

Governance

Corporate Governance	65
Compliance	69
Risk Management	73

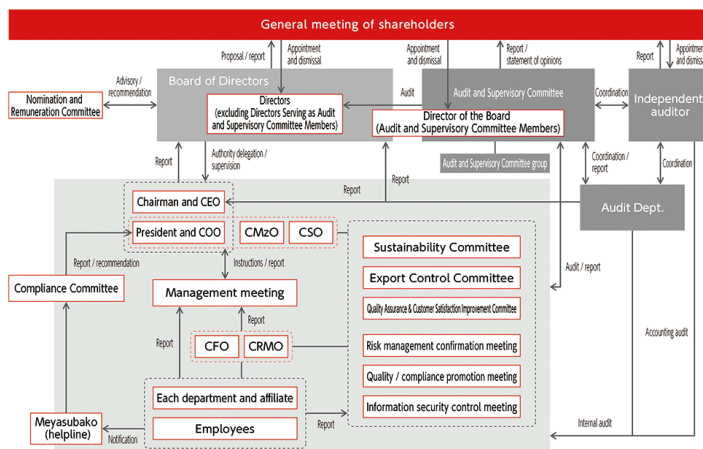
Corporate Governance

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, and 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.

Management Structure

Isuzu is a company with an Audit and Supervisory Committee, and we have established a Board of Directors and an Audit and Supervisory Committee as statutory meeting structures to resolve, supervise, and audit the execution of major business activities. In addition to these statutory meeting structures, we have established a Management Meeting to deliberate on important policies and plans, conduct business management, and oversee other overall business activities. We also have various advisory bodies and meeting structures to facilitate supervision and decision-making on business execution. The outline of our corporate governance structure is as follows (as of June 26, 2024).



Board of Directors

The Board of Directors lives up to the mandates and confidence of shareholders and, for the purpose of consistently enhancing our corporate value, makes important decisions and conducts supervision on issues that concern our business management. In principle, the Board of Directors holds regular monthly meetings and may convene extraordinary meetings as needed to deliberate and make decisions on necessary matters. Currently, the Board of Directors consists of 14 directors. The Chairman of the Board of Directors is Masanori Katayama, who serves as the Chairman and CEO. Of the 14 directors, 6 are Independent Outside Directors.

Audit and Supervisory Committee

The Audit and Supervisory Committee follows the audit plan that it established, and audits and supervises the Board of Directors' decision making and directors' execution of business.

The current Audit and Supervisory Committee is composed of five members. To strengthen the auditing and supervisory functions of the Audit and Supervisory Committee Members and to enable them to collect information daily, share information at important internal meetings, and fully cooperate with the accounting auditors and the internal audit division, three members have been selected as Standing Audit and Supervisory Committee Member. The Chairman of the Committee is Makoto Anayama, an outside director who serves as a Standing Audit and Supervisory Committee Member. Of the five directors who are Audit and Supervisory Committee Members, three are independent outside directors. All five directors who are Audit and Supervisory Committee Members are designated Audit and Supervisory Committee Members.

Nomination and Remuneration Committee

In addition to the statutory organizations mentioned above, Isuzu has established a voluntary Nomination and Remuneration Committee, an arbitrary organization on corporate governance that is designed to enhance the independence, transparency, and objectivity of the Board of Directors' functions related to nominating officer candidates, selecting executive management, and determining officer remuneration. The committee is chaired by an outside director.

Isuzu's Nomination and Remuneration Committee consists of five members, including two Inside Directors and three Outside Directors. The Chairman of the Committee is Mitsuyoshi Shibata, an Outside Director, who deliberates on and provides recommendations on the matters referred by the Board of Directors.

Corporate Governance

Executive Officer System and Management Meeting

By separating supervision and business execution, Isuzu is building a rapid decision-making and execution system through improvements in the deliberations in the Board of Directors, the supervisory organization, and the proper transfer of power from the Board of Directors. We also have executive officers and executives to take responsibility for a rapid decision-making and execution structure and for business execution in the areas of their assignment.

Additionally, Isuzu has established a Management Meeting composed of Masanori Katayama, the Chairman and CEO; Shinsuke Minami, the President and COO; and various EVPs and division heads.

The meeting is chaired by Masanori Katayama, the Chairman and CEO, and deliberates and makes decisions on matters related to business management and execution within the scope of authority delegated by the Board of Directors.

CxO System

To enhance corporate value across the entire Group, Isuzu has established the following CxO (Chief Officer for each field) positions with the goals of improving expertise in response to increasingly complex issues, accelerating management speed, and strengthening governance.

- CEO (Chief Executive Officer)
- COO (Chief Operating Officer)
- CMzO (Chief Monozukuri Officer)
- CSO (Chief Strategy Officer)
- Group CFO (Chief Financial Officer)
- Group CRMO (Chief Risk Management Officer)

Initiatives

Governance - related Initiatives Themes

As corporate governance has been strengthened in Japan in recent years, Isuzu has endeavored to reform its governance. We will remain committed to strengthening our governance and enhancing our corporate value.

Term	115th	116th	117th	118th	119th	120th	121th	122th	123th
Year Ended	March 2017	March 2018	March 2019	March 2020	March 2021	March 2022	March 2023	March 2024	March 2025
Outside Directors (Women)	2 (0)	2 (0)	2 (0)	2 (0)	2 (1)	5 (2)	5 (2)	5 (2)	6 (2)
Officer Compensation	Introduced performance-linked stock-based compensation system	Decide the upper limit of the annual amount of Directors' bonuses							Added non-financial indicators (GHG emissions) to the performance metrics in the performance-linked stock-based compensation system
Advisory Committee				Establishment of Nomination and Remuneration Committee					Changed the Chairperson of the Nomination and Remuneration Committee to an independent outside director
Separation of Execution and Supervision					Revise approval standards and rules	Shift to a company with Audit and Supervisory Committee	Appoint CCO	Appoint CEO and COO	Appoint CMzO and CSO
					Appoint CxOs	Delegate important decision-making on the execution of company business to directors			
Improving the Functioning of the Board of directors				Launch the effectiveness assessment		Ratio independent of outside directors: 1/3 or more			Increased the number of independent outside directors
						Setting the agenda for management strategy			
						Creation of Skills Matrix			
						Initiation of Institutional Shareholder Engagement			

Corporate Governance

Board Effectiveness Assessment

Isuzu conducts an annual evaluation and analysis of the effectiveness of the Board of Directors to improve its operations. The following is a summary of the evaluation and analysis for FY2024 (ended March 31, 2024).

1. Process of analysis and evaluation for fiscal year 2023

Isuzu conducted an evaluation based on the issues identified in last year's Board of Directors' effectiveness assessment, focusing on continuously monitoring the Board's strengths and the progress in resolving those issues.

Questionnaires targeting all directors and interviews conducted by a third-party organization were carried out and the results were analyzed. Additionally, countermeasures for the issues identified through the analysis were devised, and a report was presented to the Board of Directors in April 2024 for evaluation and confirmation of future initiatives.

2. Summary of evaluation results (strengths)

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

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

3. Summary of evaluation results (challenges)

Isuzu's Board of Directors identified the following three points as challenges to enhance the Board's monitoring function.

- 1) Facilitation of discussions by the Board of Directors centered on the corporate philosophy and medium- to long-term management plans
- 2) Enhancement of reporting on internal control status, including the risk management structure.
- 3) Enhanced discussion of cost-of-capital strategies and business portfolios.

4. Major issues in FY2023 and progress of initiatives for FY2024

Major issues in FY2023	Status of Initiatives for FY2024
(1) Appropriate agenda setting and the facilitation of discussions	<ul style="list-style-type: none"> • Topics related to the corporate philosophy and Medium-to Long-Term Business Plan increased, and discussions took place that will contribute to monitoring from a medium- to long-term perspective. • We will enhance discussions further by setting a systematic agenda throughout the year, such as setting an annual schedule.
(2) Enhancement of reporting on the state of internal controls, including risk management systems	<ul style="list-style-type: none"> • Executive-side monitoring functions were improved, including the strengthening of risk management systems and functions by the Group CRMO, and in increase in the frequency of risk-related reporting. • We will continue to strengthen preventive risk initiatives and collaboration between the Board of Directors and the Group CRMO.
(3) Sharing of the opinions of each stakeholder with the Board of Directors	<ul style="list-style-type: none"> • The opinions of investors obtained through IR/SR and ESG interviews are reported to the Board of Directors as appropriate. • The content and frequency of reporting will be enhanced further.
(4) Enhancement of discussions on capital efficiency/ the business portfolio	<ul style="list-style-type: none"> • Discussions on capital and financial strategies were advanced by holding discussions on the acquisition of treasury stock and financial strategies linked to the formulation of the Medium-term business plan. • Discussions on capital cost/ the business portfolio will be enhanced further.

Officers' Remuneration

Basic Principles

The following are Isuzu's basic principles on remuneration for directors and executive officers.

1. Contribute to sustained growth of Isuzu and enhancement of its corporate value, and facilitate the sharing of value with shareholders.
2. Remuneration should be at the level necessary and appropriate for securing and keeping talented human resources with due consideration to the economic environment, market trends and the levels of remuneration in other companies.
3. The amount of remuneration should reflect the performance of the Company and the individual as well as his/her job responsibilities and positions.
4. The process for deciding remuneration should be objective, impartial and transparent.
5. Our officer remuneration system and the amounts of payment to officers should be periodically reviewed whenever the Medium-Term management plan is updated and with consideration of factors such as the economic environment, the levels and systems of remuneration for officers in other companies and the status of Isuzu's use of the system.

Corporate Governance

Remuneration for Directors (excluding Audit and Supervisory Committee Member and outside directors)

Remuneration for directors (excluding the directors that are Audit and Supervisory Committee Member and outside directors) includes basic compensation, bonuses linked with the degree of achievement of the single-year consolidated performance target and the amount of remuneration that is based on the performance-linked stock compensation plan linked with the degree of achievement of the management indexes aimed within the period of a Medium-Term management plan aimed at enhancing sustainable corporate value.

Methods for evaluating each officer's performance and deciding the officers' bonuses and the performance-linked stock compensation plan go through a procedure of consultation and provides opinions to the optional Nomination and Remuneration Committee, of which independent outside directors occupy the majority. In this procedure, the CEO fulfills his accountability and thereby secures the objectivity and impartiality of remuneration for officers.

Details of Remuneration and Non-monetary compensation	Basic compensation		Decided on the basis of the standard amounts that is predetermined for different positions and the evaluation of individuals' performance.
	Performance linked compensation	Bonus	<ul style="list-style-type: none"> Linked to the degree to which targets for consolidated net sales, consolidated operating income, and net income attributable to owners of parent company We set a performance-linked coefficient that shows the degree of achievement at between 0 and 200% in a comparison between each of these performance indicators for a single year with the target, and determine bonuses by multiplying this coefficient by the ratio of basic remuneration and mentioned above, which is the base bonus amount for the respective position. (Chairman and CEO: 0.70, President and COO, Vice President, CMzO, and CSO: 0.50, other executives: 0.40)
		Share-based compensation	<ul style="list-style-type: none"> Linked with the degree of achievement of the target during the period of a Medium-term management plan. The performance-linked coefficient is calculated between 0 and 240.0% by weighting the degree of achievement against the target values for consolidated net sales, consolidated operating income, consolidated return on equity (ROE), and GHG emissions reduction^{*1} at a ratio of 30%:30%:30%:10%, and then multiplying by the coefficient related to the degree of growth in shareholder value, etc.^{*2}. We determine the points to be granted based on the base amount by position that serves as the basis for basic remuneration, the composition ratio (Chairman and CEO: 0.70, President and COO, Senior Executive Vice President, CMzO, and CSO: 0.50, other executives: 0.30), and the assumed stock price^{*3}. <p>*1 GHG reduction target for FY2027: 12% reduction (compared to FY2014)</p> <p>*2 Determined on the basis of the result of comparison between Isuzu's total shareholder return (TSR) and the growth rate of TOPIX (dividends included) during the relevant period</p> <p>*3 The average of the closing price of regular transactions of Isuzu shares in TSE on each day of the month before the month during which the relevant period started, with the exception of the days on which no transaction was closed (truncated to the closest whole number).</p>
Method for deciding the proportion	Basic compensation: Bonuses: Share-based compensation (Assuming that the performance target is fully 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 executives) 1.00: 0.40: 0.30		
Policy regarding the time of payment	Basic compensation	Monthly compensation (1/12 of basic compensation is paid monthly)	
	Bonus	Paid in July after the degree of achievement of the single-year (individual/Company) performance target is determined.	
	Share-based compensation	After the end of the target period, payment is made around July. (For directors who resign before the end of the target period, payment will be made after their resignation.)	
Procedure for deciding re-entrustment	Basic compensation	Evaluation of individuals' performances is re-entrusted to the CEO after the Board of Directors' resolutions.	
	Bonuses and share-based compensation	Automatically calculated on the basis of the degree of achievement of the target, standard amount and coefficients. The amounts depend solely on the Company's performance and thus involve no scope for discretion.	

Remuneration for Outside Directors

Remuneration for outside directors consists of basic compensation only, in view of their roles and independence. Each director receives the fixed amount only and the remuneration involves no fluctuation that may result from performance evaluation and so on.

Compensation for Directors Who Are Also Audit and Supervisory Committee Member

The amount of remuneration for directors who are Audit and Supervisory Committee Member consists of basic compensation only, in view of their roles and independence. It is decided through discussion by the directors who are members of Audit and Supervisory Committee Member with consideration of factors such as the number of directors, economic environment, market trends and the levels of remuneration in other companies, within the range of the upper limit approved at the General Shareholders Meeting.

Total Remuneration Amounts and Other Payments to Directors

Classification	Total amount of compensation (million yen)	Amount of remuneration, etc. by type (million yen)				Number of eligible officers
		Basic compensation	Bonus	Remuneration based on the performance-linked stock compensation plan, etc.	Non-monetary compensation	
Directors (excluding Audit and Supervisory Committee Member and outside directors)	766	364	179	222	222	6
Audit and Supervisory Committee Members (excluding outside directors)	68	68	-	-	-	3
Outside officer	94	94	-	-	-	6

* This figure includes two directors who retired at the conclusion of the 121st General Shareholders Meeting held on June 28, 2023.

Approach to Cross-shareholdings

Isuzu believes that holding its business partners' shares on the assumption of long-term transactions is an effective means of building a stable relationship and should lead to the enhancement of its corporate value over the medium- to long-terms. To confirm the reasonability of holding business partners' shares, the Board of Directors annually performs an examination from two different aspects: it conducts a quantitative evaluation of each issue in terms of criteria such as whether the benefit of holding the shares at least equals the capital cost, and a qualitative evaluation of the significance of the shareholding, among other aspects. Consequently, any shares that we no longer see a reason to hold will be swiftly reduced.

In executing our voting rights as a shareholder, we respect, as a shareholder with individual trade relations, the aims and intentions of the proposals and resolutions submitted from share issuer. If we see a risk of damaging a share issuer's value during the process of a dialogue with the share issuer or examination of a resolution; however, we will request the withdrawal or review of the resolution and will take action for each resolution, which may involve abstaining from the right to execute our voting rights.

Compliance

Basic Approach

Isuzu recognizes 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 thereafter the Company has 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 and causes the policy to be violated, senior management personnel must execute measures for problem resolution and investigation of the cause in an effort to prevent recurrences and must disclose information quickly and accurately to society and fulfill their accountability. We regularly assess the effectiveness of our basic compliance initiatives and update them as necessary under the supervision of the Board of Directors.

Basic Policy for Compliance

1. Winning the trust of our customers

We aim to win the trust of our customers by providing valuable products and services to society, and thus contribute to the creation of a prosperous society.

2. Promoting fair and sound activities

Isuzu does business based on fair and free competition. We also maintain sound and standard relationships with the government and politicians and act decisively as a corporate citizen against anti-social forces and organizations.

3. Ensuring fair disclosure of corporate information

We broadly communicate with our stakeholders as well as society as a whole, and ensure timely, appropriate, and fair disclosure of our corporate information.

4. Respect for employees

We create a safe and comfortable work environment that respects each employee's personality and character so that everyone can fully demonstrate their capabilities.

5. Contributing to environmental conservation

We actively work on environmental conservation not only through our business activities, but also as a resident of the planet by getting involved in social and regional environmental conservation activities.

6. Contributing to society

Isuzu proactively undertakes social contribution activities as a good corporate citizen.

7. Ensuring harmony with international and regional communities

We respect the cultures and customs of nations and regions and contribute to their development

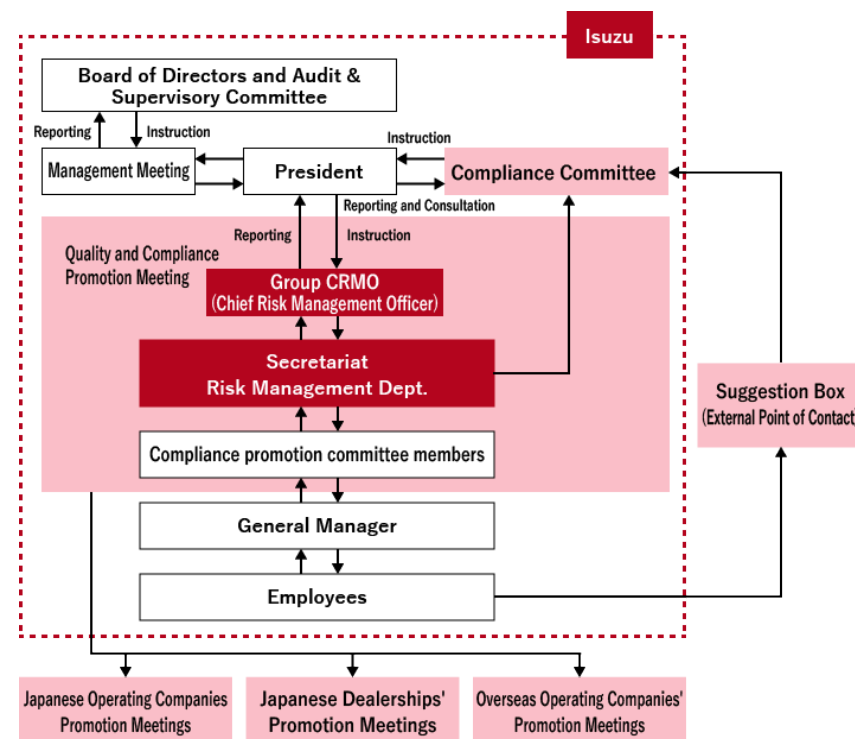
Management Structure

The Compliance Committee has been established as an advisory body to the President to ensure the openness and transparency necessary to promote compliance, and to strengthen Isuzu's compliance by receiving objective advice and guidance on policies and systems for compliance activities, confirmation of the operational status of each consultation counter, and other matters.

This Committee is composed of seven members, including external experts (such as university professors and lawyers) appointed as committee members, as well as three Executives. The committee meets every three months.

The Committee is also informed of the content of reports and consultations received at each consultation desk and oversees specific measures and their progress.

> Compliance Committee Meeting Agenda (Japanese)



Compliance

Establishment of an Employee Consultation Service

Isuzu has established three consultation counters for internal reporting and consultation on compliance issues, including comprehensive corruption practices such as discrimination, harassment, hospitality, gift-giving, and insider trading. These counters are:

1. Workplace Counter (Supervised by the immediate supervisor)
2. Intra-Division Counter (Supervised by the division manager)
3. Company-Wide Counter (Supervised by the Risk Management Dept. Compliance Management Group)

These contact points act as impartial receivers of information and serve not only in cases of clear violations of laws and regulations or internal rules but also for consultation on matters that appear suspicious and as a contact point for inquiries regarding internal rules and laws and regulations related to business operations. In addition to handling compliance-related matters, these counters also serve as points of contact for human rights-related inquiries and reports.

A suggestion box (External Point of Contact) has also been set up at an external law firm.

The internal and external consultation offices accept consultations and inquiries by e-mail, fax, telephone, and letter. In accordance with the Whistleblower Protection Act, the names of individuals who provide information and the content of such information are treated as confidential information and are protected to ensure that individuals will not be treated unfairly within the Company.

To promote awareness of these consultation services, we distribute a Compliance Guidebook and Compliance Consultation Counter Card to all employees, which include contact information for each consultation service and the suggestion box. Additionally, Isuzu regularly informs employees of their contact point through Isuzu Quality and Compliance Promotion Meetings, posters, and other means. The Compliance Management Group of the Risk Management Dept. serves as the secretariat for matters reported or discussed at each contact point and works to confirm the facts and make improvements.

If any compliance concerns arise from the reports or consultations received at each counter, the Risk Management Dept., under the supervision of the Board of Directors, conducts a thorough investigation and resolution in collaboration with the Legal Dept. and other relevant divisions. To maintain the highest standards of compliance, Isuzu will continue to regularly assess and verify the effectiveness of its compliance measures and make improvements as necessary.

In FY2024, there were 42 cases (8 cases related to the Company and 34 cases related to Group companies) that were reported to or consulted on by the external consultation service.

Moreover, the total number of reported violations was 11 (1 case related to the Company and 10 cases related to Group companies). Those requests received through the internal and external consultation services were handled appropriately, and we confirm that there have been no serious compliance violations. The status of compliance efforts and the number of consultations and serious violations are reported to the Board of Directors.

Business Partner Consultation Service

We also have a Business Partner Consultation Service within our Risk Management Depts. Compliance Management Group to provide our business partners with impartial consultations on compliance-related matters. We handle the personal names of information providers and the content of consultations as confidential information in accordance with the Whistleblower Protection Act.

Isuzu Group Compliance Promotion System

Isuzu Quality and Compliance Promotion Meetings are held monthly, attended by compliance promotion committee members of the different divisions. The meetings are committed to the prevention of compliance risks through the sharing of information among divisions and the reporting of activities. Isuzu has also built a Group-wide system to prevent compliance risks. Domestically, we hold regular compliance promotion meetings attended by companies of the Isuzu Group, in an effort to promote the sharing of information and related activities. In our overseas locations, we share information with contact persons of the Isuzu Group companies periodically and make efforts to prevent compliance risks. Particularly in Thailand, home to one of Isuzu's main overseas bases, we regularly hold joint compliance promotion meetings of the Isuzu Group companies based in Thailand to facilitate the sharing of information and related activities.

In the event that a serious problem occurs, we will promptly receive reports from the company in accordance with the Group-wide management rules and will work with the company to resolve the problem.

Initiatives

Activities to Address Group-wide Issues (in Japan)

In Japan, we identify Group-wide issues and make Group-wide efforts to resolve them. For example, as individuals involved in the automotive industry, we encourage each employee to be aware of their responsibilities. We also work to eradicate drunk driving by promoting the key concepts of 'not driving under the influence' and 'not allowing others to drive under the influence,' extending this awareness to their families, friends, and acquaintances. More specifically, we collect written pledges to eradicate drunk driving and hold regular seminars with the aim of renewing employees' awareness about the dangers inherent in drunk driving and the graveness of the social responsibilities that it entails.

We also consider that building good human relations in the workplace is important for preventing harassment. For example, we organize regular workshops for managerial-level and general employees to deepen their understanding of the significance of regular, bidirectional communication between supervisors and subordinates.

Compliance Surveys (Japan)

To confirm the spread of compliance awareness and identify compliance risks, we conduct regular Compliance Surveys. The survey results are reported to the managers and compliance officers of Isuzu Group companies and are applied to the companies' activities. The FY2024 survey covered about 11,000 employees of Isuzu Group companies and included questions on topics such as compliance training and guidance, overtime work, finding facts about harassment and awareness of drunk driving.

Compliance

Activities of Overseas Group Companies

In Thailand, home to one of our major overseas locations, Isuzu follows the compliance activity plan. For example, we organize hierarchical workshops and e-learning and put up posters to raise awareness about the need to eradicate drunk driving and about compliance. Isuzu supports the promotion of compliance activities by holding regular compliance promotion meetings jointly with Group companies in Thailand to confirm progress and provide advice.



e-learning

Compliance Training

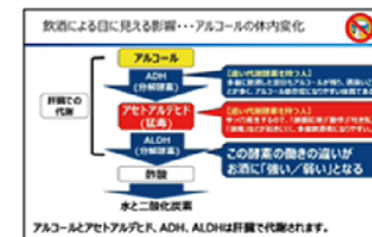
Isuzu provides its employees and Group companies with compliance education via classroom lectures and online in an effort to raise their awareness about compliance even more.

As an example, our Compliance training for new managers includes bullying and harassment prevention, providing education on their definitions, examples, and the appropriate response in case such incidents occur.

Additionally, personnel in charge of the company-wide consultation desk undergo training hosted by the Compliance Promotion Organization, which covers confidentiality protections to ensure whistleblowers are not disadvantaged, as well as case studies simulating actual reports. They also acquire the qualification of Compliance Advisor. With consideration of the COVID-19 situation, training programs and lectures were held online in FY2024. In this way, we take appropriate measures to prevent infections.

Training themes (examples)

- Basic compliance training for new employees
- Compliance training for new managers
- Training for new officers transferred to Isuzu Group companies
- Education on the Act Against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors
- Anti-Drunk Driving Seminar
- Compliance training for mid-career recruits
- Training for new directors
- Harassment prevention training for managers
- Education on the authorized exporter declaration procedure



Anti-Drunk Driving Seminar (video streaming)

Publication of Compliance Guidebook

In January 2006, Isuzu issued and started distributing a Compliance Guidebook which is a compilation of codes of conduct to communicate the basic attitudes and principles required of all officers and employees of Isuzu. Additionally, we create division-specific compliance guidebooks that compile cases of potential compliance issues that could arise from daily operations within each division or department, and distribute these guidebooks to the members of each department. These guidebooks are reviewed every year and are updated to reflect any amendments to relevant laws and regulations and to encourage a better understanding among employees.

Compliance

Anti-bribery Initiatives

Based on the supervision of the Board of Directors, we have established behavioral guidelines in the Compliance Guidebook regarding the prohibition of entertainment and gifts, insider trading, the prohibition of entertainment and gifts to public officials, quasi-public officials, and foreign public officials, as well as the prevention of money laundering and bribery. We make thorough efforts to ensure that all Isuzu officers and employees are informed of the code of conduct.

For example, regarding the prohibition of entertaining and gift-giving, we have established a Guideline on Entertaining and Gift-Giving and ensure it is thoroughly communicated to employees.

Additionally, we conduct company-wide awareness and training sessions on insider trading prohibition by regularly disseminating insider trading prevention regulations and conducting internal training. Furthermore, in cases where political donations or other political-related payments are made, we strictly adhere to relevant laws and ensure rigorous management to avoid any illegal political contributions. In FY2024, no fines or other actions have been taken by the regulatory authorities in connection with this matter.

Prevention of Anticompetitive Practices

In its Compliance Guidebook, Isuzu requires all of its officers and employees to thoroughly comply with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and the Act Against Delay in Payment of Subcontract Proceeds, Etc. to subcontractors. Periodically provide education on the Act Against Delay in Payment of Subcontract Proceeds, Etc. to subcontractors, and other related subjects whenever necessary in thorough pursuit of compliance with the laws.

Tax Policy

Isuzu Group regards tax payment as an important duty of a corporate citizen. To contribute to society through appropriate tax payment, we have established this tax policy and applied it to our Group companies.

- Compliance with Laws and Regulations**
 We will correctly interpret tax laws and related guidelines of all countries and regions where we conduct business activities, and pay appropriate taxes in accordance with their intent.
- Prohibition of Tax Avoidance**
 We do not engage in tax avoidance activities that deviate from the intent and purpose of tax laws and regulations, such as transferring created value to low-tax jurisdictions, using schemes without real business substance, or utilizing tax havens.
- Appropriate Transaction Pricing and Profit Sharing**
 In transactions with foreign affiliates, we will set prices that take into account arm's-length prices and pay appropriate taxes in accordance with the reality of local business activities.
- Maintaining Good Relationships with Tax Authorities**
 We build and maintain good relationships with tax authorities both domestically and internationally based on a correct understanding of tax laws and regulations.
- Tax Transparency**
 We will strive to disclose tax information to all stakeholders in a timely and appropriate manner.
- Governance**
 The Group CFO will establish a governance structure to effectively ensure that proper tax operations of the Group are conducted in accordance with this tax policy.

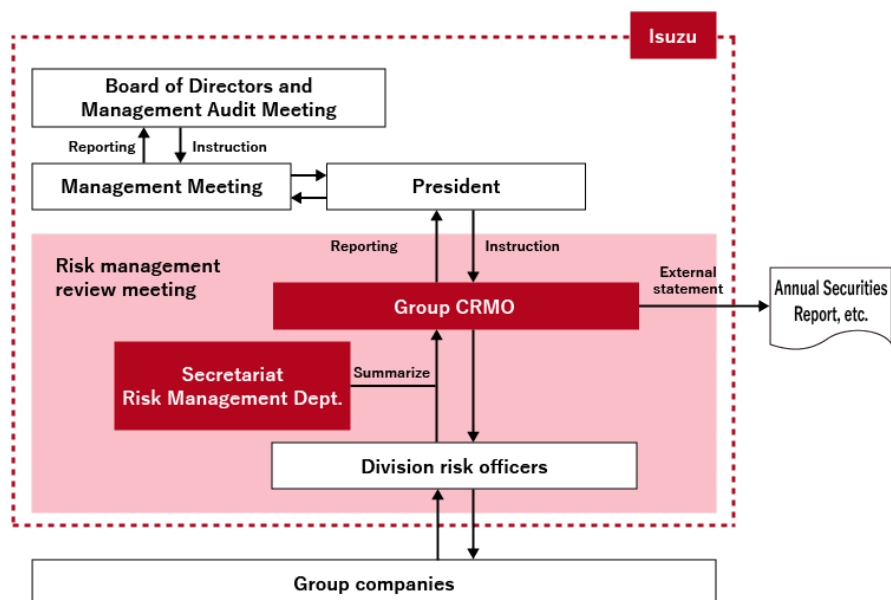
Risk Management

Basic Approach

The Isuzu Group strengthens preventive measures to address various risks surrounding its business and to prevent these risks from materializing into significant incidents. In the event that an incident does occur, we are committed to responding promptly and appropriately to prevent its escalation or worsening.

Management Structure

Isuzu is building its risk management system under the leadership of the Group Chief Risk Management Officer (CRMO). As part of this, we regularly hold Risk Management Review Meetings with risk management personnel from Isuzu's business execution divisions and key Group companies. These meetings monitor the progress of preventive measures and the status of incident responses, and direct enhancements to these initiatives. Furthermore, we provide regular reports to the Management Meeting and the Board of Directors, where the Board supervises and evaluates the Group-wide risk management activities.



Response to Incident Occurrences

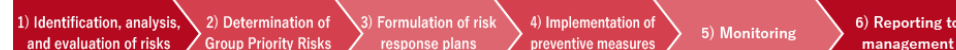
At Isuzu and its Group companies, incidents are comprehensively and promptly reported to the Risk Management Dept., while swift actions are taken to resolve them in order to prevent escalation or further severity. In cases where there is a potential for a major crisis, a response team is formed by members appointed by the Group CRMO, and they determine and implement various response policies to ensure thorough crisis management and minimize impact.

In the event of an incident that affects business operations or requires urgent attention, the Group CRMO promptly reports to the executive management, where they deliberate and decide on the appropriate course of action.

The Risk Management Dept. also verifies the effectiveness of recurrence prevention measures taken by the divisions or companies where the incident occurred, and ensures that incidents are shared within the Group to reinforce recurrence prevention across the entire organization.

Preventive Measures

Within the Isuzu Group, risks that could affect the business activities of Isuzu and its Group companies are comprehensively identified, analyzed, and evaluated. Risks that could have a significant impact on management as a Group are selected as Group Priority Risks. Based on this, Isuzu and its group companies formulate risk response plans focused on these Group Priority Risks and implement preventive measures accordingly.



Group Priority Risk Determination Process

At the Isuzu Group, Group Priority Risks are established across four categories of risks that could significantly impact management: Business/Medium-Term Plan Risks, Strategic Risks, Operational Risks, and Hazard Risks. These Group Priority Risks are formulated annually at the beginning of the fiscal year, and are reviewed every six months based on internal and external environmental changes, as well as the status of incident occurrences.

* Please refer to the Business Risks section of the [Annual Securities Report](#), which is compiled based on these priority risks.

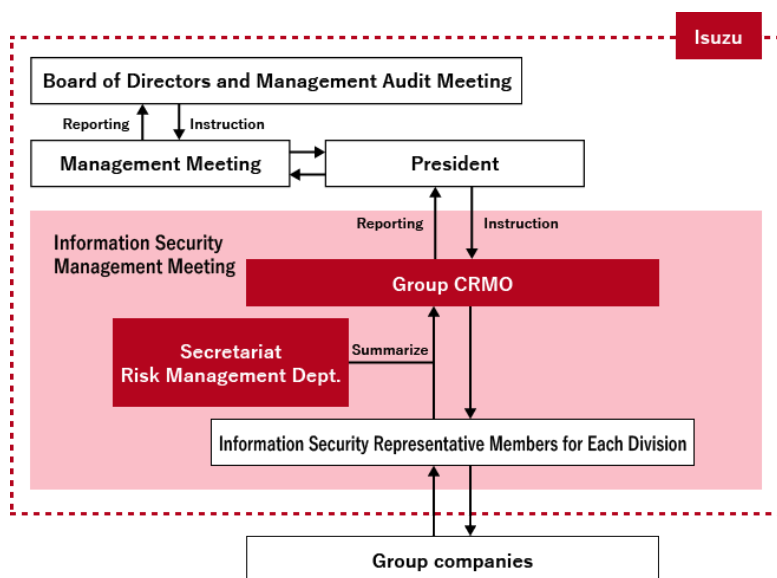
Risk Management

Information Security

Isuzu established the Group Information Security Policy under the leadership of the Group Chief Risk Management Officer (CRMO) and is developing, implementing, and providing training on a comprehensive information security management system and related regulations across Isuzu and its Group companies.

Management Structure

In the Isuzu Group, each division within Isuzu and each group company appoints an Person responsible for information security management. Based on the Information Security Governance Rules, they formulate annual action plans to reduce information security risks and implement various measures accordingly. The Group CRMO regularly convenes the Information Security Management Meeting to review the progress of measures undertaken by each division and Group company, consolidate any challenges, and provide instructions to strengthen information security efforts. Additionally, the Group CRMO works to maintain and improve information security management. The content discussed in the Information Security Executive Committee is regularly reported to the Management Meeting and the Board of Directors, ensuring the effectiveness of the Group's information security activities.



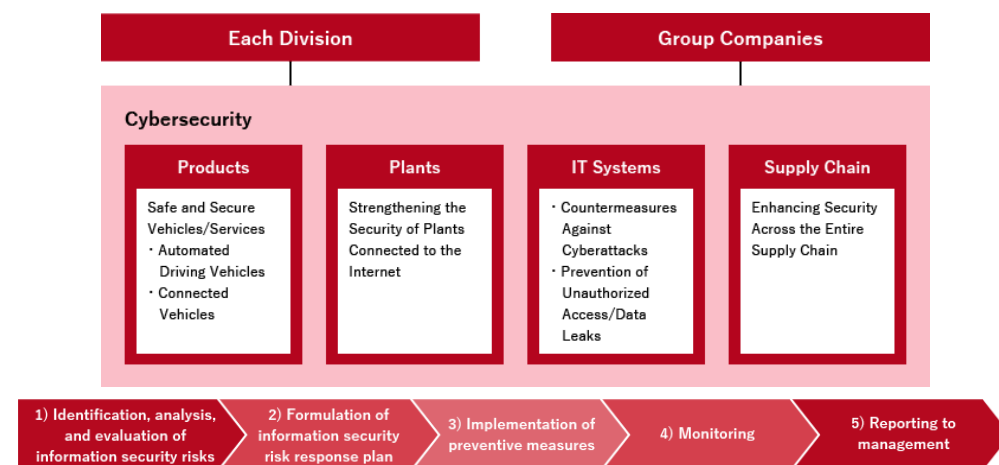
Information Security Management Operations

In addition to general information security regulations, Isuzu has established and is enforcing various cybersecurity rules across products, plants, IT systems, and the supply chain.

We participate in J-Auto-ISAC*, an organization that collects and analyzes information related to automotive cybersecurity. Through this participation, we gather information on security incidents detected within the industry and have established and are operating a system for the development and manufacturing of vehicles with cybersecurity considerations in place.

These activities are conducted in reference to the Cybersecurity Management Guidelines issued by the Ministry of Economy, Trade and Industry, international regulations such as UN-R155 adopted by the World Forum for Harmonization of Vehicle Regulations (WP.29) under the United Nations Economic Commission for Europe, as well as international standards including ISO 21434, ISO 27001, and NIST SP800-171.

* J-Auto-ISAC: Japan Automotive ISAC, a Japanese automotive cybersecurity organization.



Risk Management

Information Security Training

Isuzu prepares and continuously conducts information security training for all employees and information security managers of Group companies. This ensures that information security regulations and related rules are well understood and firmly established. Additionally, as a preventive measure, we regularly conduct targeted email attack training to prevent virus infections or data breaches caused by opening or clicking on suspicious emails.

Response to Information Security Incidents

In the event of an information security incident within Isuzu and its Group companies, we respond promptly under the direction of the Group CRMO, in coordination with relevant divisions and companies, to prevent the escalation and severity of the incident according to the incident management rules. We also monitor the implementation of recurrence prevention measures and ensure that these measures are shared across Isuzu and its Group companies, reinforcing prevention efforts throughout the entire group.

Efforts Toward Personal Data Protection

At Isuzu and its Group companies, we comply with personal data protection laws in each country and have established and implemented rules and regulations to handle customer and business partner information appropriately.