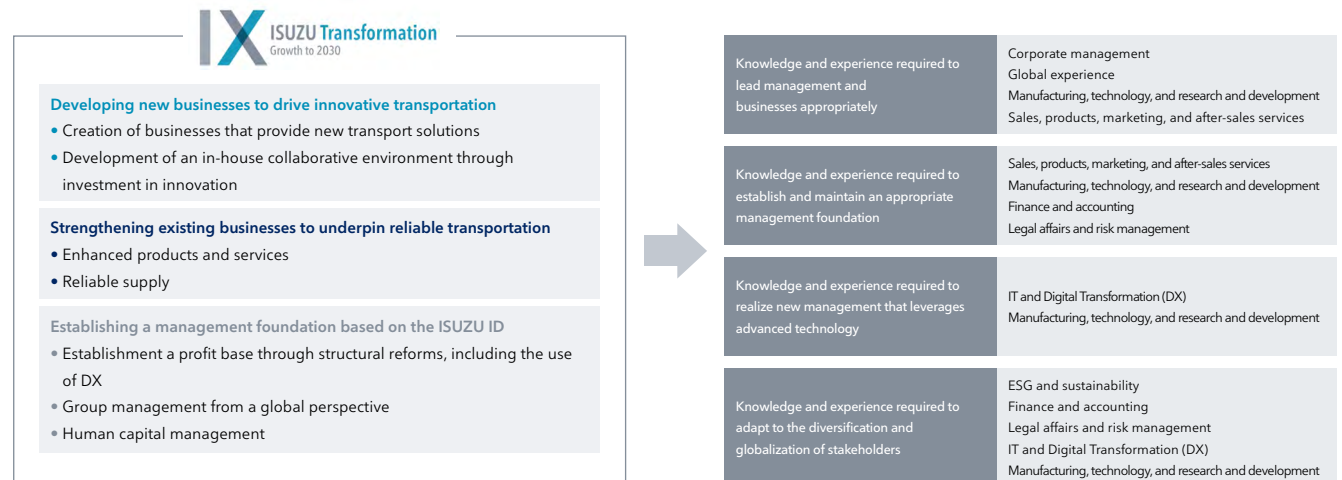
The Isuzu Board of Directors' Skills Matrix

Name	Audit & Supervisory Committee Member	Independent Outside Director	Corporate Management	Finance and Accounting	Global Experience	Legal Affairs and Risk Management	Environmental, Social, and Governance (ESG) and Sustainability	Sales, Products, Marketing, and After-Sales Services	Manufacturing, Technology, and Research and Development	IT and Digital Transformation (DX)
Masanori Katayama			●	●	●		●		●	
Shinsuke Minami			●	●	●			●		
Shinichi Takahashi					●		●	●	●	
Naohiro Yamaguchi			●	●	●			●		
Shun Fujimori								●	●	●
Tetsuya Ikemoto			●	●				●		
Mitsuyoshi Shibata		●	●		●		●		●	●
Machiko Miyai		●	●		●		●	●	●	
Tetsuya Nakano		●	●	●	●			●		●
Makoto Anayama	●	●		●		●	●			
Kenji Miyazaki	●		●	●	●			●		
Masao Watanabe	●				●	●				
Kanji Kawamura	●	●			●	●				
Kimie Sakuragi	●	●				●	●	●		

The above skills matrix does not represent all the knowledge and experience possessed by each individual director.

Reason for Selection of Skills Categories

Our skills matrix comprises the knowledge and experience our directors should possess in order to resolve each of the issues set forth in our new medium-term management plan, ISUZU Transformation—Growth to 2030. The relevance of each skills category to each issue is shown in the chart to the right.



Corporate Governance

Officer Remuneration

Basic Policy

The Company's basic policy regarding remuneration for directors and executive officers is as follows.

1. Remuneration not only contributes to the Company's sustainable growth and enhancement of corporate value but also promotes the sharing of value with shareholders.
2. Remuneration is at a level that is appropriate and necessary for securing and maintaining talented human resources, taking into consideration the economic environment, market trends, and remuneration levels of other companies.
3. Remuneration amounts reflect the performance of the Company and the relevant individuals and are commensurate with their responsibilities and position.
4. The remuneration determination process is highly objective, impartial, and transparent.
5. The officer remuneration system and the level of remuneration are subject to review on a regular basis in conjunction with the renewal of medium-term business plans, in light of such factors as the economic environment, remuneration levels and systems at other companies, and the status of operation of the system at Isuzu.

Details of remuneration and nonmonetary compensation	Basic remuneration		Determined according to the predetermined base remuneration amount for each position and individual performance evaluation
		Bonuses	<ul style="list-style-type: none"> • Linked to the degree of achievement of targets for consolidated net sales, consolidated operating income, and net profit attributable to owners of parent • A performance-linked coefficient indicating the degree of achievement in comparing the single-year results of each performance indicator with the target is set between 0% and 200%, and this is determined by multiplying the base salary and composition ratio (chairman and CEO: 0.70; president and COO, executive vice president, CMzO, and CSO: 0.50; and other officers than the aforementioned officers: 0.40), which are the base amounts for bonuses by position.
	Performance-linked remuneration	<ul style="list-style-type: none"> • Linked to the degree of attainment of targets during the period of the medium-term business plan • The achievement rates of targets for consolidated net sales, consolidated operating income, consolidated return on equity (ROE), GHG emissions reduction*, etc., are weighted at 30%:30%:30%:10% and multiplied by a coefficient related to the growth rate of shareholder value, etc.,** to calculate a performance-linked coefficient between 0% and 240%. The base amount and composition ratio by position that forms the basis of basic compensation (chairman and CEO: 0.70; president and COO, executive vice president, CMzO, and CSO: 0.50; and other officers than the aforementioned officers: 0.30) as well as the assumed stock price**³ are used to determine the points to be awarded. 	
	Share-based remuneration	<ul style="list-style-type: none"> *1 GHG reduction target for fiscal 2027: 12% reduction (compared with 2013) *2 Evaluated based on a comparison between total shareholder return for the relevant period and the TOPIX (total return) growth rate *3 Average value (rounded down to the nearest whole number) of the closing price of ordinary trades of Company shares on the Tokyo Stock Exchange on each day (excluding days on which no trades were made) of the month preceding the month in which the first day of the relevant period falls 	
Policy for determining remuneration ratio		Base compensation: Bonus: Stock compensation (when 100% of performance targets are achieved) (Chairman and CEO) 1.00:0.70:0.70 (President and COO, vice president, CMzO, and CSO) 1.00:0.50:0.50 (Other than the above) 1.00:0.40:0.30	
Policy regarding payment Timing	Basic remuneration	Monthly remuneration (paid monthly as one twelfth of annual basic remuneration)	
	Bonuses	Paid in July after determination of the degree of performance target attainment for a single fiscal year (individual / Company)	
	Share-based remuneration	Payment will be made around July after the expiration of the applicable period. (For directors who resign before the expiration date of the applicable period, payment will be made after their retirement.)	
Method to determine reappointment	Basic remuneration	By a Board of Directors' resolution, evaluation of individual officer performance has been delegated to the CEO	
	Bonuses and share-based remuneration	There is no scope of discretion as the amount is automatically calculated based on the degree of attainment of targets, standard amounts and coefficients, and the amount depends solely on the Company's performance.	

Remuneration for Directors

(excluding Directors on the Audit & Supervisory Committee and Outside Directors)

Remuneration for directors (excluding directors on the Audit & Supervisory Committee and outside directors) is composed of basic remuneration, bonuses linked to the degree of target attainment for consolidated performance in a single fiscal year, and remuneration based on the performance-linked, share-based remuneration plan, which is linked to the degree of attainment of business indicators established with the goal of sustainable enhancement of corporate value during the period of the medium-term business plan.

Further, regarding the evaluation of the individual performances of each officer and the methods for determining bonuses and remuneration under the performance-linked, share-based remuneration plan, there are procedures for inquiry and response with the Nomination and Remuneration Committee, a voluntary committee of which the majority of members are independent outside directors, and the president and representative director is accountable to this committee to ensure objective and impartial officer remuneration.

Outside Director Remuneration

Remuneration for outside directors, given their roles and independence, consists only of basic remuneration, with each being paid only a fixed amount. There are no changes based on performance evaluations, etc.

Remuneration for Directors on the Audit & Supervisory Committee

Remuneration for directors on the Audit & Supervisory Committee, given their roles and independence, consists only of basic remuneration. Taking into account such factors as the number of said directors, the economic environment, market trends, and remuneration levels of other companies, this will be decided through deliberations by the directors on the Audit & Supervisory Committee, within the range approved at the General Meeting of Shareholders.

Total Amount of Remuneration, etc., for Directors and Audit & Supervisory Committee Members

Officer Classification	Total Amount of Remuneration, etc. (Millions of Yen)	Amount of Remuneration, etc., by Type (Millions of Yen)				Number of Eligible Officers
		Basic Remuneration	Bonuses	Performance-linked, share-based remuneration, etc.	Of which, nonmonetary compensation, etc.	
Directors (excluding Audit & Supervisory Committee Members and Outside Directors)	766	364	179	222	222	6
Audit & Supervisory Committee Members (excluding Outside Directors)	68	68	–	–	–	3
Outside Officers	94	94	–	–	–	6

Note: Includes one director who stepped down at the conclusion of the 121st General Meeting of Shareholders held on June 26, 2023.

Corporate Governance

Evaluation of the Board of Directors' Effectiveness

To improve the supervisory function of its Board of Directors, Isuzu analyzes and evaluates the effectiveness of the Board of Directors each year. An overview of the analysis and evaluation for fiscal 2024 (the year ended March 31, 2024) is as follows.

1 Fiscal 2024 Analysis and Evaluation Process

Based on the issues identified in the evaluation of the effectiveness of the Board of Directors conducted last year, Isuzu conducted an evaluation with a focus on the strengths of the Company's Board of Directors and continuous monitoring of the status of problem-solving. All directors were surveyed and interviewed by a third-party organization and the results were analyzed. In addition, measures to address issues identified in the analysis were compiled and reported to the Board of Directors in April 2024, and the Board then evaluated the results and confirmed future initiatives.

2 Summary of Evaluation Results (Strengths)

Isuzu's Board of Directors was evaluated and confirmed as having the following three strengths.

- (1) The composition of the Board of Directors is effective, supported by directors with diverse backgrounds.
- (2) The Board of Directors is steadily and swiftly addressing issues raised, including measures to improve the operation of the Board of Directors, the establishment of a risk management system by the Group CRMO, and other issues.
- (3) Advance explanations to directors, including outside directors, are functioning effectively to ensure effective discussions at Board of Directors' meetings, and sufficiency is ensured.

3 Summary of Evaluation Results (Issues)

The Board of Directors confirmed the following three points as issues to be addressed in order to strengthen its monitoring function.

- (1) Enhancement of discussions at Board of Directors' meetings centered on the Company's management philosophy and medium- to long-term management plans
- (2) Enhancement of reporting on the status of internal control, including the risk management system
- (3) Enhancement of discussions on capital costs and our business portfolio

4 Key Issues in Fiscal 2023 Evaluation and Fiscal 2024 Initiatives

Key Issues Identified in the Fiscal 2023 Evaluation	Fiscal 2024 Initiatives
(1) Appropriate setting of agenda and enhancement of discussions	<ul style="list-style-type: none"> • The number of topics on the agenda related to our corporate philosophy and medium- to long-term management plans increased, and discussions were held that will contribute to monitoring from a medium- to long-term perspective. • We will further enrich discussions by setting planned agendas throughout the year, such as an annual schedule.
(2) Enhancement of reporting on the status of internal control, including the risk management system	<ul style="list-style-type: none"> • Efforts were made by the Group CRMO to strengthen the risk management system and functions, and the frequency of risk-related reports has been increased, improving the execution side's monitoring function. • We will continue to strengthen preventative risk initiatives and collaboration between the Board of Directors and the Group CRMO.
(3) Sharing of opinions of various stakeholders with the Board of Directors	<ul style="list-style-type: none"> • Opinions expressed by investors through investor and shareholder relations and ESG interviews are reported to the Board of Directors in a timely manner. • We will work to further improve the content and frequency of reports.
(4) Enhancement of discussions on capital costs and our business portfolio	<ul style="list-style-type: none"> • Discussions were held regarding share buybacks and financial strategies linked to the formulation of the medium-term management plan, and progress was made in discussions regarding capital and financial strategies. • We will further enhance our discussions on capital costs and business portfolios.

Approach to Cross-Shareholdings

Isuzu considers the holding of shares of its business partners on the premise of long-term transactions to be an effective means of building stable relationships and enhancing corporate value over the medium to long term. Once a year, in order to confirm the reasonableness of holding shares of client companies, the Board of Directors verifies both quantitative evaluations, such as whether the benefits associated with holding each individual stock are commensurate with capital costs, and qualitative evaluations, such as the significance of holding the stock. Based on the results of such evaluations, we will promptly reduce the number of stocks for which we have determined that the purpose of holding has been lost.

Regarding the exercise of voting rights as a shareholder, we respect the purpose and intent of proposals made by investee companies as shareholders with whom we have a personal business relationship. However, in cases where we determine during the process of dialogue with the investee company and examination of the proposal that there is a risk of damaging the corporate value of the Company in question, we will take action on a proposal-by-proposal basis, including requesting the withdrawal or review of the proposal, as well as abstaining from exercising our voting rights.

Corporate Governance

Criteria for Appointment and Dismissal of Directors

Director candidates will be extremely knowledgeable and experienced in management, be sufficiently familiar with Isuzu's business and the automotive industry, be able to make appropriate judgments based on such knowledge and experience, be able to express themselves appropriately, and have a high level of insight and abilities. Such persons will be nominated from among internal staff and deliberations will be held by the Board of Directors. At the same time, by appointing as directors a number of persons from outside the Company who have extensive experience in and wide-ranging knowledge of corporate management, meet the independence standards stipulated by the Company, and can proactively offer advice from an outside perspective, the Company aims to increase diversity in the deliberations and decision-making of the Board of Directors as well as strengthen its supervisory function.

Director candidates serving as Audit & Supervisory Committee members must be knowledgeable and experienced in specialized fields, such as finance, accounting, or law, as well as in corporate management, and must be able to actively provide advice from an outside perspective. Furthermore, to ensure that their fields of expertise are balanced and to maintain a certain level of diversity in the composition of the committee, such candidates will be deliberated by the Board of Directors after receiving the agreement of the Audit & Supervisory Committee.

In the appointment and dismissal of directors and executive officers and the nomination of director candidates, reports will be obtained from the Nomination and Remuneration Committee to further enhance the objectivity and transparency of procedures.

If, with respect to the duties of the president and representative director, there is found to be any illegal business conduct, any material damage from willful misconduct or negligence, or any other cause rendering continuation of business infeasible, the issue of dismissal will be submitted as an agenda item for a Board of Directors' meeting based on the recommendation of the Nomination and Remuneration Committee.

Criteria for Determining the Independence of Outside Directors

The appointment of outside directors will be subject to the condition that the Company's independence criteria are met. The Company's criteria for determining the independence of outside directors conform to the independence criteria of the Tokyo Stock Exchange. Executives of major business partners of the Company, persons whose major business partner is the Company or its executives, and consultants, accountants, attorneys, etc., who earn large sums from the Company other than officer remuneration are, in principle, deemed not to be independent.

Here, "major business partner" refers to a business partner where the volume of transactions between Isuzu and said partner accounted for 2% or more of the consolidated net sales of either party in any previous consolidated fiscal year, and the standard for large sums is ¥10 million or more annually.


Support System for Outside Directors

In order for outside directors to actively express their opinions and enhance deliberations at Board of Directors' meetings, the Company provides advance briefings regarding Board of Directors' meeting agendas and continuously works to enhance its materials to provide information necessary for management supervision.

Internal Control System

Isuzu has established a Groupwide system to ensure the appropriateness of business operations from the perspective of compliance with laws and regulations and the Articles of Incorporation, thorough risk management, ensuring business efficiency, and ensuring the reliability of financial reporting.

At the 119th Annual General Meeting of Shareholders convened on June 25, 2021, Isuzu adopted the Company with audit and supervisory committee organizational system as of the same date. In conjunction with this transition, the Internal Control System Basic Policy was revised and a system to ensure appropriate management was designed, implemented, and maintained based on the revised policy.

 Please refer to the [Corporate Governance Report \(Japanese only\)](#) for details on the Company's basic approach to the internal control system and the status of its development.

Compliance

Basic Approach

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

The Compliance Committee

Isuzu has established the Compliance Committee as an advisory body to the president to ensure the necessary fairness and transparency for promoting compliance. The committee provides a forum for receiving objective advice and guidance on the policies and systems for compliance activities, as well as confirmation of the operational status of compliance contact points, with the aim of strengthening Isuzu's compliance.

The committee, which meets every three months, consists of seven members, including three officers, and outside experts (such as university professors and lawyers) as invited members.

The committee is also informed about the content of whistleblowing reports and consultations received through the various dedicated contact points and oversees the implementation and progress of specific countermeasures.

The Isuzu Group's Compliance Promotion System

The Isuzu Quality and Compliance Promotion Meeting is held monthly, attended by Compliance Promotion Committee members from each division. At this meeting, the Company works to prevent compliance risks by sharing information among each division and reporting on the status of activities.

Isuzu has also established a Groupwide system to prevent compliance risks. In Japan, we hold regular compliance promotion meetings attended by companies of the Isuzu Group to share information and promote activities. In our overseas locations, we share information with contacts of the Isuzu Group companies periodically and make efforts to prevent compliance risks. In particular, in Thailand, which is home to one of Isuzu's main overseas bases, we regularly hold joint compliance promotion meetings with the Isuzu Group companies based in Thailand to facilitate the sharing of information and to promote compliance-related activities.

In the event that a serious incident occurs, we will promptly receive reports from the Company concerned and work with said company to resolve the issue in accordance with Groupwide management rules.

Employee Consultation Service

Isuzu has established three internal points of contact to receive whistleblowing reports and provide consultations regarding compliance issues, including discrimination, harassment, and comprehensive corruptive acts, such as gift-giving, entertainment, and insider trading. These points of contact are available at the office level (supervisor), division level (division manager), and Companywide level (the Risk Management Department's Compliance Promotion Group), among others. The points of contact receive information from a fair and neutral standpoint. They provide consultations not only on clear violations of laws, regulations, or the Company code of conduct but also on matters that appear suspicious, as well as receiving inquiries regarding internal rules and regulations related to business operations. In addition to compliance-related matters, the office also serves as a consultation and contact point for human rights issues.

Furthermore, an external point of contact has been set up at an outside legal office.

Both internal and external points of contact handle consultations and inquiries by email, phone, or mail. In accordance with the Whistleblower Protection Act, the identity of the information provider and the information itself are treated as confidential and protected to prevent any disadvantageous treatment within the Company as a result of whistleblowing or a consultation.

To make these consultation services known throughout the Company, Isuzu distributes to all employees a compliance guidebook and compliance consultation information card where the contact information of the contact points is written. Further, the Isuzu Quality and Compliance Promotion Meeting, posters, and other materials assist in our regular activities to make the consultation resources known among employees.

If any compliance concerns arise among the reports and consultations received at each contact point, the Risk Management Department, under the supervision of the Board of Directors, will rigorously investigate and address the matter together with the relevant departments, such as the Legal Department and the General Affairs & HR Department. In order to maintain the highest level of compliance efforts, Isuzu will continue to regularly evaluate and verify the effectiveness of each compliance measure and make improvements as necessary.

In fiscal 2024, the external consultation resource received 42 reports (eight cases concerning Isuzu & 34 concerning companies of the Isuzu Group). In addition, the total number of violations was 11 (one related to Isuzu and 10 related to companies of the Isuzu Group). All reports brought to the internal and external consultation contact points are handled appropriately to verify the absence of any major legal violation. The Board of Directors is notified of the progress of compliance initiatives, the number of reports received, and major violation cases.

🌐 For details on specific initiatives, please refer to the ["Compliance" section of the Sustainability Report](#).

Risk Management

Basic Approach

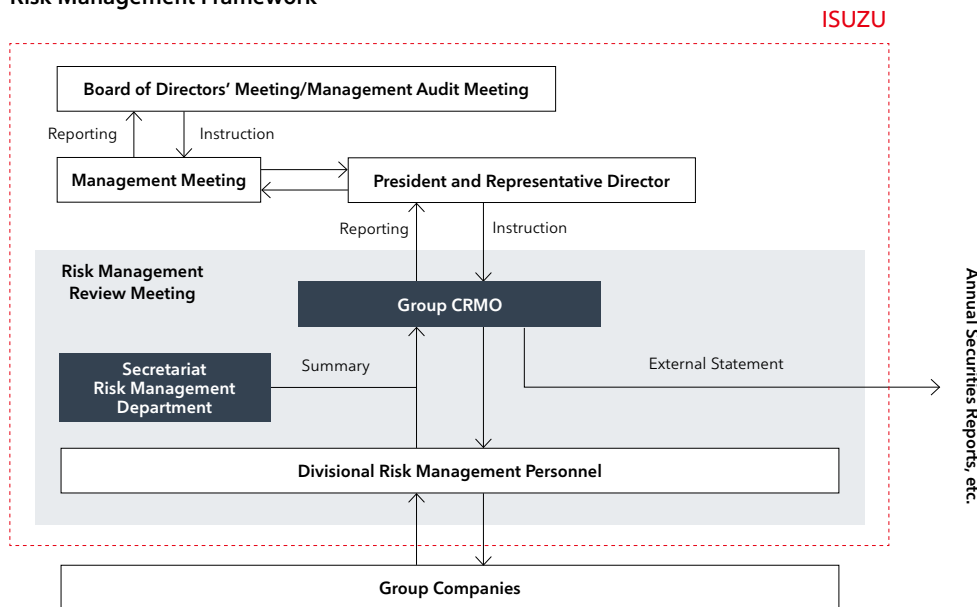
The Isuzu Group will strengthen preventative efforts to stop various risks surrounding its business from materializing and leading to serious incidents. In the unlikely event that incidents do occur, it will work to respond promptly and appropriately to prevent such incidents from escalating or becoming more serious.

Risk Management Structure

Isuzu has established a group risk management system under the leadership of the Group chief risk management officer (CRMO). As part of this, Isuzu regularly convenes the Risk Management Review Meeting, which brings together risk management personnel from each of its business execution divisions and major Group companies to monitor the progress of preventative initiatives and the status of response to incidents and to give instructions for reinforcing initiatives.

Furthermore, regular reports are made to the Management Meeting and the Board of Directors, which oversee and evaluate the risk management activities of the entire Group.

Risk Management Framework



Response in the Event of an Incident

Isuzu and its Group companies report incidents to the Risk Management Department in a comprehensive and timely manner and take steps to quickly resolve them so as to prevent them from escalating or becoming more serious. Furthermore, if there is a risk of the situation developing into a major crisis, to minimize the impact, a response team consisting of members designated by the Group CRMO is formed and various response policies are decided and implemented, thus ensuring thorough crisis management at all times.

In the event of an incident that could impact business or is of high urgency, the Group CRMO promptly reports to management, who then deliberate and decide on the response policy.

The Risk Management Department verifies the effectiveness of the measures taken by the department or company where the incident occurred to prevent recurrence, shares information on the incident within the Group, and takes thorough measures to prevent recurrence throughout the Group.

Preventative Measures

The Isuzu Group comprehensively identifies, analyzes, and evaluates risks that may affect the business activities of Isuzu and its Group companies, and selects risks with the potential for significant impact on the management of the Group as priority risks. Isuzu and its Group companies then formulate risk response plans focused on such Group priority risks and implement preventative measures.



Process for Determining Priority Risks

The Isuzu Group has set priority risks for the Group in four areas that could have significant impacts on the running of its business: business and medium-term plan risks, strategic risks, operational risks, and hazard risks. Group priority risks are determined at the beginning of each fiscal year and are reviewed every six months, taking into account changes in the internal and external environment and the occurrence of incidents.

Risk Management

Business and Other Risks

The following are risk factors in the development of the Isuzu Group's business that could have a significant impact on the judgment of investors, including matters such as those related to the business and accounting conditions described in the Annual Securities Report. The following information includes forward-looking statements that reflect the judgments of the Group as of March 31, 2024.

1. Risks Arising from Global Economic Conditions, Financial Markets, and the Automotive Market

- | | |
|-----|---|
| (1) | Fluctuations in economic conditions and overall demand in Isuzu's major markets |
| (2) | Competition in the automotive market |
| (3) | Foreign exchange and interest rate fluctuations |
| (4) | Fluctuation in raw material prices |

2. Business Risks

- | | |
|------|---|
| (5) | Response to new technological innovations, business model changes, etc. |
| (6) | Research and development |
| (7) | Joint ventures and other alliances |
| (8) | Dependence on specific channels for sales and supply |
| (9) | Delays or shortfalls in the procurement of materials, parts, and other supplies |
| (10) | Compliance and reputation |
| (11) | Product defects |
| (12) | Risks related to information security in a computerized society |
| (13) | Risks related to intellectual property protection |
| (14) | Recruitment and retention of talented human resources who produce results |
| (15) | Geopolitical risks |
| (16) | Disasters |
| (17) | Climate change |

 Note: Please refer to the [Company's Annual Securities Report](#) for more information on each of the above risks.

Information Security

Under the leadership of the Group CRMO, Isuzu has established the Group Information Security Policy, under which it maintains, implements, and provides training for a Groupwide information security management framework and regulations for Isuzu and its Group companies.

Management Framework

At the Isuzu Group, each Isuzu unit and Group company appoints an information security officer in each of its divisions and companies who develops annual action plans for mitigating information security risks and implements individual measures based on the information security governance rules. The Group CRMO regularly convenes the Information Security Management Meeting to ascertain the progress of measures in individual divisions and Group companies, gather together any issues and problems, and give instructions on enhancing information security measures, while also working to maintain and improve information security management. The effectiveness of information security activities is ensured by regularly reporting the details discussed at the Information Security Management Meeting to the Management Meeting and the Board of Directors.

Information Security Management Operations

Isuzu not only has rules governing information security in general but has also established and implements various rules pertaining to the cybersecurity of its products, factories, IT systems, and supply chains. The Company also participates in J-Auto-ISAC,* an entity that collects and analyzes information related to automotive cybersecurity. By doing so, it collects data on information security-related incidents detected within the industry, based on which it assembles and operates a system for incorporating cybersecurity into the development and manufacture of automobiles. We also base our implementation of these efforts on the Ministry of Economy, Trade and Industry's Cybersecurity Management Guidelines, the international regulation UN-R155 adopted by the United Nations Economic Commission for Europe's World Forum for Harmonization of Vehicle Regulations (WP29), and international standards such as ISO 21434, ISO 27001, and NIST SP800-171.

* J-Auto-ISAC: Japan Automotive Information Sharing and Analysis Center, Japan's automotive cybersecurity organization

Response in the Event of Information Security Incidents

Any information security incidents that occur at Isuzu or its Group companies are dealt with promptly in accordance with its incident management rules, with relevant departments and companies collaborating under the direction of the Group CRMO to prevent any damage from spreading or becoming more severe.

We then take rigorous recurrence prevention measures for the entire Group by monitoring the implementation of measures to prevent the recurrence of such incidents and sharing this information among Isuzu and its Group companies.