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First of all, we would like to explain the overview of Isuzu's mid-term business plan (BP) 2024. Based on a hard look at ongoing and future societal challenges, Isuzu has decided to set the following two as its axes of innovation: carbon neutral strategy and contribution to logistics evolution as a CV OEM.

To support technological development toward realizing the innovation, we need to expand current businesses and improve their profitability.

We will aim to steadily enhance our profitability through continuously strengthening a wide range of efforts we have been making, as well as by leveraging collaborative synergies from various alliances.

Competition and collaboration in the CASE era become more global and diversified.

It is clear that no company can survive this new age with a conventional corporate culture or a mindset of staying with the status quo.

In this 3-year mid-term BP, we intend to push forward with various initiatives through the era of profound transformation, based on ESG-oriented management, with global leading manufacturers always benchmarked.

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During the last 3 years in the previous mid-term BP, we steadily implemented aggressive measures.

Consequently, we have successfully become able to annually produce net sales of 2.5 trillion yen or more.

As regards the domestic CV business, all trucks sold in Japan are now equipped as standard with "PREISM", our advanced uptime support service. We have also worked closely with our customers for creating values. All of these have further strengthened our business foundation.

When it comes to the overseas CV business, our efforts based on the closer-to-market approach have taken hold, raising our market shares in many countries across the globe.

The alliance with Volvo Group and acquisition of UD Trucks will contribute to further strengthening our CV businesses at home and abroad through improved Monozukuri, mutual complementarity of products, enhanced services, etc.

As regards the LCV business, we had a full model change for D-MAX and MU-X. The new models are well accepted in Thailand, assuring us of their sales potential in the global market.

Planned investments in production footprints in India and South Africa were completed, offering us sales expansion scenarios based on full use of them.

Regarding the powertrain business, we formed an alliance with Cummins, and the two companies are accelerating selection and concentration on diesel engine-related development projects.

Furthermore, the alliances we formed with the leading companies in each technology/business field will enable us to efficiently deal with burdens of R&D expenses for next-generation technologies.

All of these efforts will contribute greatly to this mid-term BP.

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The final FY of the previous mid-term BP (FY2021 ended Mar. 2021) was severely affected by the Covid-19 pandemic, as well as by depreciation of emerging economies' currencies and sluggish market demand, resulting in net sales of 1.9 trillion yen and operating income of 95.7 billion yen. Based on the review on the failure to achieve the financial goals, we are working in this mid-term BP to steadily achieve increased sales and profits with finely-tuned measures for the CV business (which is divided into Japan, overseas emerging economies and advanced ones) and for the LCV business.

For FY2024 ending Mar. 2024, the final FY of this mid-term BP, we will aim to achieve net sales of 2.75 trillion yen and operating income of 250 billion yen.

The profits will include the collaborative synergies with UD Trucks and Volvo Group, which are expected to reach about 33 billion yen (on EBITDA basis).

We will intend in 5 years to achieve net sales of 3 trillion yen and operating income of 300 billion yen, by extending the effects derived from this mid-term BP toward the medium- to long-term growth.

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One of the keys to the sales expansion in this mid-term BP will be to advance the collaboration with UD Trucks.

In Japan Isuzu and UD Trucks will substantially expand the vehicle lifetime business by leveraging the two companies' networks of after-sales services footprints. Overseas, we will utilize HD CVs for emerging economies, a UD Trucks' area of expertise.

As regards the LCV business, we will start to launch the new pickup truck models to over 120 countries worldwide. In addition, we will aim to expand the lineup of workhorse models, which are based on the new and previous models and are more price competitive, and increase their sales to cost-conscious customers using pickup trucks as CVs.

Regarding the overseas CV business, we will closely analyze demand situations, how CVs are used, and customer needs in individual markets, based on which we will more flexibly study and set vehicle specs, which are combined with other services and programs such as for uptime assurance, so that customers will be happy to choose our products and services.

To make our Monozukuri more efficient, we will achieve synergies with UD Trucks in the fields of development, logistics, production and purchasing.

In the LCV business, we will make arrangements so that the capacities at the production footprints in Thailand and South Africa can complement each other.

As regards R&D expenses and investment, we will proactively leverage the alliances to curb a substantial rise in resources through joint efforts in the CASE area and by way of utilizing mutual complementarity of expertise in the traditional technology area.

Aiming to realize the effects from these measures as actual results in numbers during this mid-term BP period, we will also invest in three major initiatives in parallel, which we believe will contribute to growth beyond this period.

Firstly, in the HD truck segment, we will develop a common truck platform for Isuzu and UD Trucks, utilizing Volvo Group's expertise.

In the MD & LD truck segment, we will implement a full model change and launch the new models to the global market, intending to achieve a significant increase in sales volumes in the next mid-term BP period.

As regards investment in overseas production footprints, we have understood that planned investment projects were completed. Therefore, during this mid-term BP period, we will focus on our business base in Japan. More specifically, we will invest in renewing mission-critical core IT systems and also in our Fujisawa Plant to make operations there substantially more efficient. We will strive to make all of these measures contribute to building more robust future profit base.

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We consider that our corporate directions, or challenges we are required to address, lie in finding solutions on how to grapple with two major societal demands, namely carbon neutrality and increased expectation for uninterrupted logistics infrastructure.

More specifically, they are electrification and decarbonization of CVs, and connected services and autonomous driving.

Setting as our axes of innovation, carbon neutral strategy and contribution to logistics evolution as a CV OEM, we will intensively pour resources into them.

Though we will spend most of this mid-term BP period on verifying technologies and demonstrating vehicles for their social implementation, we will accelerate our action to make sure that we will realize the innovation in 5 or 10 years.

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This is our tentative roadmap for carbon neutrality of CVs.

To replace all CVs in society with carbon neutral ones by 2050, we will need to make available a full lineup of products that is able to deal with carbon neutrality by 2040 at the latest. Since CVs are used for various applications, many challenges are expected to lie ahead.

As CVs are falling behind passenger cars in terms of electrification, we will focus during the 5 years through 2025 on verifying BEV and FCV technologies and demonstrating vehicles based on them.

During the next 5 years through around 2030, we will prepare for the volume production based on technologies chosen which are also economically justified.

The 2030s will be a period of expanding sales of EV models, in which we will make products more available and refine them.

In parallel to these efforts, for applications or use actual conditions where internal combustion engines (ICEs) are indispensable, we will work on ICEs powered by carbon neutral (CN) fuels. Please note that because the forecasts of the concrete goals and schedule for our electrification efforts are varying day by day, we will release updates on them, as needed.

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As regards connected services, we have worked on both uptime support and operation management.

With the uptime support as our exclusive initiative, we will further contribute to enhancing logistics efficiency by keeping customers' trucks running on the road.

A tool for supporting logistics customers' operations, the operation management service needs to have improved contents and be OEM-free. Based on this view, we will integrate our own operation management service with another by a joint venture with Fujitsu Limited. This integration efforts are being joined also by body manufacturers.

Going forward, we will aim to build a CV connected information platform for the Japanese market through collaboration with Hino Motors, Ltd. and Toyota Motor Corporation, the collaboration which was announced just recently.

Through implementing these connected initiatives, we will strive to realize the following: customers will be able to use OEM-independent operation management services, which will be improved by use of big data. This will then encourage development of new services, which will serve as contributing to enhanced logistics efficiency and decarbonization.

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When it comes to autonomous driving efforts, we are currently in a basic phase, where we are implementing demonstration tests for truck platooning on the expressway, as well as for autonomous urban delivery trucks within our Fujisawa Plant.

We will move into advanced phases with further demonstration tests under various use scenarios to verify if our technologies are usable in actual use conditions.

In an aging society with a falling birthrate, autonomous CVs are highly demanded. We will accelerate our autonomous driving efforts through joint development with our alliance partners. Updates on them will be released, as needed.

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During this mid-term BP period, we will accelerate evolving our management from ESG perspectives.

Our competitors, partners and stakeholders in the CASE era are becoming more diversified and global.

To continue to be accepted by society and survive this age of profound transformation, we must change our corporate culture and the way our business is managed.

We will work on this management evolution from ESG perspectives, benchmarking global leading manufacturers.

We would like to explain three points of view for ESG-oriented management:

The first point is our emphasis on shareholder value. We will aim to enhance capital efficiency, targeting an ROE of 15% in 5 years and an average payout ratio during this mid-term BP period of 40%. In addition, we may flexibly implement stock buybacks, depending on situations of investments and funds.

The second point is improvement of governance and disclosure. We will change our corporate governance structure to a company with an audit & supervisory committee, reforming the Board of Directors and enhancing management transparency.

We will build effective systems to protect and utilize intellectual property of Isuzu and our alliance partners to be disclosed to one another in alliance-related projects. We will also improve our disclosure of IR/ESG information.

The third point is corporate culture.

In the era of profound transformation, we must change ourselves to become a professional corporate group that creates innovation.

We will intend to evolve into a stronger group by making our human resources more diversified and developing organizations and systems in which they can motivate themselves and work actively on their assignments.

In this regard, the acquisition of UD Trucks, which used to be part of Volvo Group, can offer us useful insights.

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This slide, based on the already presented overview of mid-term BP 2024, is shown again as the summary.

We will aim to achieve net sales of 3 trillion yen and operating income of 300 billion yen in 5 years. During this mid-term BP period, we will focus on the social duties CV OEMs are required to fulfill and work aggressively on innovations, transforming our corporate culture to become a sustainable company in this era of profound change.

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Last but not least, this page explains our corporate vision and challenges related to the SDGs.

Please also refer to the following pages including one containing a table of quantitative figures.

Thank you very much for your attention.