

**Q&A Summary of the Explanatory Session for  
Institutional Investors and Analysts for Fiscal year ended March 2026**

**[CEO Yamaguchi's remarks]**

The situation in the Middle East remains unstable. In addition to rising costs associated with higher crude oil prices, there are growing risks of economic slowdown, particularly in oil-importing countries. For the fiscal year ending March 2027, while maintaining our target of record-high operating profit, we forecast operating profit of 260.0 billion yen after factoring in the negative impact of the situation in the Middle East.

Even under these circumstances, the initiatives we have been implementing are steadily beginning to deliver results, and therefore our 2030 targets outlined in the mid-term business plan remain unchanged. We will further enhance both the quality and speed of our initiatives in *Growth of Existing and New Businesses and Strengthening of the Management Foundation* as we work toward achieving our targets.

Regarding the initiatives under the mid-term business plan, we are currently pursuing three major initiatives.

The first is the commencement of merger discussions with UD Trucks. Since bringing UD Trucks into the Group, we have steadily deepened collaboration over the past five years by actively leveraging the management resources of both companies, including our product portfolios and global locations. We will take these efforts to the next level and move into *the final stage* of this large-scale M&A, with the aim of integrating management resources to maximize customer value and profitability.

The second is the transformation of our global business model. Alongside expanding unit sales through products tailored to customer needs, we will focus on *maximizing customer uptime value*. To achieve this, we will strengthen our proven aftermarket business models, such as maintenance lease services developed in the Japanese market, not only in mature markets such as North America and Australia, but also in Global South regions including ASEAN and Africa.

The third is our initiatives in future growth areas. In autonomous driving, we are accelerating efforts to acquire the technologies required for commercialization. In the carbon-neutral domain, although market development is taking longer than initially expected, we will continue to advance these initiatives as a mid- to long-term growth driver.

Through these initiatives, we will strengthen the profitability of our existing businesses while creating new value, thereby accelerating our transformation into a *Commercial Mobility Solutions Company*.

**[Q & A]**

**< Results for fiscal year ending March 2026 >**

**- Profitability -**

Q: Please share your internal assessment of the results for fiscal year ended March 2026.

A: Operating income came in approximately 6.0 billion yen below the 210.0 billion yen forecast announced as of 3Q. Foreign exchange had a positive impact of 5.5 billion yen due to the yen weakening more than expected. However, this was more than offset by negative factors including a 4.0 billion yen impact from the situation in the Middle East, a 3.5 billion yen delay in recording gains on the sale of shares associated with the equity-method conversion of the Chinese consolidated subsidiary, and 4.0 billion yen in quality-related costs.

Q: The operating margin of the financial services segment is approximately 7%. Is it correct to understand that the after-sales business, including spare parts and maintenance, remains unchanged at around 20%?

A: That is correct. The after-sales business is included within the automotive business segment, and its operating margin remains unchanged at around 20%. The financial services business mainly consists of interest income from the leasing business.

**< Outlook for fiscal year ending March 2027 >**

**- Profitability -**

Q: Regarding the operating income outlook for fiscal year ending March 2027, would it reach a record-high level excluding the impact of the situation in the Middle East?

A: That is correct. Initially, we expected operating income to reach a record-high level of around 300.0 billion yen. However, after factoring in a negative impact of 40.0 billion yen from the situation in the Middle East, the forecast stands at 260.0 billion yen.

Q: Please provide a breakdown of the 62.0 billion yen improvement from price realization. Also, what factors do you see as risks to achieving this target?

A: The 62.0 billion yen improvement from price realization consists of 40.0 billion yen for CVs in Japanese market, 15.0 billion yen for CVs overseas, 4.0 billion yen for LCVs, and 3.0 billion yen for industrial engines and after-sales. In particular, CVs in Japanese market, which account for the largest contribution, continue to see steady order intake even after the price revisions, and at this point we do not expect a significant deviation from the plan. Although LCVs may soften mainly in export markets, after-sales and industrial engines are progressing steadily, and therefore we do not expect a significant downside overall.

Q: What is the background behind the large positive impact of 73.0 billion yen from sales and model mix based on the increase in unit sales?

A: First, please note that of the impacts related to the Middle East situation, the negative impact of 25.0 billion yen from lower unit sales is presented separately from sales and model mix in the waterfall

change analysis explanation. Therefore, the net impact is positive 48.0 billion yen.

We expect CV unit sales to the Middle East, Africa, and Asia to decrease by 22,000 units due to the impact of the situation in the Middle East. However, since these regions include KD destinations such as Indonesia and Egypt, profitability per unit is relatively lower on average, which limits the negative impact from lower unit sales. On the other hand, increases in unit sales of highly profitable CVs for North America and LCVs for Oceania, including the favorable foreign exchange effect, are contributing significantly on the upside.

Q: What are the risks and opportunities for fiscal year ending March 2027.

A: While the situation in the Middle East represents a risk factor, higher crude oil prices could increase demand for our products in oil-producing countries, which has not been incorporated into our current unit sales assumptions and could therefore present an opportunity. In addition, the after-sales business continues to perform steadily, and we will work firmly toward achieving the targets presented, which we regard as the minimum line.

#### **- Units sales -**

Q: Global fuel prices are rising. Are you seeing any signs of slowing demand for new vehicles?

A: We have not observed any significant deterioration in demand for either domestic or overseas CVs at this stage. However, concerns over the market outlook are beginning to emerge in certain markets, and we have factored volume risks into our outlook for the Middle East, Africa, and Asia.

For Thailand LCVs, both industry sales and retail sales declined year on year in March, which is typically a peak selling season ahead of the long holiday in April. We believe the recovery trend since November 2025 softened due to higher crude oil prices, and we expect full-year volumes to remain at the same level as in the fiscal year ended March 2026. For export LCVs, while we are taking a conservative view on unit sales in some markets, we have not observed any significant changes in market conditions at this point.

Q: Media reports indicated a shortage of paint solvents at J-Bus. Do you expect any impact on CV and LCV production operations?

A: While the supply situation remains uncertain, our production operations are currently unaffected. At J-Bus, with improved visibility on the recovery of supply for the affected materials, operations are scheduled to return to the original production plan from late May.

Q: The earnings presentation materials on page 17 indicate the expected timing for the resumption of CV and LCV shipments to the Middle East. How confident are you in that outlook? Given the uncertainty surrounding the outlook, are the assumptions based on management's intentions?

A: It is based on the logistics environment we currently consider most likely. Demand for CVs in the Middle East remains firm. However, assuming restrictions on passage through the Strait of Hormuz, we are considering alternative logistics routes via the Cape of Good Hope and the Suez Canal, unloading at a port on Saudi Arabia's western coast along the Red Sea. We have also factored into

our plans additional costs associated with longer transport distances due to rerouting, as well as switching from vehicle carriers to container vessels for transporting completely built-up vehicles.

Q: What is your view on the business environment and unit sales for CVs in North America?

A: Following weaker-than-expected retail unit sales in March, we now expect wholesale volumes for fiscal year2027 to be around 30 thousand units, the lower end of the previously announced range of 30 thousand to 35 thousand units. However, dealer order trends remain stable, and our view that market conditions will recover toward the second half of fiscal year2027 remains unchanged. In fiscal year2026, wholesale volumes were negatively impacted by approximately 6 thousand units due to inventory adjustments by dealers, and as we are not expecting inventory adjustments in fiscal year2027, this should also support volume growth.

Q: What is ISUZU's position and growth potential in the North American CV market?

A: In the Class 3-5 light-duty truck segment, competitors mainly offer hood-type trucks, which are primarily used for construction applications. By contrast, ISUZU offers low cab forward (LCF) trucks and holds a strong market share in delivery applications. Looking ahead, the market is expected to remain resilient, supported by continued demand in e-commerce and delivery applications. Leveraging the strengths of our LCF lineup, we will continue working to expand sales in North America.

#### **- Capital Policy and Shareholder Returns -**

Q: Please update us on the ROE target, capital efficiency initiatives, and share repurchases.

A: Regarding ROE, although we expect negative impacts from the situation in the Middle East on earnings, making it difficult to achieve the originally announced target of 15% for the fiscal year ending March 2027, we will continue to maintain an appropriate level of shareholders' equity. As for share repurchases, our policy remains unchanged, and we will continue to execute them flexibly while maintaining an appropriate level of shareholders' equity. We are currently reviewing the details.

#### **<Others>**

#### **- Change of President and new management structure -**

Q: Please explain the objectives and expected effects of the changes to the management structure.

A: Regarding the management structure, Mr. Katayama served as the top executive for 11 years, sharing management responsibilities with Mr. Minami during the latter seven years, with the Company most recently operating under a structure in which Mr. Katayama focused primarily on external affairs while Mr. Minami oversaw execution. Throughout this period, while advancing initiatives such as UD Trucks joining the Group and alliance-related measures, we expanded the scale of the business and incorporated medium- to long-term growth initiatives into our plans. Going forward, we are entering the execution phase, and unified decision-making in management will be necessary.

In addition, amid growing uncertainty, including additional tariffs in the United States and the situation in the Middle East, we believe it is necessary to establish a structure capable of driving

management while bringing the organization together as one team. Accordingly, we added new CxOs, strengthened cross-functional organizational capabilities, and transitioned to a structure capable of responding in a unified manner to difficult conditions.

Furthermore, from the perspective of ensuring the Company's sustainability, we will continue strengthening the overall management team, including adding the two individuals present today as Directors of the Board.

**- Commencement of review of merger with UD Trucks -**

Q: How do you evaluate the effects of synergies with UD Trucks? Please also explain what will change as a result of the merger announced today.

A: Since UD Trucks joined the Group, we have advanced various initiatives, including the integration of sales functions and the development of common-platform heavy-duty vehicles. Following the introduction of common-platform heavy-duty vehicles, we expect annual synergy effects of at least 40.0 billion yen in the fiscal year ending March 2031, and the initiatives are progressing steadily.

We believe that removing barriers through the merger will further accelerate the speed of decision-making and strengthen governance.

In addition, by transitioning to a structure that enables more integrated utilization of management resources, particularly human resources, we will improve productivity and promote greater efficiency, while also reallocating the resulting resources toward bringing outsourced operations in-house and developing new businesses.

While we are unable to disclose the quantitative effects of the merger at this stage, we decided to make today's announcement based on our expectation that the merger will generate effects of a certain scale. The initiatives we have been discussing with UD Trucks over the past five years are now entering *the final stage*.

Q: Please explain the actual synergy effects and their breakdown for the fiscal year ended March 2026. Please also comment on how you plan to build toward synergy effects of at least 40.0 billion yen by the fiscal year ending March 2031.

A: Regarding the effects of synergies with UD Trucks, the actual result for the fiscal year ended March 2026 was 23.0 billion yen. The breakdown consists of 6.5 billion yen from lower development costs through vehicle commonization, 8.0 billion yen from economies of scale in material and logistics costs, 10.0 billion yen from optimization of business activities in Japan and overseas, including mutual vehicle supply, and negative 1.5 billion yen related to system integration costs and other expenses.

In achieving the target of at least 40.0 billion yen for the fiscal year ending March 2031, the contribution from the introduction of common-platform heavy-duty vehicles will be particularly significant, and we have also factored in the effects of sales function integration and site rationalization.

Q: Are there any hurdles related to competition law or other regulations in considering the merger?

A: As UD Trucks is already operating as part of the ISUZU Group, we do not expect the merger to significantly alter the competitive landscape in the market and therefore do not anticipate any major issues from a competition law perspective.