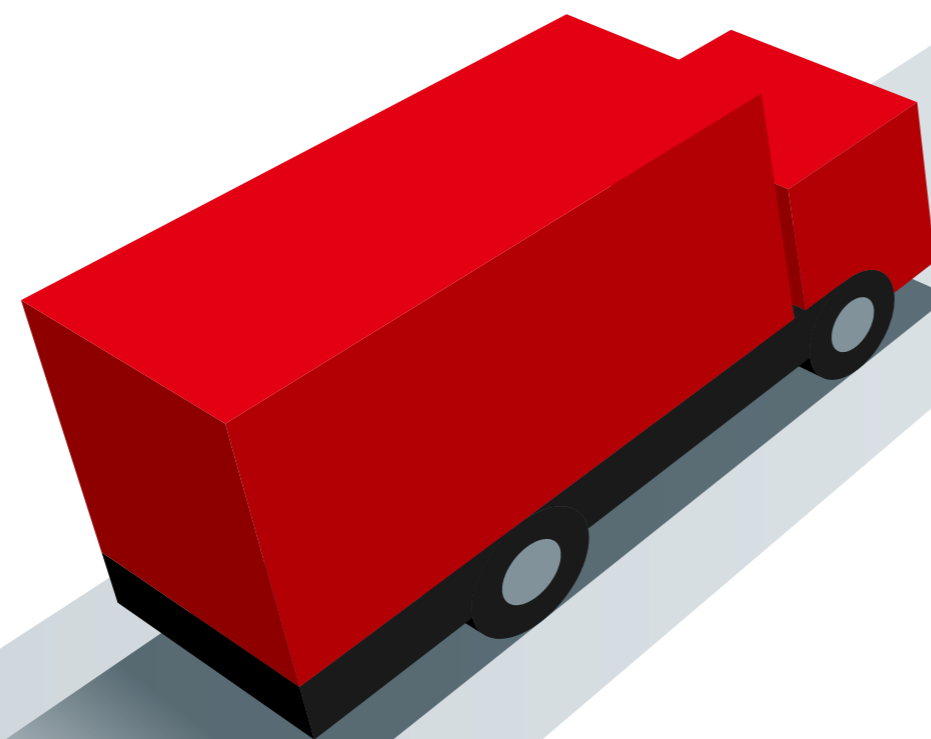


ISUZU

Mid-Term Business Plan 2024

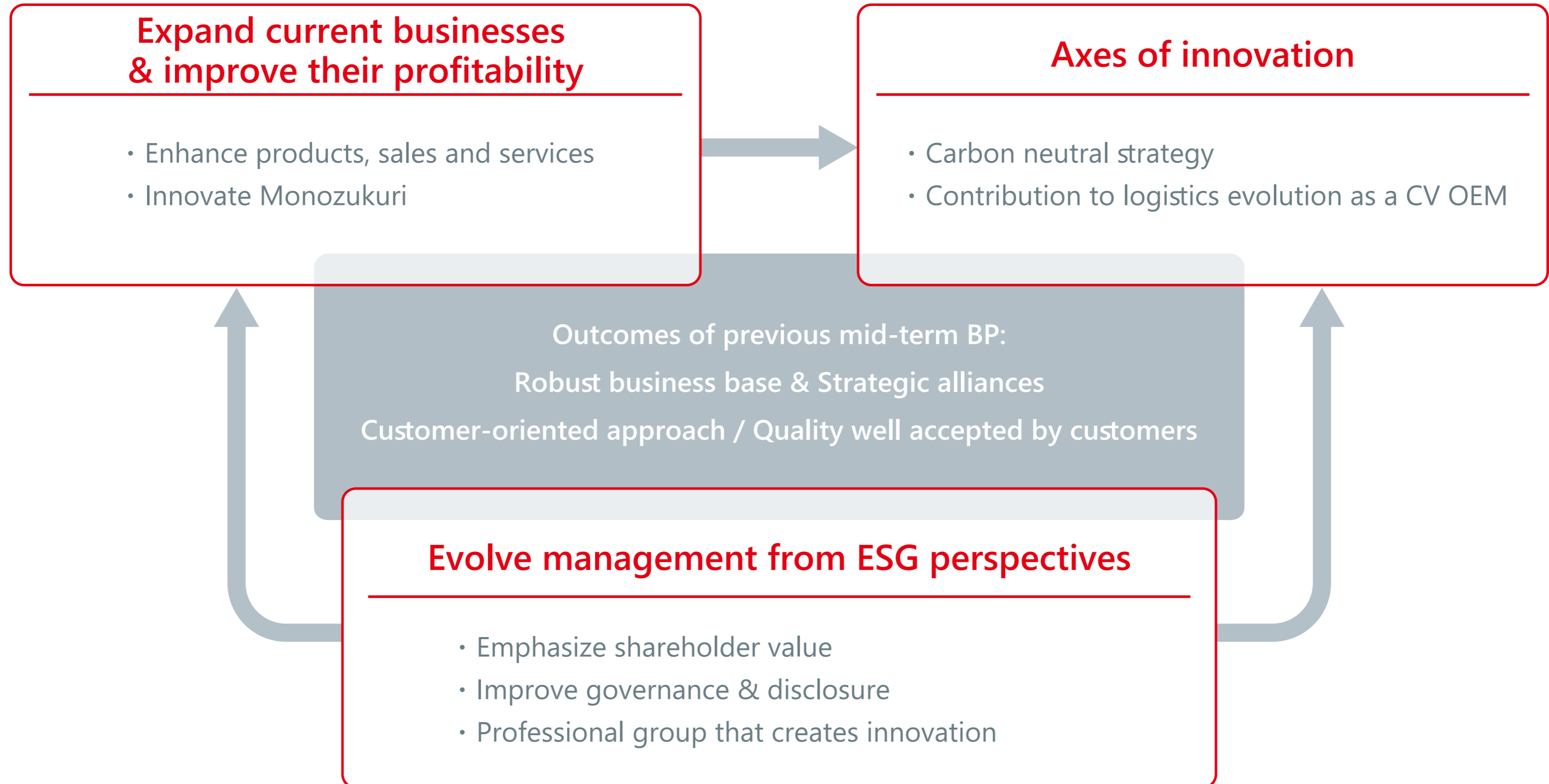
(FY2022-FY2024)



May 13, 2021

Isuzu Motors Limited

Overview of Mid-Term BP 2024



Efforts in Previous Mid-Term BP Bore Fruit

Isuzu, regarding this era of profound transformation as a big chance, aggressively led various initiatives.

Isuzu has successfully established business bases stably earning net sales of 2.5 tril. yen or more, and also formed strategic alliances for addressing various challenges in the future.

Current business
deepening:
improve profitability in
core businesses

Seven key
challenges

- ① Collaborative business innovation
- ② Expand overseas CV business
- ③ Strengthen LCV business
- ④ Enhance powertrain business
- ⑤ Accelerate advanced technology
- ⑥ Implement digital innovation
- ⑦ Create new businesses

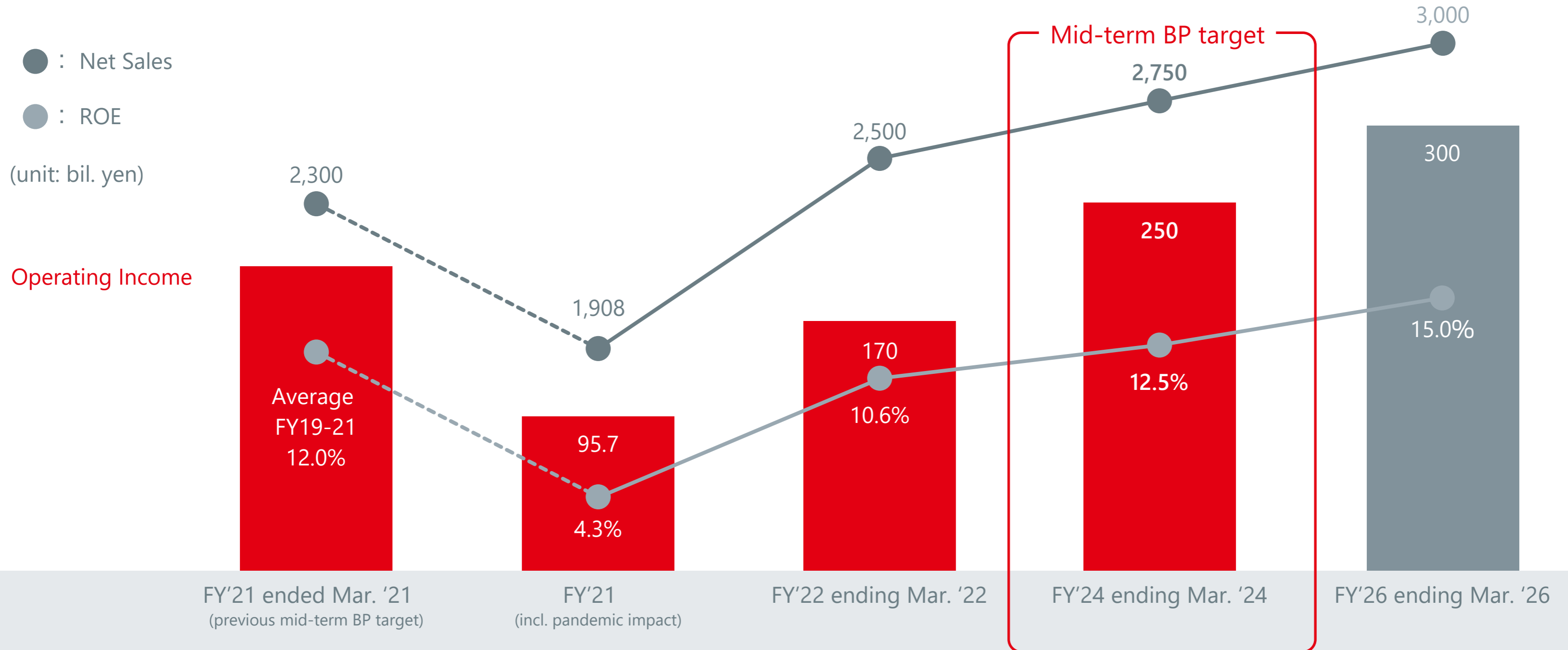
**New
engagement**
for next generation:
sow the seeds of future
growth

- Uptime support & collaborative activities bore fruit (JPN CV)
 - Set in place Monozukuri & services based on closer-to-market approach, and raised market shares across the globe (Overseas CV)
 - Formed a holistic alliance with Volvo Group & acquired UD Trucks (HD truck)
 - Successfully carried out full model change on LCV (D-MAX/MU-X)
 - Established operations to stably supply products at footprints in India & South Africa (LCV)
 - Entered into a powertrain partnership agreement with Cummins (PT)
-
- Formed the holistic alliance with Volvo Group (autonomous driving, connected, EV)
 - Promoted collaboration with Honda for HD FCV
 - Agreed with Toyota & Hino on collaborations in CASE fields mainly for LD trucks
 - Started renewal of mission-critical core IT systems
 - Created new services for logistics customers, utilizing data of cargoes and rear bodies

Mid-Term BP Financial Targets

Isuzu will aim to achieve **net sales of 2.75 tril. yen and operating income (OPI) of 250 bil. yen** for FY2024 ending Mar. 2024.

OPI including synergies with UD Trucks & Volvo Group: expected to include EBITDA of 33 bil. yen for FY2024 and 50 bil. yen for FY2026 ending Mar. 2026.



Measures to Expand Business & Improve Profitability

Isuzu will address challenges below, fully utilizing the base for growth we built during the past mid-term BP periods.

Measures to implement	Measures contributing to this mid-term BP period (through FY2024 ending Mar. 2024)	Measures contributing to expansion in FY2025 ending Mar. 2025 & beyond
Products, sales, and services	<p>Collaboration with UD Trucks Utilize each other's products & after-sales services networks</p> <p>LCV business Expand sales of new LCV models worldwide / Expand sales channels for workhorse models</p> <p>Overseas CV business Get far closer to markets, utilizing networks of Isuzu Group companies</p> <p>PT business Expand customers globally</p>	<p>HD trucks: Develop common platform for Isuzu & UD Trucks Utilize technologies developed by Volvo Group</p> <p>MD & LD trucks: Implement full model change during this mid-term BP period Launch them globally</p>
Monozukuri	<p>Synergies with UD Trucks Collaborate in the fields of development, logistics, production and purchasing</p> <p>LCV production Leverage 3 production footprints in Thailand, South Africa and India</p> <p>Effects derived from strategic alliances CASE area: joint development/Traditional technology area: complement each other in terms of component units, etc.</p>	<p>Invest in business base in Japan Renew mission-critical core IT systems Fujisawa Plant (for substantially more efficient operations)</p>
Capex	300 bil. yen for 3 years during this mid-term BP	

Axes of Innovation

As trends toward carbon neutrality accelerate and social expectation for enhanced logistics infrastructure mounts, it is duty of CV OEMs to respond to these societal issues.

Accelerated trends toward electrification/decarbonization

- Carbon neutrality is the highest-priority social issue
- Trend of passenger cars shifting away from internal combustion engines is accelerating recently
- The same expectation will mount in CV space as well



Carbon neutral strategy

- Firstly identify appropriate technologies through demonstration experiments for social implementation of BEV & FCV
- Start to launch some models while working on product improvement toward volume sales
- Continue development of high-efficient ICE (*1) for a period of CN fuels (*2) being widespread

*1 ICE: internal combustion engine

*2 CN fuels: carbon neutral fuels such as bio fuels and synthetic fuels derived from renewable energies.

Increased expectation for uninterrupted logistics infrastructure

- Logistics infrastructure becomes more & more important
- Logistics efficiency becomes a big social issue
- CV OEMs are required to contribute to addressing these challenges by utilizing connected function and putting autonomous driving to practical use

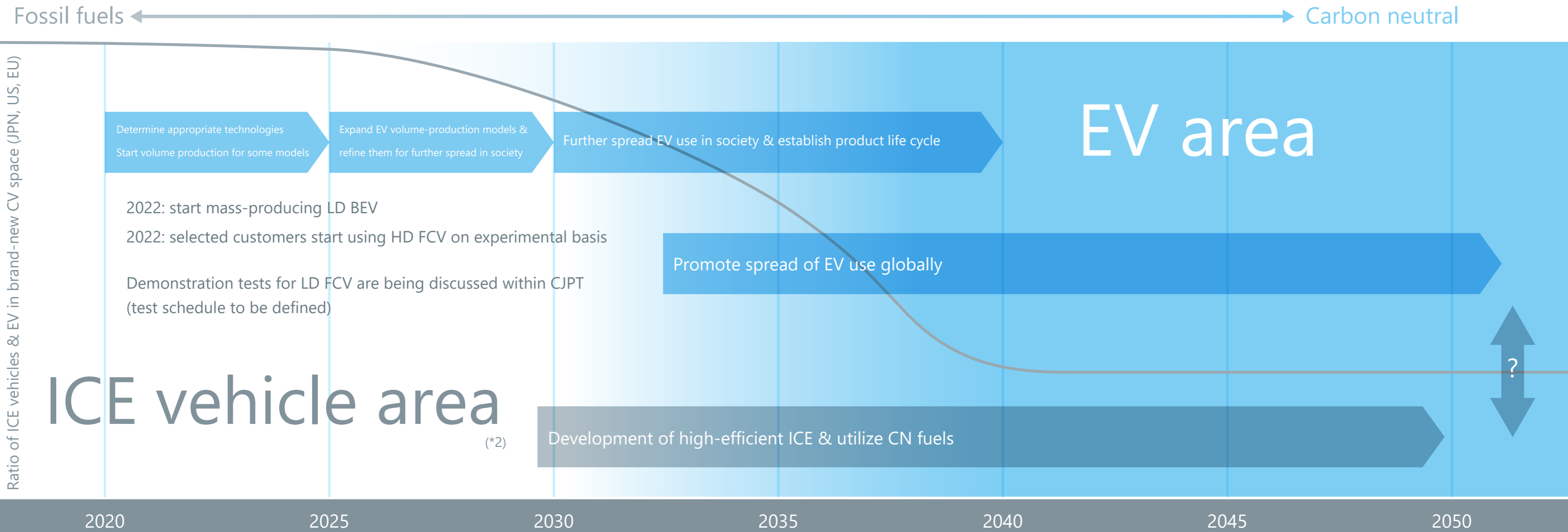


Contribute to logistics evolution as a CV OEM

- Encourage improved convenience of connected services by making them OEM-free, preparing for 5G era
- Verify autonomous driving technology under limited use scenarios and seek to put it to practical use as early as possible

Carbon Neutral Strategy

Establish a full product lineup by 2040 that is able to deal with carbon neutrality.
Expand sales of EV (*1) models of our major products in the 2030s.



*1 EV: electrified vehicles, including battery EV (BEV), fuel cell vehicle (FCV) and hybrid EV (HEV), etc.

*2 ICE vehicles: vehicles powered by fuels such as diesel, gas and CN fuels.

Contribution to Logistics Evolution as a CV OEM 1) Connected

Isuzu will seek to contribute to improving customers' productivity and decarbonization, through strengthening connected services such as uptime support and operation management tool.

Uptime support

Evolve uptime support services by adding failure prevention function (domain where individual CV OEMs manage development by themselves)

- Leverage collaborative networks of Isuzu & its service sites (incl. UD Trucks)

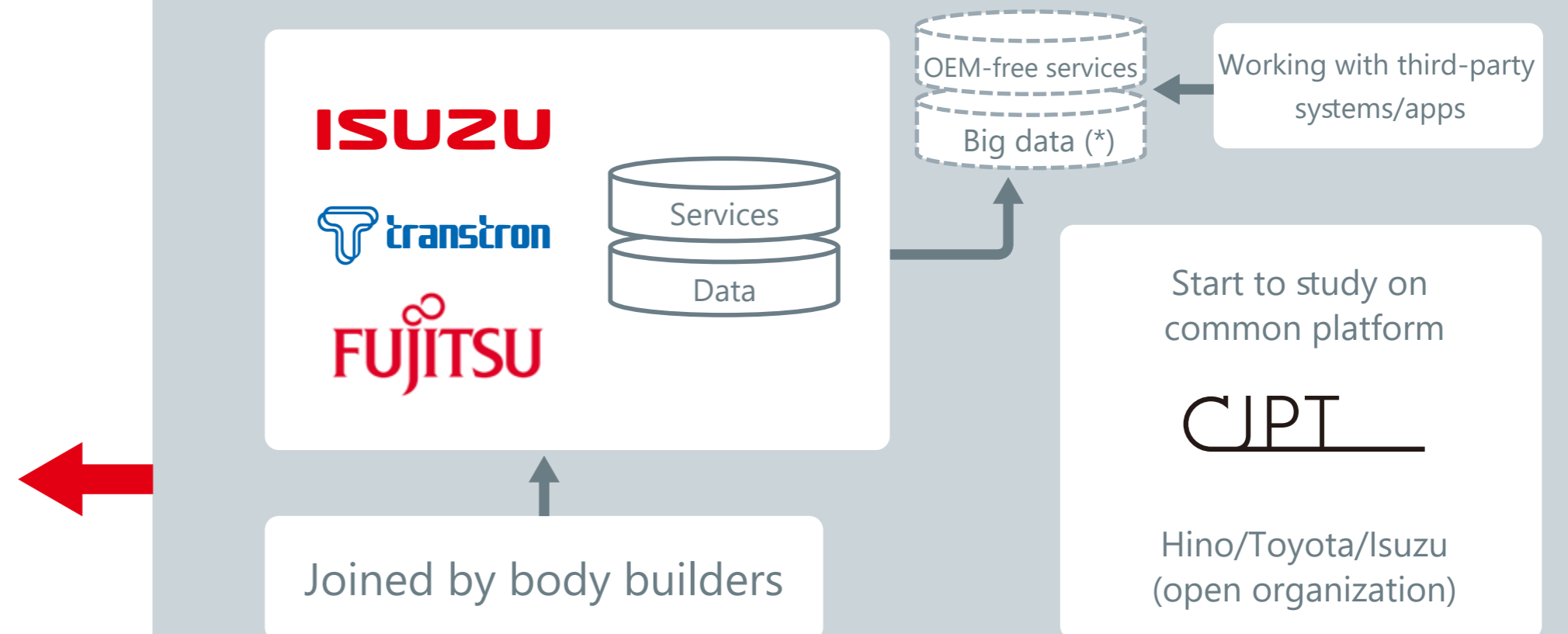
Operation management ("OM")

Make vehicle data & communication systems available to third-party developers of OM systems/apps for logistics industry (domain where OEM-third party collaboration is openly encouraged)

- OEM-free OM systems/apps necessary
- Collaborate with other OEMs to create a common platform

Connected service base

CV connected information platform concept (in Japan)



* Big data: data we use as collective intelligence by anonymizing and statistically processing individual data (i.e. information on operation management, traffics, etc.) stored at each company's server.

Contribution to Logistics Evolution as a CV OEM 2) Autonomous Driving

Isuzu will accelerate autonomous driving initiatives through co-development with alliance partners.

<Previous mid-term BP period>
Autonomous driving expertise accumulated

Tests under various use scenarios
To promote spread of autonomous driving use in actual life scenes

2030s

On-highway transportation



Demonstration test for truck platooning



Level 4 Demonstration test by UD Trucks

Urban transportation



Demonstration test for autonomous urban delivery trucks using NVIDIA technology

Prototype running in the experiment inside Fujisawa Plant

Verify effects and safety of unmanned truck operations and promote them in logistics and other use scenarios

Expressways
x
HD trucks



Port
x
low-speed drive
& parking



Buses operated
in limited areas



Road sweepers
in urban areas



Urban delivery trucks



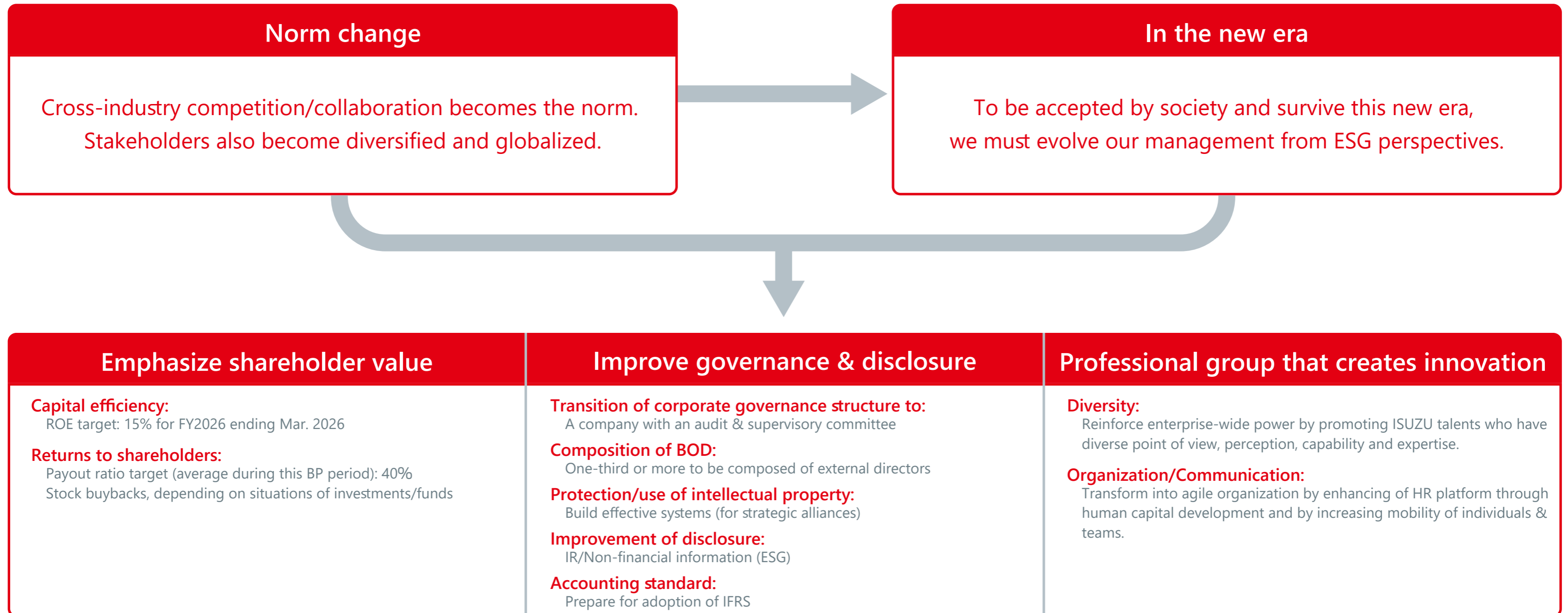
Advanced-level demonstration test inside Fujisawa Plant by end of 2021

Demonstration test in closed space by end of 2022

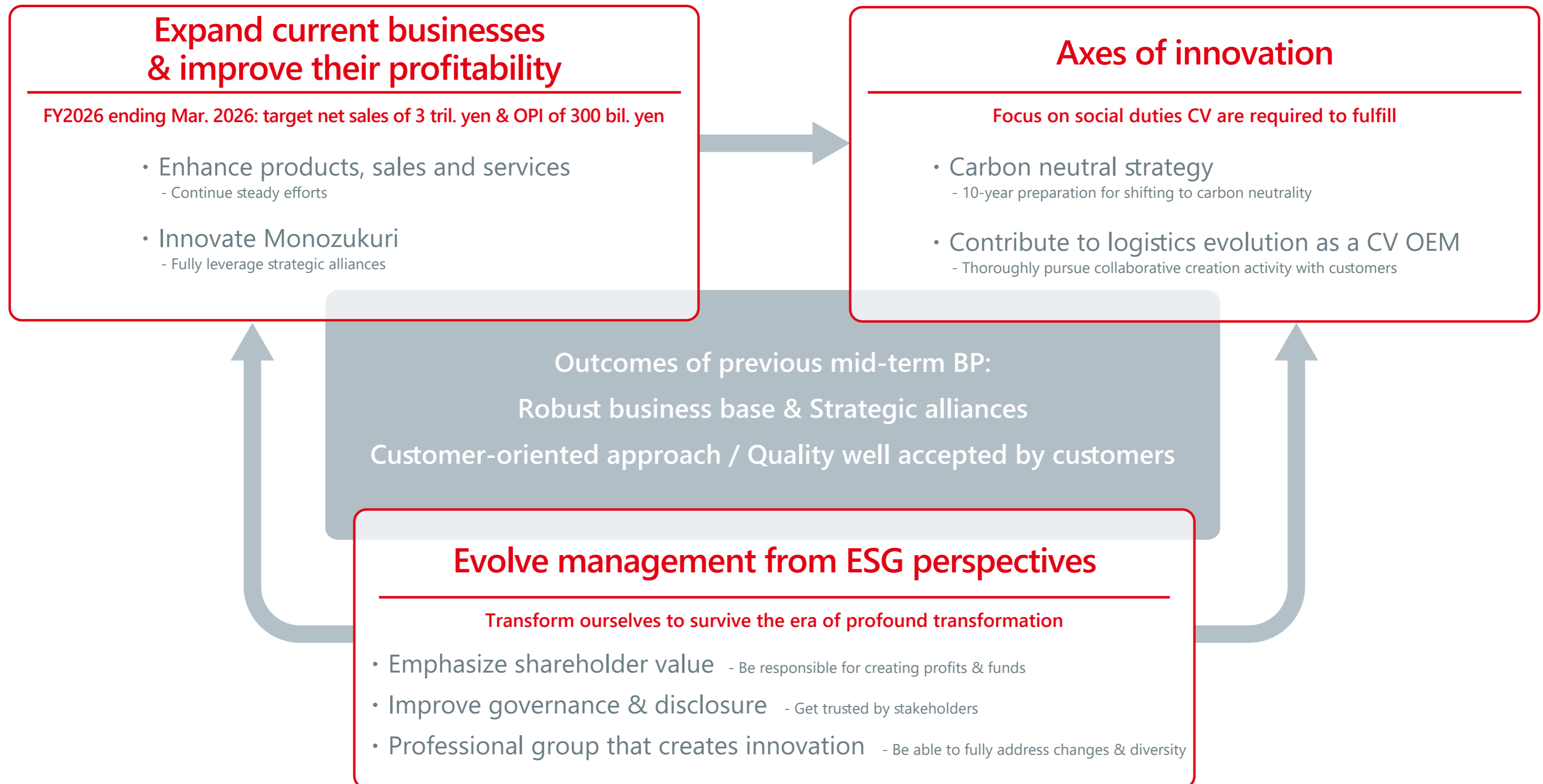
Contribute to creating optimized social infrastructure

Evolve Management from ESG Perspectives

Evolve management culture upon benchmarking global leading manufacturers.



Overview of Mid-Term BP 2024 (Shown Again)



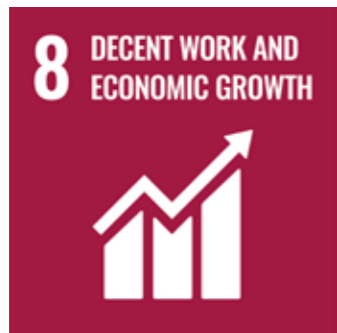
Challenges toward Establishing Sustainable Management

Isuzu will always mean the best

A leader in transportation, commercial vehicles and diesel engines, supporting our customers and respecting the environment

Climate change and economic growth

Productivity growth of logistics industry
(declining working population)



Logistics commutation
(resolve traffic accident/congestion)



Societal issues Isuzu wants to solve through its business activities

Economic growth in emerging economies



Protect living condition/Protection at disaster and emergency



Isuzu will aim to grow sustainably, surviving the era of profound transformation and solving societal issues.

Sales Volume & Financial Indicators

Sales volume (k units)	Mid-Term BP			
	FY'21 Ended Mar. '21	FY'22 Ending Mar. '22	FY'23 Ending Mar. '23	FY'24 Ending Mar. '24
CV in Japan	70	86	81	78
CV abroad	190	253	243	281
LCV	295	395	443	448
Industrial engines	136	158	136	145

of which CV sold by UD Trucks (k units)

CV in Japan	-	9	8	8
CV abroad	-	7	8	9

Investment/financial forecast (B Yen)	FY'21 Ended Mar. '21	FY'22 Ending Mar. '22	FY'23 Ending Mar. '23	FY'24 Ending Mar. '24
Development expenses	91	110	115	115
Capex	70	100	100	100

Interest-bearing liabilities (excl. lease-related ones)	112	380	320	260
Equity ratio	46%	43%	46%	48%



Notice to The Readers

This document is intended for informational purposes and includes, but not limited to, statements on future business performance and business plans. Information contained in the document, other than historical or current facts, constitutes forward-looking statements which are based on assumptions and judgments formed by the management of the Company in view of information currently available. By its nature, Isuzu does not guarantee or give any warranty as to the accuracy of all information contained in this document. Moreover, Isuzu undertakes no obligations to update such forward-looking statements such as statements on future business performance and business plans, based on future events or new information.

Such statements involve elements of risk and uncertainty contained in such assumptions and judgments, and/or various factors including but not limited to economic changes in future, changes in automotive market conditions, foreign currency exchange rate fluctuations, and changes of business environment surrounding the Company. Such elements and/or factors may therefore cause the actual results and performance to be materially different from any future results and performance expressed or implied by the predictive statements stated herein. If you actually have an intention to invest, you should not depend upon this document as your sole source of information, and should use your own discretion in making an investment decision.

Please be aware that Isuzu will not be responsible for any damages you may suffer as a result of making an investment decision based on the information contained in this document.

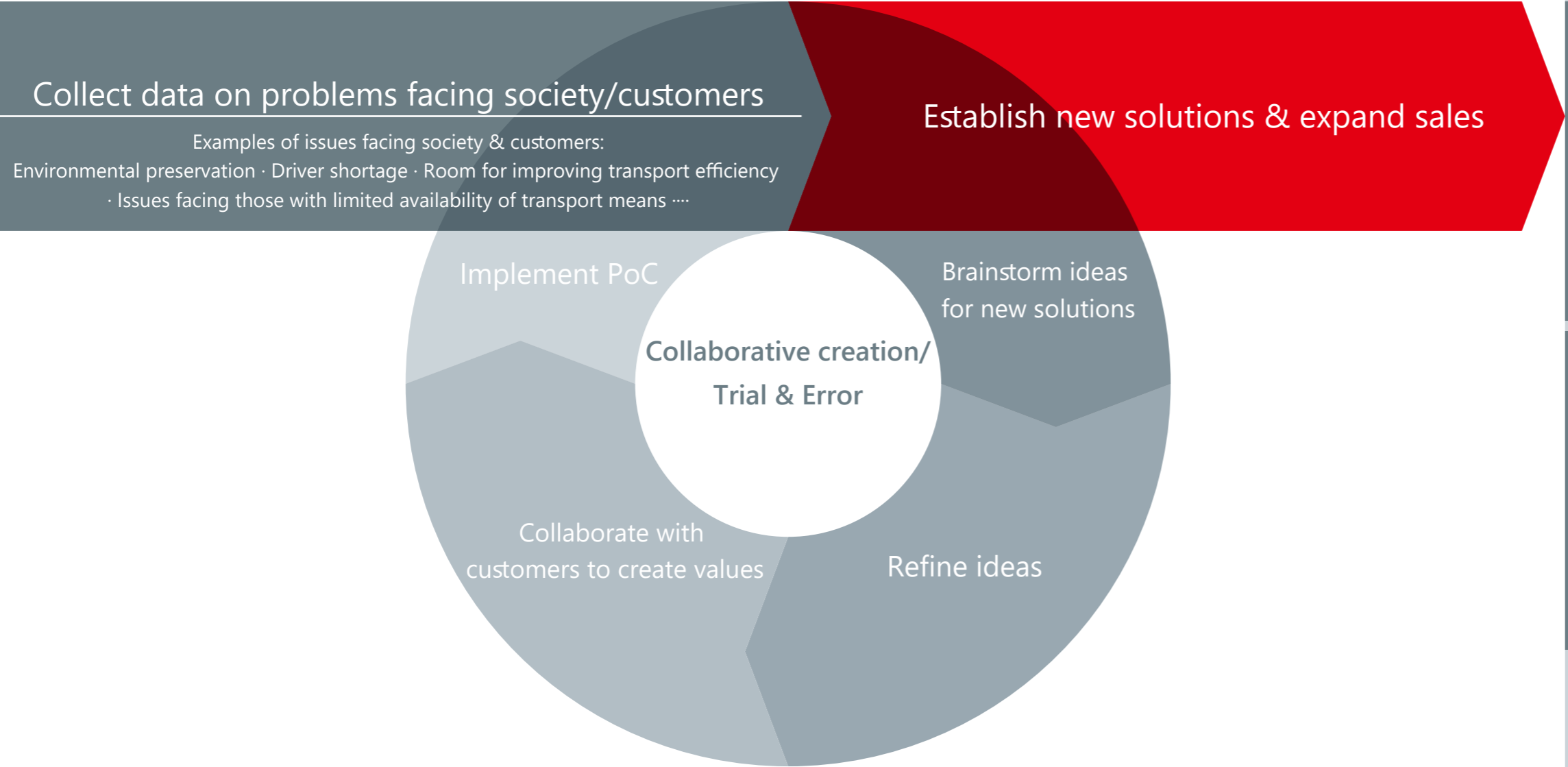
Copyrights

Isuzu Motors limited or the original rights holders retain copying and other rights associated with these materials. Copying and otherwise reusing these materials in any way without prior consent is prohibited.

(Appendix 1) Review on Previous Mid-Term BP - Promotion of Collaborative Creation Activity

Isuzu led initiatives to create new values with customers and best partner firms in each business/technology segment.

Process toward establishing new solutions



Examples

25-m-long double-trailer truck



- Made available specialized full tractor models compatible with full trailers by external body builders, contributing to advancement of shared transportation initiatives using the double-trailer model by some logistics companies in Japan
- With permitted routes & areas expanding, it has contributed to improved efficiency through mass transportation, as well as to labor saving

LD EV trucks in experimental use



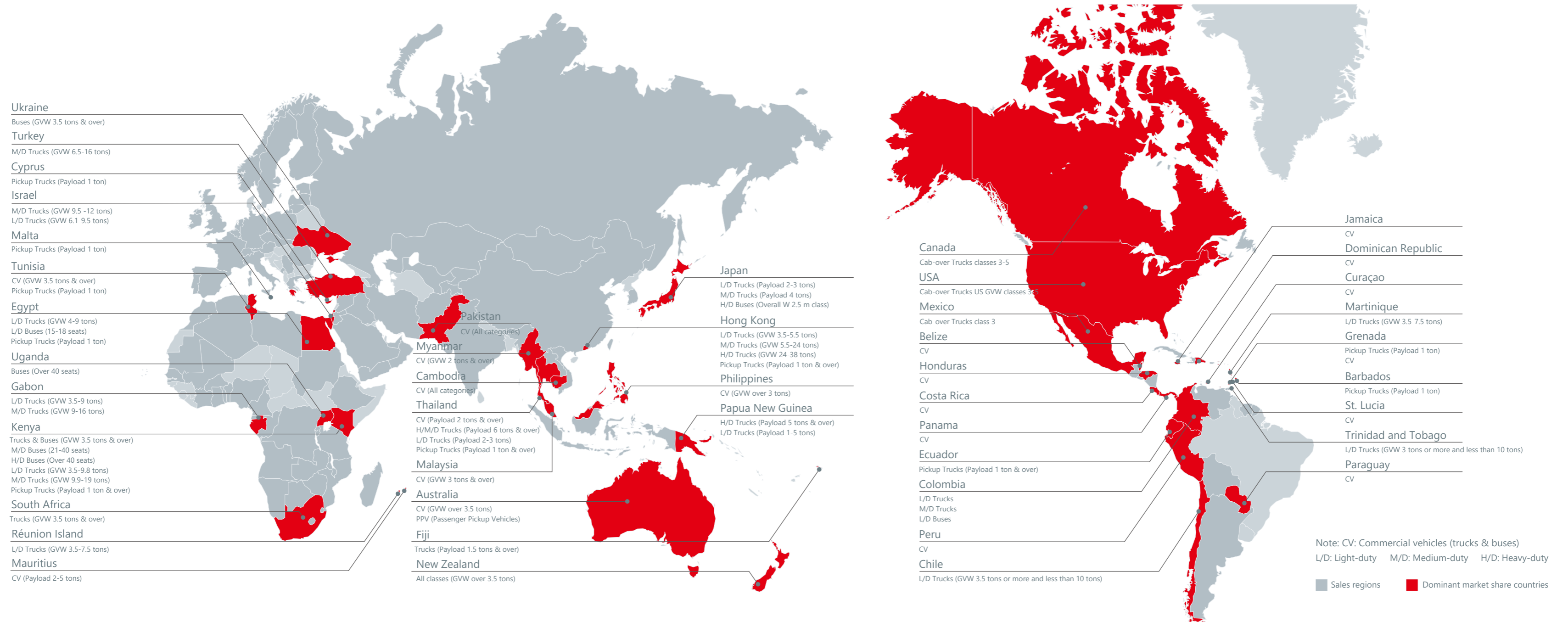
- EV trucks contribute to reduction of CO₂ released while vehicles are used in its lifecycle
- Employing a walk-through interior structure enabling a driver to move from the driver seat to the rear body without getting off, EV trucks are expected to contribute to enhancing user-friendliness

* Photos above for illustrative purposes only

(Appendix 2) Review on Previous Mid-Term BP

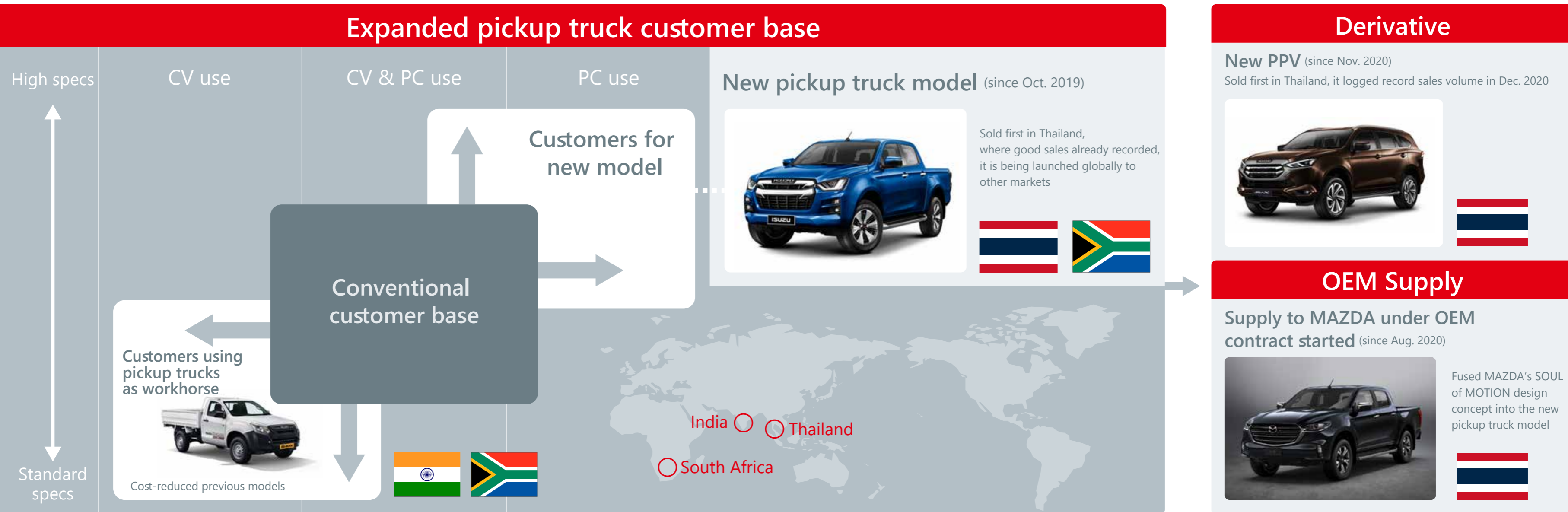
Sales Regions & Dominant Market Share Countries in 2020 (Based on sales figures compiled by Isuzu)

Isuzu achieved No.1 market shares in 45 countries/regions, including Japan, Thailand, Australia and Hong Kong.



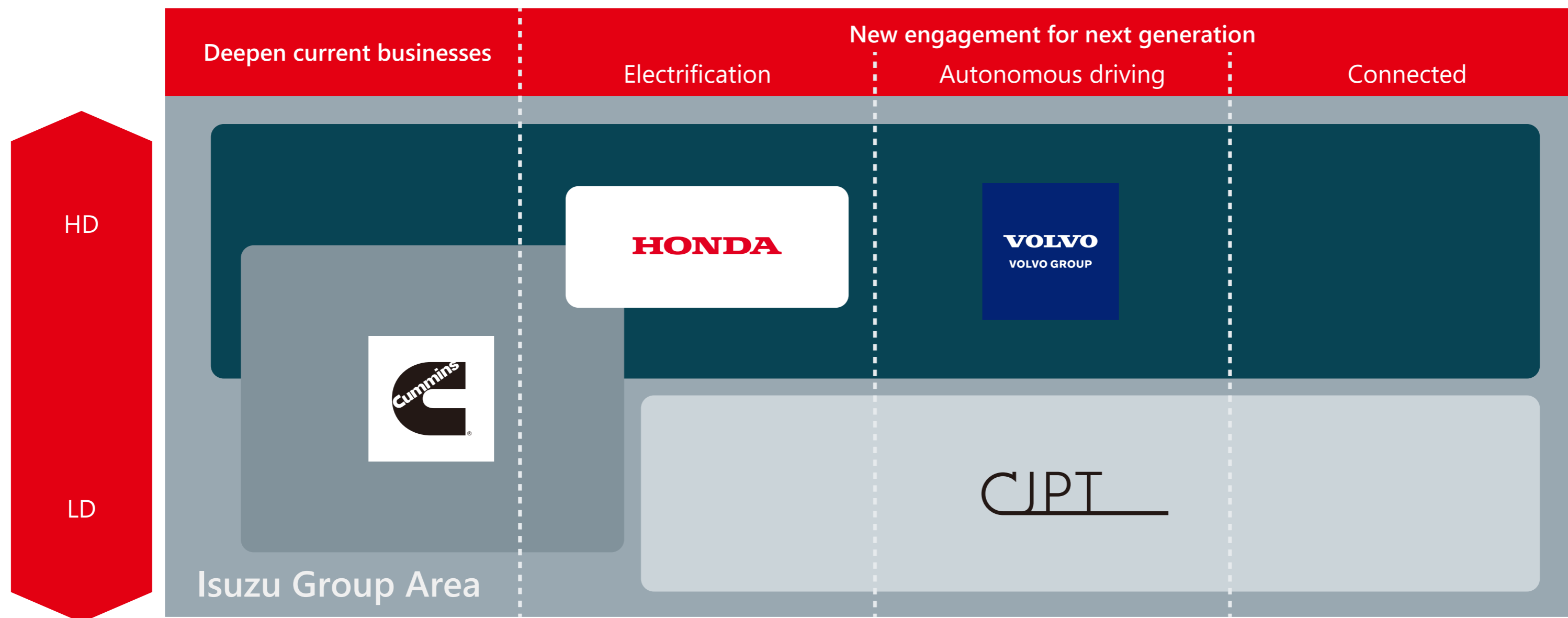
(Appendix 3) Review on Previous Mid-Term BP - LCV Full Model Change

Isuzu successfully made its pickup trucks more competitive through full model change, producing the high-spec new model & previous models as workhorse at its footprints in Thailand, India and South Africa and expanding their sales globally, to satisfy each local needs. Isuzu also launched the new model-based derivative and OEM product, making its future profit base more robust.



(Appendix 4) Review on Previous Mid-Term BP - Completion of Forming Strategic Alliances

Isuzu aggressively formed strategic alliances with best partner companies in each business/technology area, and completed an alliance formation which enables us to address various future challenges.



(Appendix 5) Review on Previous Mid-Term BP - Quantitative Targets

Main reasons for failure to achieve quantitative targets were: (1) sluggish demand in emerging markets, (2) foreign exchange rate fluctuations (emerging nations' currencies depreciated while Thai baht appreciated), and (3) impact of the Covid-19 pandemic.

	Previous mid-term BP target FY2021 ended Mar. 2021	Results FY2021 ended Mar. 2021	Difference
Net sales	2,300 bil. yen	1,908 bil. yen	▲392 bil. yen
Operating income	207 bil. yen	96 bil. yen	▲111 bil. yen

