

# FY2021 Second Quarter Consolidated Financial Results (Japan GAAP)

(April 1, 2020 through September 30, 2020)

## English Translation of the Original Japanese-Language Document



November 6, 2020

Company name : ISUZU MOTORS LIMITED  
 Stock exchange on which the shares are listed : Tokyo Stock Exchange in Japan  
 Code number : 7202  
 URL : <https://www.isuzu.co.jp/world/investor/index.html>  
 Representative : Masanori Katayama, President  
 Contact : Takuo Maeda, General Manager,  
 PR and Government Relations Department Tel. (03)5471-1138  
 Scheduled date for submission of quarterly financial statements : November 13, 2020  
 Expected starting date for distribution of cash dividends : November 30, 2020  
 The supplement materials of the quarterly financial results : Yes  
 Holding of the quarterly financial results meeting : Yes

(Amounts are rounded down to the nearest million yen.)

### 1. Consolidated Financial Highlights (April 1, 2020 through September 30, 2020)

#### <1> Consolidated Financial Results

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2021 2nd Quarter	792,862	(22.3)	16,795	(76.5)	16,954	(76.9)	(1,743)	-
FY2020 2nd Quarter	1,020,115	(1.4)	71,351	(18.4)	73,459	(21.3)	39,832	(29.4)

[Note] Comprehensive Income  
 FY2021 2nd Quarter 16,304 millions of yen (55.5%)  
 FY2020 2nd Quarter 36,637 millions of yen (54.1%)

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2021 2nd Quarter	(2.36)	-
FY2020 2nd Quarter	54.01	-

#### <2> Consolidated Financial Position

	Total Assets	Net Assets	The Capital adequacy ratio
	millions of yen	millions of yen	%
FY2021 2nd Quarter	2,025,037	1,122,229	47.1
FY2020	2,152,090	1,133,381	44.3

[Note] Total Amount of Shareholders' Equity  
 FY2021 2nd Quarter 954,155 millions of yen  
 FY2020 952,939 millions of yen

### 2. Cash Dividends

	Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	yen	yen	yen	yen	yen
FY2020	-	19.00	-	19.00	38.00
FY2021	-	10.00	-	-	-
FY2021(Forecast)	-	-	-	10.00	20.00

[Note] Revision to the projected dividend for FY2021: Yes

### 3. Consolidated Financial Forecast for FY2021 (April 1, 2020 through March 31, 2021)

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent		Net Income per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
FY2021	1,800,000	(13.5)	70,000	(50.2)	70,000	(53.6)	19,000	(76.6)	25.76

[Note] Revision to Consolidated Financial Forecast for FY2021: Yes

\*Notes

<1> Changes in significant subsidiaries during this period : None

Newly consolidated : -

Excluded from the scope of consolidation : -

Note: This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this period.

<2> Adoption of specific accounting methods for presenting quarterly consolidated financial statements : None

<3> Changes in accounting policies, accounting estimates and retrospective restatement

Changes in accounting policies due to revisions of accounting standards : None

Changes in accounting policies due to factors other than revisions of accounting standards : None

Changes in accounting estimates : None

Retrospective restatement : None

<4> Number of shares issued (common stock)

Number of shares issued and outstanding	FY2021 2nd Quarter	848,422,669	Shares
at the end of the term (inclusive of treasury shares)	FY2020	848,422,669	Shares

Number of treasury shares at the end of the term	FY2021 2nd Quarter	110,875,686	Shares
	FY2020	110,881,195	Shares

Average number of shares issued	FY2021 2nd Quarter	737,542,048	Shares
	FY2020 2nd Quarter	737,521,198	Shares

Note: "Number of treasury shares at the end of the term" include stocks owned by the Company and by the fund whose beneficiaries are directors of the Company.

"Average number of shares issued" does not include stocks owned by the Company and by the fund whose beneficiaries are directors of the Company.

\*Consolidated financial results (Japan GAAP) are not subject to audit procedures.

\*Cautionary Statements with Respect to Forward-Looking Statements and Other Notes

•The financial forecast and other descriptions of the future presented in this document are based on currently available information and assumptions which are deemed reasonable at present. Consequently, the actual financial performance may vary significantly from the forecast due to various factors. For such assumptions and notes with respect to performance forecast, please refer to

"1. Qualitative Information Concerning Consolidated Financial Results for FY2021 First Half

(3)Overview of Future Estimates such as Consolidated Financial Forecast”

•The Company has posted its financial results on its web site on November 6, 2020.

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## **1. Qualitative Information Concerning Consolidated Financial Results for FY2021 First Half**

### **(1) Overview of Consolidated Financial Results**

In the current fiscal year's first six months ended on September 30, 2020, vehicle unit sales in Japan fell by 10,595 units (26.8%) compared with the same period last fiscal year to 28,911 units due to the decreased domestic total industry volume after the last-minute demand for trucks ahead of changes of emissions regulations and laws. Overseas vehicle unit sales including pickup trucks decreased by 64,710 units (31.3%) over the same period last fiscal year to 142,233 units, due to decreases in unit sales in North America and Asia, mainly in Indonesia, caused by the global pandemic of the infection by a novel coronavirus (COVID-19).

As a result, the total number of vehicles sold in Japan and abroad declined by 75,305 units (30.6%) year-on-year to 171,144 units.

As regards sales amounts of products other than vehicles, sales of parts for overseas production dropped by 4.3 billion yen (26.0%) year-over-year to 12.3 billion yen, engine and component sales decreased by 2.9 billion yen (4.5%) compared with the same period last fiscal year to 62.6 billion yen, and other sales declined by 24.4 billion yen (10.9%) over the same period last fiscal year to 201.2 billion yen.

Consequently, net sales fell by 227.2 billion yen (22.3%) compared with the same period last fiscal year to 792.8 billion yen, which comprised 360.4 billion yen posted for Japan, down 13.6% year-on-year, and 432.3 billion yen for the rest of the world, down 28.3% year-on-year, due to the global market deterioration.

On the profit and loss front, operating income amounted to 16.7 billion yen, down 76.5% year-over-year, ordinary income reached 16.9 billion yen, down 76.9% year-on-year, as cost-cutting and rationalization efforts were significantly affected by the sharp decrease in net sales. Net loss attributable to owners of the parent stood at 1.7 billion yen, compared with 39.8 billion yen posted as net income attributable to owners of the parent for the same period last fiscal year.

### **(2) Overview of Consolidated Financial Position**

Total assets as of the end of the current fiscal year's second quarter fell by 127.0 billion yen from March 31, 2020 to 2,025.0 billion yen, due mainly to decreases in cash and deposits of 59.0 billion yen, inventories of 41.0 billion yen, notes and accounts receivable of 27.9 billion yen, deferred tax assets of 11.9 billion yen, and lease receivables and investments in leases of 10.1 billion yen, partially offset by increases in investment securities of 30.8 billion yen and vehicles on operating leases, net of 4.7 billion yen.

Liabilities decreased by 115.8 billion yen from March 31, 2020 to 902.8 billion yen chiefly because of decreases in notes and accounts payable of 69.7 billion yen, interest-bearing liabilities of 28.5 billion yen, and income taxes payable of 6.0 billion yen.

Net assets declined by 11.1 billion yen from March 31, 2020 to 1,122.2 billion yen, due largely to 1.7 billion yen recorded as net loss attributable to owners of the parent, as well as to decreases in retained earnings of 14.0 billion yen as a result of dividend payments, non-controlling interests of 12.3 billion yen, and foreign currency translation adjustment of 7.1 billion yen, more than half offset by an increase in valuation difference on available-for-sale securities of 23.5 billion yen.

The capital adequacy ratio stood at 47.1%, compared with 44.3% as of March 31, 2020.

Interest-bearing liabilities dropped by 28.5 billion yen from March 31, 2020 to 308.1 billion yen.

### **(3) Overview of Future Estimates such as Consolidated Financial Forecast**

The Company's consolidated financial results forecast for the current fiscal year are revised as follows based on its first six-month business results, as well as on its sales plan updated according to the latest economic trends in markets across the globe.

As regards net sales, unit sales of pickup trucks in Thailand are expected to surpass the projection the Company had as at August 5, 2020, when releasing its 1st quarter financial results for the current fiscal year, thanks to growing sales of the latest pickup truck model it started to sell last year, though the expectation has remained unchanged that towards the end of the current fiscal year, markets across the globe, which are gradually recovering from the sharp fall in the 1st quarter, will not return to the level seen in the previous fiscal year. In addition, unit sales of engines for industrial use are also expected to exceed the forecast at the release of the 1st quarter financial results for the current fiscal year, as demands for construction machinery in China are on the rise.

As regards profits and losses, the Company, in addition to profit improvement by sales increase, will continue to implement measures and actions for cost-cutting as well as for maximizing profits.

#### [Forecast of Full-Year Consolidated Financial Results]

Net sale	1,800 billion yen
Operating Income	70 billion yen
Ordinary Income	70 billion yen
Net Income Attributable to Owners of Parent	19 billion yen

\* This forecast for the current fiscal year is what the Company deems to be rational based on the information currently available and includes risks and uncertainties such as global economic situations, market trends and foreign exchange fluctuations. The Company's actual consolidated financial results may differ significantly from the forecast above, which therefore should not be the sole basis for any investment decisions.

### **(4) Basic Policy regarding Earnings Appropriation and Dividend for FY2021**

The Company deems dividend payment to shareholders and repurchase of its own stock as important actions for corporate management. Thus, when it decides to do so, it carefully assesses and secures an optimal balance between rewarding shareholders in a continuous and stable manner and securing an optimal amount of retained earnings for building a stronger business foundation and future business development.

With regard to the dividends for the current fiscal year, the Company, though expecting a substantial decrease in profits compared with the previous fiscal year, plans to pay an annual dividend of 20 yen per share (consisting of the interim dividend of 10 yen and the year-end dividend of 10 yen), a change from the already publicized planned annual dividend of 16 yen per share, as it has upward revised its net income attributable to owners of the parent.

## 2. Consolidated Quarterly Financial Statements and Major Notes

### (1) Consolidated Quarterly Balance Sheets

(millions of yen)

	As of March 31, 2020	As of September 30, 2020
<b>[ASSETS]</b>		
<b>CURRENT ASSETS</b>		
Cash and deposits	321,427	262,349
Notes and accounts receivable	266,919	239,001
Lease receivables and investments in leases	136,852	126,677
Merchandise and finished goods	215,111	177,588
Work in process	25,352	26,135
Raw materials and supplies	83,342	79,027
Other	71,631	61,739
Allowance for doubtful accounts	(1,098)	(1,475)
<b>Total Current Assets</b>	<b>1,119,539</b>	<b>971,042</b>
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	174,478	173,995
Machinery, equipment and vehicles, net	171,604	172,151
Land	282,125	284,125
Leased assets, net	5,000	5,157
Vehicles on operating leases, net	68,280	73,007
Construction in progress	29,721	26,324
Other, net	30,711	29,768
<b>Total Property, Plant and Equipment</b>	<b>761,922</b>	<b>764,530</b>
<b>Intangible assets</b>		
Goodwill	4,573	3,186
Other	18,701	18,672
<b>Total Intangible Assets</b>	<b>23,274</b>	<b>21,859</b>
<b>Investments and other assets</b>		
Investment securities	154,556	185,356
Long-term loans receivable	987	997
Retirement benefit asset	2,158	2,177
Deferred tax assets	58,502	46,514
Other	31,822	33,270
Allowance for doubtful accounts	(674)	(712)
<b>Total Investments and Other Assets</b>	<b>247,352</b>	<b>267,604</b>
<b>Total Non-Current Assets</b>	<b>1,032,550</b>	<b>1,053,995</b>
<b>TOTAL ASSETS</b>	<b>2,152,090</b>	<b>2,025,037</b>

(millions of yen)

	As of March 31, 2020	As of September 30, 2020
<b>[LIABILITIES]</b>		
<b>CURRENT LIABILITIES</b>		
Notes and accounts payable	312,048	248,501
Electronically recorded obligations - operating	49,897	43,722
Short-term borrowings	80,178	68,064
Lease obligations	5,568	4,787
Income taxes payable	17,060	10,997
Accrued expenses	48,226	45,700
Provision for bonuses	20,619	19,536
Provision for bonuses for directors	233	39
Provision for product warranties	6,636	5,916
Deposits received	3,413	5,078
Other	59,310	52,077
<b>Total Current Liabilities</b>	<b>603,193</b>	<b>504,422</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	234,642	218,810
Lease obligations	16,321	16,499
Deferred tax liabilities	792	477
Deferred tax liabilities for land revaluation	42,135	42,135
Provision for maintenance costs	3,886	4,341
Provision for share-based remuneration for directors	198	256
Net defined benefit liability	99,066	97,556
Long-term deposits received	1,635	1,604
Other	16,837	16,703
<b>Total Non-Current Liabilities</b>	<b>415,515</b>	<b>398,386</b>
<b>TOTAL LIABILITIES</b>	<b>1,018,708</b>	<b>902,808</b>
<b>[NET ASSETS]</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	40,644	40,644
Capital surplus	42,503	42,586
Retained earnings	924,729	908,955
Treasury shares	(150,441)	(150,433)
<b>Total Shareholders' Equity</b>	<b>857,436</b>	<b>841,753</b>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>		
Valuation difference on available-for-sale securities	25,597	49,124
Deferred gains or losses on hedges	302	83
Revaluation reserve for land	83,881	83,881
Foreign currency translation adjustment	(5,517)	(12,702)
Remeasurements of defined benefit plans	(8,760)	(7,985)
<b>Total Accumulated Other Comprehensive Income</b>	<b>95,503</b>	<b>112,402</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>180,442</b>	<b>168,073</b>
<b>TOTAL NET ASSETS</b>	<b>1,133,381</b>	<b>1,122,229</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,152,090</b>	<b>2,025,037</b>

**(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**

**Consolidated Quarterly Statements of Income**

(millions of yen)

For the first six months ended	FY2020 2nd Quarter September 30, 2019	FY2021 2nd Quarter September 30, 2020
<b>Net sales</b>	<b>1,020,115</b>	<b>792,862</b>
<b>Cost of sales</b>	<b>842,814</b>	<b>679,680</b>
<b>GROSS PROFIT</b>	<b>177,301</b>	<b>113,182</b>
<b>Selling, general and administrative expenses</b>	<b>105,949</b>	<b>96,386</b>
<b>OPERATING INCOME</b>	<b>71,351</b>	<b>16,795</b>
<b>Non-operating income</b>		
Interest income	2,557	1,530
Dividend income	1,905	1,403
Share of profit of entities accounted for using equity method	2,877	356
Other	1,722	2,411
<b>Total non-operating income</b>	<b>9,061</b>	<b>5,702</b>
<b>Non-operating expenses</b>		
Interest expenses	1,455	1,580
Foreign exchange losses	822	1,023
Litigation settlement	56	447
Compensation expenses	2,604	443
Currency option cost	550	189
Other	1,464	1,859
<b>Total non-operating expenses</b>	<b>6,953</b>	<b>5,543</b>
<b>ORDINARY INCOME</b>	<b>73,459</b>	<b>16,954</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	44	102
Gain on sales of investment securities	3	-
<b>Total extraordinary income</b>	<b>48</b>	<b>102</b>
<b>Extraordinary losses</b>		
Loss on disposal of non-current assets	926	320
Impairment loss	96	85
Loss on COVID-19	-	3,253
<b>Total extraordinary losses</b>	<b>1,023</b>	<b>3,659</b>
<b>PROFIT BEFORE INCOME TAXES</b>	<b>72,484</b>	<b>13,396</b>
<b>Income taxes</b>	<b>21,973</b>	<b>13,347</b>
<b>PROFIT</b>	<b>50,511</b>	<b>48</b>
<b>Profit attributable to non-controlling interests</b>	<b>10,678</b>	<b>1,792</b>
<b>Profit (loss) attributable to owners of the parent</b>	<b>39,832</b>	<b>(1,743)</b>



## Consolidated Quarterly Statements of Comprehensive Income

(millions of yen)

For the first six months ended	FY2020 2nd Quarter September 30, 2019	FY2021 2nd Quarter September 30, 2020
<b>Profit (loss)</b>	50,511	48
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(8,397)	23,579
Deferred gains or losses on hedges	(45)	(218)
Foreign currency translation adjustment	(5,564)	(6,023)
Remeasurements of defined benefit plans, net of tax	1,113	785
Share of other comprehensive income of entities accounted for using equity method	(979)	(1,868)
Total other comprehensive income	<b>(13,874)</b>	<b>16,255</b>
<b>Comprehensive income</b>	<b>36,637</b>	<b>16,304</b>
<b>Comprehensive income attributable to:</b>		
owners of the parent	26,374	15,155
non-controlling interests	10,262	1,148

**(3) Consolidated Quarterly Statements of Cash Flows**

(millions of yen)

For the first six months ended	FY2020 2nd Quarter September 30, 2019	FY2021 2nd Quarter September 30, 2020
<b>Cash Flows from Operating Activities</b>		
Profit before income taxes	72,484	13,396
Depreciation	37,565	40,279
Amortization of goodwill	1,246	1,197
Share of (profit) loss of entities accounted for using equity method	(2,877)	(356)
Increase (decrease) in provision for product warranties	102	(719)
Increase (decrease) in provision for bonuses	(349)	(1,070)
Increase (decrease) in provision for bonuses for directors	(374)	(156)
Increase (decrease) in allowance for doubtful accounts	(14)	464
Increase (decrease) in retirement benefit liability	(519)	(563)
Increase (decrease) in provision for maintenance costs	665	455
Increase (decrease) in provision for share-based remuneration for directors	7	58
Interest and dividend income	(4,462)	(2,934)
Interest expenses	1,455	1,580
Loss (gain) on sales of non-current assets	(44)	(102)
Loss (gain) on disposal of non-current assets	926	320
Loss (gain) on sales of investment securities	(3)	—
Impairment loss	96	85
Decrease (increase) in notes and accounts receivable	68,460	25,263
Decrease (increase) in lease receivables and investment assets	(11,180)	10,175
Decrease (increase) in inventories	(28,559)	35,265
Decrease (increase) in other current assets	(1,370)	8,004
Increase (decrease) in notes and accounts payable	(32,182)	(65,361)
Increase (decrease) in accrued expenses	652	(2,675)
Increase (decrease) in deposits received	372	1,652
Increase (decrease) in other liabilities	2,647	317
Other, net	(86)	314
(Subtotal)	<b>104,659</b>	<b>64,891</b>
Interest and dividends received	7,908	5,057
Interest expenses paid	(1,462)	(1,569)
Income taxes paid	(27,210)	(17,996)
Net cash provided by (used in) operating activities	<b>83,895</b>	<b>50,382</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of investment securities	(154)	(26)
Proceeds from sales of investment securities	13	—
Purchase of non-current assets	(47,462)	(51,871)
Proceeds from sales of non-current assets	2,717	2,822
Payments of long-term loans receivable	(162)	(203)
Collection of long-term loans receivable	158	193
Decrease (increase) in short-term loans receivable	(3)	160
Decrease (increase) in time deposits	1,761	138
Other, net	(415)	(1,615)
Net cash provided by (used in) investing activities	<b>(43,547)</b>	<b>(50,401)</b>
<b>Cash Flows from Financing Activities</b>		
Net increase (decrease) in short-term loans payable	(10,060)	(22,188)
Proceeds from long-term loans payable	18,000	5,300
Repayment of long-term loans payable	(6,858)	(9,671)
Repayments of lease obligations	(1,617)	(2,219)
Purchase of treasury shares	(2)	(1)
Cash dividends paid	(14,027)	(14,025)
Dividends paid to non-controlling interests	(19,219)	(13,433)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(869)	(180)
Net cash provided by (used in) financing activities	<b>(34,655)</b>	<b>(56,420)</b>
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>	<b>(921)</b>	<b>(2,050)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>4,770</b>	<b>(58,490)</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>305,311</b>	<b>303,974</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>310,082</b>	<b>245,484</b>

**(4) Additional Information**

There is no material change concerning the assumption, and the accounting estimates based on it, about how COVID-19, the disease caused by the new coronavirus, will spread further and influence economic and corporate activities, when it will subside, etc., which were stated in the Additional Information section of the Annual Securities Report for the previous fiscal year.

**(5) Notes on Premise of a Going Concern**

None

**(6) Segment Information**

The Second Quarter Cumulative Period of Fiscal Year 2020

The Company and its consolidated subsidiaries are composed of a single business segment, primarily engaged in manufacture and sale of vehicles and its components, industrial engines. Therefore the disclosure of segment information is omitted.

The Second Quarter Cumulative Period of Fiscal Year 2021

The Company and its consolidated subsidiaries are composed of a single business segment, primarily engaged in manufacture and sale of vehicles and its components, industrial engines. Therefore the disclosure of segment information is omitted.

**(7) Notes in the case of a Significant Change in Shareholders' Equity**

None

## (8) Important Subsequent Events

The Company resolved in its October 30, 2020 Board Meeting to execute the Collaboration Master Agreement, the Technology Collaboration Master Agreement and the Share Transfer Agreement, all of which were executed on the same day, with Aktiebolaget Volvo (headquartered in Gothenburg, Sweden, hereinafter referred to as “AB Volvo”) as part of forming and developing a strategic alliance with AB Volvo. The Company, based on the afore-mentioned Share Transfer Agreement, has resolved to acquire the whole stake owned by AB Volvo in UD Trucks Corporation (hereinafter referred to as “UDT”, and this acquisition as the “Share Acquisition”).

### 1. Purpose And Details of Share Acquisition

The Company, based on the Memorandum of Understanding it executed with AB Volvo in December 2019 for forming the strategic alliance in the commercial vehicle segment, has resolved to acquire the whole stake owned by AB Volvo in UDT in order to further strengthen its heavy-duty truck business at home and abroad.

### 2. Information about Subsidiary to Be Acquired

(1) Name & Address of Subsidiary, Names of Its Representatives, Amounts of Its Share Capital, Net Assets & Total Assets, And Its Main Businesses

Name: UD Trucks Corporation  
Address: 1-1, Ageo-shi, Saitama 362-8523, Japan  
Names of Representatives: Executive Chairman: Joachim Rosenberg  
President: Takamitsu Sakamaki  
Share Capital: 77,500 million yen (as of the end of December 2019)  
Net Assets: 21,481 million yen (as of the end of December 2019)  
Total Assets: 328,487 million yen (as of the end of December 2019)  
Main Businesses: Development, manufacture, export and sales of trucks; manufacture and sales of vehicle components; maintenance of trucks and buses as well as sales of their service parts; and import and sales of AB Volvo products.

(2) Net Sales, Operating Income, Ordinary Income, And Net Income for Each of Fiscal Years Ended in Last Three Years

Fiscal Year	FY2017 Ended December 2017	FY2018 Ended December 2018	FY2019 Ended December 2019
Net Sales	258,640	256,511	259,219
Operating Income	3,031	1,106	3,246
Ordinary Income or Ordinary Loss (Δ)	1,299	Δ679	2,943
Net Income or Net Loss (Δ)	Δ1,396	2,871	10,156

(3) Number of Subsidiary's Voting Rights Owned by Company before/after Share Acquisition, And Ratio of It to Number of Subsidiary's Voting Rights Owned by All Shareholders

Before/After	Number of Voting Rights (Number of Shares) Owned by Company	Ratio of It to Number of Voting Rights Owned by All Shareholders
Before Share Acquisition	- (- shares)	-%
After Share Acquisition	13 (13 shares)	100%

(4) Share Acquisition Time

It is expected to take place within the first half of FY2022 ending in March, 2022.

UDT's 14 subsidiaries will also become Isuzu Group companies in accordance with the Share Acquisition.

(5) Amount of Consideration to Be Paid for Share Acquisition (Notes)

Common Stock of UDT (Estimated Amount)	59,977 million yen
Advisory Expenses (Estimated Amount)	1,534 million yen
<hr/>	<hr/>
Total (Estimated Amount)	61,511 million yen

(Notes)

- The amount of the consideration for the Share Acquisition is calculated based on the Subsidiary's financial results as of the end of December 2019. The final amount of the consideration will be decided based on the Subsidiary's financial results at the time of completion of the Share Acquisition.  
The Share Transfer Agreement includes an earn-out clause with the upper limit amount of 15,000 million yen. The consideration for the Share Acquisition does not include the amount to be paid according to the said earn-out clause.
- As of the end of December, 2019, UDT and its subsidiaries borrowed 222,720 million yen from subsidiaries of AB Volvo, and the said borrowing at the time of completion of the Share Acquisition will be repaid in subrogation performance by the Company. (The estimated amount to be paid to AB Volvo will be 282,697 million yen, excluding the amount to be paid in accordance with the earn-out clause mentioned in Note 1 above.)
- The consideration to be paid for the Share Acquisition and the amount to be repaid in subrogation performance will be financed mainly by bank borrowing. In its October 30, 2020 Board Meeting, the Company resolved to set the borrowing facility of max. 280,000 million yen as a bridge loan.

### 3. Supplementary Information

#### (1) Sales Condition

<Sales Results by Region>

		FY2020 (Fiscal year ending September 30, 2019)		FY2021 (Fiscal year ending September 30, 2020)		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
HD/MD vehicles	Japan	14,024	132,784	12,868	119,523	(1,156)	(13,260)
	Overseas	18,592	93,488	11,933	60,654	(6,659)	(32,833)
HD/MD vehicles		32,616	226,272	24,801	180,178	(7,815)	(46,094)
LD vehicles, etc	Japan	25,482	87,160	16,043	62,429	(9,439)	(24,730)
	Overseas	188,351	398,667	130,300	274,024	(58,051)	(124,642)
LD vehicles, etc		213,833	485,827	146,343	336,454	(67,490)	(149,373)
Total vehicles	Japan	39,506	219,945	28,911	181,953	(10,595)	(37,991)
	Overseas	206,943	492,155	142,233	334,678	(64,710)	(157,476)
Total vehicles		246,449	712,100	171,144	516,632	(75,305)	(195,467)
Parts for overseas production	Overseas	-	16,672	-	12,337	-	(4,335)
	Parts for overseas production	-	16,672	-	12,337	-	(4,335)
Engines / Components	Japan	-	34,680	-	23,240	-	(11,440)
	Overseas	-	30,896	-	39,386	-	8,489
Engines / Components		-	65,576	-	62,626	-	(2,950)
Other	Japan	-	162,500	-	155,281	-	(7,218)
	Overseas	-	63,265	-	45,985	-	(17,280)
Other		-	225,765	-	201,266	-	(24,499)
Sales amount	Japan	-	417,125	-	360,475	-	(56,650)
	Overseas	-	602,990	-	432,387	-	(170,602)
Sales amount		-	1,020,115	-	792,862	-	(227,253)

(Note) The above amounts do not include consumption tax.

<Overseas Sales>

FY2020 (April 1, 2019 through September 30, 2019)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	87,757	277,017	238,214	602,990
2 Consolidated sales	-	-	-	1,020,115
3 Overseas sales per Consolidated sales	% 8.6	% 27.2	% 23.4	% 59.1

FY2021 (April 1, 2020 through September 30, 2020)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	58,106	206,756	167,525	432,387
2 Consolidated sales	-	-	-	792,862
3 Overseas sales per Consolidated sales	% 7.3	% 26.1	% 21.1	% 54.5

1. This segmentation is based on the geographical area.

2. Major countries or areas included

(1) North America---USA

(2) Asia---Thailand, China, Philippines, Indonesia

(3) Other---Saudi Arabia, Australia, Columbia, South Africa, Italy

3. Overseas sales are sales to all countries and areas excluding Japan

made by the parent company and consolidated subsidiaries.