

Remarks about [Strengthening ESG-focused Management,Accelerating Innovation]

Hello, I'm Shinsuke Minami from Isuzu Motors.

Let me explain how Isuzu is moving forward with "management from an ESG perspective" and "innovation" that are part of our Mid-term Business Plan 2024.

Over the past year, we have been preparing for our next mid-term business plan. Starting with the formulation of our new "ISUZU ID" corporate philosophy, we have focused on strengthening our management structure.

New corporate philosophy,「ISUZU ID」

First, let me provide some background on why we created a new corporate philosophy.

Our industry is in the middle of a once-in-a-century transformation, and our environment is changing at an ever-accelerating pace, making our business more and more complex.

In this era of transformation and change, we will work to solve issues facing society more proactively.

To achieve this, each and every Isuzu employee must have a broader perspective, share the same values, and work as one team. A high-level harmony and coordination are needed.

To make such a leap as a company and as individuals, we thought it vital to revamp our corporate philosophy into something that can guide the entire company.

As a result of extensive internal discussions, we have positioned "Moving the World - for You" as our PURPOSE.

We have systematized the values that the company and individual employees should embrace to achieve this.

We call this "ISUZU ID", symbolized by a ribbon that connects all such values.

In our Mid-term Business Plan 2024, we established "management from an ESG perspective" as one of our goals.

Adding attributes unique to ISUZU to it, our new corporate philosophy, "ISUZU ID" was born.

[ISUZU ID] PURPOSE

Moving the World – for You.

This goes beyond our previous corporate philosophy, "to support transport", expressing our determination to create new transport solutions for all goods and people the world over.

We will address issues including carbon neutrality and a changing logistics landscape; and we will create value that enriches society.

[ISUZU ID] VISION

Our VISION is to be an innovation leader that advances the world with "Reliability x Creativity".

We will combine the power of "Reliability" and "Creativity", attributes that we have long cherished, to become an "innovation leader".

[ISUZU ID] MISSION

To propel us towards our VISION, we established "Creating better life with better transport" as our MISSION.

For Isuzu to unleash innovation and move society forward together with all stakeholders, we are aiming to become No. 1 in the four areas of Satisfaction, Sustainability, Engagement and Social Impact.

[ISUZU ID] CORE VALUE

To realize our PURPOSE, MISSION and VISION, we have established a set of values for all Isuzu Group employees.

Each employee must be willing to contribute, challenge and change. With that

comes respect, empowerment and inspiration to facilitate mutual growth.
This is our CORE VALUE.

「ISUZU ID」 Point summary

“ISUZU ID” represents the starting point for how Isuzu Group will tackle issues facing society.

By fully embracing "ISUZU ID", we will further strengthen our current businesses and solidify our financial footing.

And with “Isuzu ID” in place and on solid financial footing, Isuzu will proactively invest in innovation.

Expansion of Current Business/Profitability Improvement : Enhanced Products/Services

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Now, let me share some of the highlights from our last fiscal year.

First, we fully remodeled our key products, ELF and FORWARD.

The new ELF and FORWARD further evolved across the six areas of “design”, “hospitality”, “economy”, “safety”, “connectivity”, and “line-up”.

In addition, we launched “ELF EV”, our first production battery EV model.

Going forward, we will promote the commercialization and practical use of battery electric vehicles.

Next, we introduced new tractor head models, “GIGA” and “Quon”, developed jointly with UD Trucks for the first time.

Leveraging the technologies of the two companies, these models offer higher loading efficiency, improved drivability and enhanced safety features.

These features help address issues such as driver shortages and the need to improve the working conditions of drivers.

These products will further strengthen Isuzu’s financial footing in the future.

Axis of Innovation:

Positive Investment in Carbon Neutrality and DX for Logistics

Let me delve more into transforming our corporate culture with “ISUZU ID” and improving our financial footing with the new products.

This is rooted in our commitment to further accelerate innovation to “Move the World – for You”.

To accelerate our efforts towards carbon neutrality and DX for logistics, we have formulated a plan to invest 1 trillion yen in R&D, Capex, and strategic business opportunities by 2030.

Investment in Innovation - Carbon Neutrality –

First, regarding carbon neutrality, we will introduce electric models such as battery EVs and FCVs across all vehicle categories by 2030.

Moreover, we will engage in R&D for on-board batteries, motors and inverters as well as their controls, and promote in-house manufacturing of such technologies.

To provide a variety of options in accordance with the energy mix across different markets, we will continue to develop carbon-neutral fuels and hydrogen-powered engine technologies.

Moreover, we will expand services that facilitate decarbonization, not only for our customers but also for society.

For the introduction of commercial electric vehicles, we will improve our “EVison” total solution program to offer more convenient solutions.

Also, by using on-board batteries for energy storage, we will explore a wider range of energy management services.

Regarding remanufactured units, we will promote recycling of end-of-life vehicles.

In addition to these products and services, we will speed up our efforts to reduce carbon dioxide emissions and recycle resources at our business sites.

Based on the activities outlined in our 2030 Environmental Roadmap

announced last year, we will make significant investments to reduce our carbon dioxide emissions in and outside of Japan by 50% from 2013 levels by 2030.

Investment in Innovations - DX for Logistics -

Regarding DX for logistics, we will strengthen the areas of software and digitalization.

Regarding connected services, we will encourage customers to take advantage of GATEX (commercial vehicle information infrastructure), to help solve issues faced by the logistics industry

Regarding autonomous driving, we will continue to work on technological development and testing toward the practical use of Level 4 autonomous vehicles.

We will also develop new businesses that lead to more efficient logistics and the creation of a new era of "transport".

Our investment in innovation will see us continue to work with alliance partners and customers, in the spirit of collaboration and transparency, to make the world a better place.

Summary

In closing, I'd like to reiterate today's key message.

With "ISUZU ID" as the starting point to transform our organization and realize a strong financial base supported by new products, we will invest 1 trillion yen in innovation by 2030.

Our PURPOSE is to "Move the World - for You"
Thank you for your attention.