

FY2023 Consolidated Financial Results (Japan GAAP)
(April 1, 2022 through March 31, 2023)
English Translation of the Original Japanese-Language Document



May 12, 2023

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/company/investor/
Representative	: Shinsuke Minami, President COO
Contact	: Takayuki Aikawa, General Manager, Public Relations Department Tel. (045)299-9099
Scheduled date for general meeting of shareholders	: June 28, 2023
Expected starting date for distribution of cash dividends	: June 29, 2023
Scheduled date for submission of financial statements	: June 28, 2023
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, 2022 through March 31, 2023)

<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	%
FY2023	3,195,537	27.1	253,546	35.4	269,872	29.5	151,743	20.2
FY2022	2,514,291	31.8	187,197	95.5	208,406	99.9	126,193	195.5

[Note] Comprehensive Income	FY2023	224,390	millions of yen	7.9%
	FY2022	208,023	millions of yen	99.8%

	Net Income per Share	Net Income per Share after Dilution of Potential Stock	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	yen	yen	%	%	%
FY2023	195.75	-	12.1	9.1	7.9
FY2022	162.87	-	11.4	8.2	7.4

[Note] Equity Income from affiliated companies	FY2023	5,765	millions of yen
	FY2022	9,617	millions of yen

<2> Consolidated Financial Position

	Total Assets	Net Assets	The Capital adequacy ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2023	3,046,777	1,510,232	42.9	1,688.01
FY2022	2,856,139	1,394,425	41.8	1,540.51

[Note] Total Amount of Shareholders' Equity	FY2023	1,308,506	millions of yen
	FY2022	1,194,101	millions of yen

<3> Consolidated Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	millions of yen	millions of yen	millions of yen	millions of yen
FY2023	227,085	(80,527)	(140,372)	364,396
FY2022	172,056	(420,867)	186,145	341,713

2. Cash Dividends

	Dividend per Share					Total Amount of Cash Dividends	Dividend Payout Ratio (Consolidated)	Dividend on Net Assets (Consolidated)
	The End of 1st Quarter	The End of 2nd Quarter	The End of 3rd Quarter	Year-End	Total			
	yen	yen	yen	yen	yen	millions of yen	%	%
FY2022	-	29.00	-	37.00	66.00	51,310	40.5	4.5
FY2023	-	36.00	-	43.00	79.00	61,416	40.4	4.9
FY2024 (Forecast)	-	40.00	-	40.00	80.00		40.0	

3. Consolidated Financial Forecast for FY2024 (April 1, 2023 through March 31, 2024)

(% 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
FY2024	3,300,000	3.3	260,000	2.6	275,000	1.9	155,000	2.2	199.95

*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> Changes in accounting policies, procedures and disclosures

Changes due to revisions of accounting standards : Yes

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

Changes in accounting estimates : None

Retrospective restatement : None

Note: For more information, please refer to

"3.Consolidated Financial Statements and Major Notes

(9) Changes in Accounting Policies"

<3> Number of shares issued (common stock)

Number of shares issued and outstanding FY2023 777,442,069 Shares

at the end of the term (inclusive of treasury stock) FY2022 777,442,069 Shares

Number of treasury shares at the end of the term FY2023 2,264,274 Shares

FY2022 2,307,049 Shares

Average number of shares issued FY2023 775,178,896 Shares

FY2022 774,809,245 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.

(Reference) Non-consolidated Financial Results

Non-consolidated Financial Highlights (April 1, 2022 through March 31, 2023)

<1> Non-consolidated Financial Results

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2023	1,306,768	17.5	33,940	10.4	194,923	102.4	186,650	109.9
FY2022	1,111,891	20.5	30,731	368.7	96,297	59.4	88,928	80.5

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2023	240.77	-
FY2022	114.77	-

<2> Non-consolidated Financial Position

	Total Assets	Net Assets	The Capital adequacy ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2023	1,528,953	871,042	57.0	1123.60
FY2022	1,444,294	751,628	52.0	969.62

Note: Total amount of shareholders' equity FY2023 871,042 millions of yen

FY2022 751,628 millions of yen

*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. Overview of Financial Results and Financial Position -(1) Overview of Consolidated Financial Results

② Forecast for FY2024 ending March 2024"

• The Company has posted its financial results on its web site on Friday, May 12, 2023.

List of Contents of Attachments

1. Overview of Financial Results and Financial Position	4
(1) Overview of consolidated Financial Results	4
(2) Overview of consolidated Financial Position	4
(3) Basic Policy regarding Earnings Appropriation and Dividend for FY2023 and FY2024.....	5
2. Basic Concept on Choice of Accounting Standards.....	6
3. Consolidated Financial Statements and Major Notes	7
(1) Consolidated Balance Sheets.....	7
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	9
(3) Consolidated Statements of Changes in Net Assets	11
(4) Consolidated Statements of Cash Flows	13
(5) Notes on Premise of a Going Concern	14
(6) Notes on consolidated statements of income	14
(7) Segment Information.....	14
(8) Per Share Information	14
(9) Changes in Accounting Policies	15
(10) Important Subsequent Events.....	15
4. Supplementary Information.....	16
(1) Sales Condition	16
Sales Results by Region.....	16
Overseas Sales	17

1. Overview of Financial Results and Financial Position

(1) Overview of Consolidated Financial Results

① Financial Results for FY2023 ended March 2023

Commercial vehicle demand for the current fiscal year remained steady and robust on the whole, especially in overseas markets. The total number of vehicles sold at home and abroad rose by 91,536 units (15.8%) compared with the previous fiscal year to 671,493 units, although the Company's manufacturing operations were affected by supply chain disruptions.

Vehicle unit sales in Japan rose by 3,259 units (6.0%) over the previous fiscal year to 57,848 units, as the supply chain disruptions, which impacted on our production, had gradually eased. The number of vehicles sold abroad increased by 88,277 units (16.8%) year-on-year to 613,645 units due to an increase in unit sales mainly of pickup trucks.

Sales amounts of products other than vehicles fell by 10.6 billion yen (19.3%) year-over-year to 44.3 billion yen, as the demand for parts for overseas production declined in some markets. Engine and component sales grew by 1 billion yen (0.6%) year-over-year to 171.4 billion yen. Additionally, other sales grew by 94.8 billion yen (16.9%) year-over-year to 657.3 billion yen, thanks to a growth in vehicle life-cycle management business.

Consequently, net sales rose by 681.2 billion yen (27.1%) over the previous fiscal year to 3195.5 billion yen, which comprised 989.8 billion yen posted for Japan, up 12.7% year-on-year, and 2205.7 billion yen for the rest of the world, up 34.8% year-on-year.

On the profit and loss front, the Company enjoyed an increase in operating income, which amounted to 253.5 billion yen, up 35.4% year-over-year, as the yen's depreciation, in addition to the improved sales volumes, more than offset year-over-year cost increases such as soaring material costs. Ordinary income reached 269.8 billion yen, up 29.5% year-over-year, and net income attributable to owners of the parent company stood at 151.7 billion yen, up 20.2% year-over-year.

② Forecast for FY2024 ending March 2024

For FY2024 ending March 2024, although we expect a decline in unit sales in some markets due to the rising interest rates and inflation, the Company foresees record-high levels of net sales and vehicle unit sales, thanks to the improvement in supply chain.

As regards profits and losses, though the prices of such things as material costs are expected to further escalate, the Company expects a record-high operating income, which is attributed to promoting price realization and cost reduction initiatives, in addition to the aforementioned sales increases.

The forecast full-year consolidated financial results for FY2024 ending March 2024 are as follows:

Net sales	3,300 billion yen
Operating Income	260 billion yen
Ordinary Income	275 billion yen
Net Income Attributable to Owners of Parent	155 billion yen

* This forecast for FY2024 is calculated by the Company based on information available at this moment of various markets around the world, as well as on the assumption about possible timing of recovery in demand. It also includes risks and uncertainties such as global economic trends and exchange rate fluctuations. The Company's actual consolidated financial results may differ considerably from the forecast above, which therefore should not be the sole basis for any investment decisions.

(2) Overview of Consolidated Financial Position

① Assets, Liabilities and Net Assets

Total assets as of the end of the current fiscal year rose by 190.6 billion yen from March 31, 2022 to 3,467.0 billion yen, mainly due to increases in inventories of 135.7 billion yen, cash and deposits of 27.5

billion yen, notes and accounts receivable of 27.3 billion yen, property, plant and equipment of 16.7 billion yen, and lease receivables and investments in leases of 9.3 billion yen, partially offset by a decrease in investment securities of 30.9 billion yen owing to a fall in market values of listed shares and a disposal of DMAX, Ltd. shares.

Liabilities grew by 74.8 billion yen from March 31, 2022 to 1,536.5 billion yen, mainly because of increases in notes and accounts payable of 66.9 billion yen, accrued expenses of 15.1 billion yen, and income taxes payable of 3.6 billion yen, partially offset by a decrease in interest-bearing liabilities of 17.3 billion yen.

Net assets increased by 115.8 billion yen from March 31, 2022 to 1,510.2 billion yen, mainly due to 151.7 billion yen posted as the net income attributable to owners of the parent and an increase in foreign currency translation adjustment of 29.7 billion yen, partially offset by a decrease in retained earnings of 56.7 billion yen as a result of dividend payments.

The capital adequacy ratio stood at 42.9%, compared with 41.8% as of March 31, 2022.

Interest-bearing liabilities decreased by 17.3 billion yen from March 31, 2022 to 513.1 billion yen.

② Cash flows Data

Cash and cash equivalents (hereinafter referred to as “funds”) as of the end of the current fiscal year increased by 22.6 billion yen from March 31, 2022 to 364.3 billion yen; more specifically, out of the funds from operating activities of 227.0 billion yen, 80.5 billion yen and 140.3 billion yen were used for investing activities and financing activities, respectively.

Free cash flows, calculated by deducting investing cash flows from operating cash flows, recorded an inflow of funds of 146.5 billion yen, against an outflow of funds of 248.8 billion yen as of March 31, 2022.

[Cash Flow from Operating Activities]

Funds provided by operating activities amounted to 227.0 billion yen, up 32.0% from March 31, 2022, mainly due to inflows of funds of 269.8 billion yen and 107.2 billion yen recorded for profit before income taxes and depreciation, respectively, and 39.3 billion yen derived from an increase in notes and accounts payable, partially offset by outflows of funds of 113.0 billion yen from an increase in inventories and 71.9 billion yen from income taxes paid.

[Cash Flow from Investing Activities]

Funds used in investing activities reached 80.5 billion yen, up 80.9% from March 31, 2022, mainly due to an outflow of funds of 107.3 billion yen from acquisition of non-current assets, partially offset by an inflow of 23.9 billion yen from gain on sales of investment securities.

[Cash Flow from Financing Activities]

Funds used in financing activities amounted to 140.3 billion yen, against an inflow of funds of 186.1 billion yen as of March 31, 2022, mainly due to outflows of funds of 90.5 billion yen from repayments of long-term borrowings, 56.7 billion yen from dividend payment, and 48.1 billion yen from dividend payment to non-controlling interests, partially offset by an inflow of funds of 117.0 billion yen from execution of long-term borrowings.

(3) Basic Policy regarding Earnings Appropriation and Dividend for FY2023 and FY2024

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

The Company plans to submit a proposal to its annual general meeting of shareholders that it pays a year-end dividend for the current fiscal year of 43 yen per share, up 7 yen over the 36 yen per share forecast before, due to more-than-expected net income attributable to owners of the parent company posted for the current fiscal year; this number is also in line with the payout ratio target of 40% shown in the Company's Mid-Term Business Plan 2024 released on May 13, 2021. Regarding the total amount of dividends to be paid for the next fiscal year, we plan to pay an interim dividend of 40 yen per share and a year-end dividend of 40 yen per share.

2. Basic Concept on Choice of Accounting Standards

The Company prepares its consolidated financial statements under standards applicable in Japan in light of the ability to compare businesses and periods of financial statements.

As regards the international financial reporting standards (IFRS), the Company will prepare for adopting it in the future, doing necessary study on its adoption timing.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2022	As of March 31, 2023
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	356,018	383,587
Notes and accounts receivable, and contract assets	371,249	398,630
Lease receivables and investments in leases	190,522	199,841
Merchandise and finished goods	281,309	392,278
Work in process	49,946	51,294
Raw materials and supplies	146,422	169,882
Other	96,494	109,108
Allowance for doubtful accounts	(1,217)	(2,366)
Total Current Assets	1,490,745	1,702,258
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings and structures, net	209,638	213,461
Machinery, equipment and vehicles, net	168,786	164,318
Land	371,765	371,367
Leased assets, net	7,346	5,794
Vehicles on operating leases, net	85,727	87,259
Construction in progress	44,914	43,361
Other, net	30,702	50,101
Total Property, Plant and Equipment	918,881	935,664
Intangible assets		
Goodwill	20,519	18,010
Other	66,887	56,667
Total Intangible Assets	87,407	74,678
Investments and other assets		
Investment securities	249,832	218,844
Long-term loans receivable	1,035	1,060
Retirement benefit asset	3,144	3,161
Deferred tax assets	55,095	61,956
Other	51,534	50,264
Allowance for doubtful accounts	(1,537)	(1,111)
Total Investments and Other Assets	359,104	334,176
Total Non-Current Assets	1,365,394	1,344,518
TOTAL ASSETS	2,856,139	3,046,777

(millions of yen)

	As of March 31, 2022	As of March 31, 2023
[LIABILITIES]		
CURRENT LIABILITIES		
Notes and accounts payable	436,365	496,833
Electronically recorded obligations - operating	60,332	66,856
Short-term borrowings	139,160	117,880
Lease obligations	8,659	7,610
Income taxes payable	27,593	31,257
Accrued expenses	100,735	115,873
Provision for bonuses	23,553	26,824
Provision for bonuses for directors	246	289
Provision for product warranties	5,075	5,439
Deposits received	4,898	5,062
Other	91,576	94,905
Total Current Liabilities	898,195	968,832
NON-CURRENT LIABILITIES		
Bonds payable	80,000	80,000
Long-term borrowings	286,650	285,044
Lease obligations	16,009	22,609
Deferred tax liabilities	4,272	4,000
Deferred tax liabilities for land revaluation	42,135	42,135
Provision for maintenance costs	6,170	5,184
Provision for share-based remuneration for directors	418	887
Net defined benefit liability	97,151	94,423
Provision for product warranties	4,859	5,119
Long-term deposits received	2,723	2,539
Other	23,127	25,767
Total Non-Current Liabilities	563,518	567,712
TOTAL LIABILITIES	1,461,714	1,536,544
[NET ASSETS]		
SHAREHOLDERS' EQUITY		
Share capital	40,644	40,644
Capital surplus	42,606	42,048
Retained earnings	928,371	1,021,771
Treasury shares	(3,290)	(3,234)
Total Shareholders' Equity	1,008,332	1,101,230
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	53,990	42,530
Deferred gains or losses on hedges	(1,102)	204
Revaluation reserve for land	83,952	83,952
Foreign currency translation adjustment	49,459	79,190
Remeasurements of defined benefit plans	(531)	1,398
Total Accumulated Other Comprehensive Income	185,768	207,276
NON-CONTROLLING INTERESTS	200,324	201,725
TOTAL NET ASSETS	1,394,425	1,510,232
TOTAL LIABILITIES AND NET ASSETS	2,856,139	3,046,777

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

Consolidated Statements of Income

(millions of yen)

	FY2022 Fiscal year ending March 31, 2022	FY2023 Fiscal year ending March 31, 2023
Net sales	2,514,291	3,195,537
Cost of sales	2,056,104	2,600,347
GROSS PROFIT	458,187	595,189
Selling, general and administrative expenses		
Transportation costs	50,509	74,585
Promotion expenses	8,225	8,050
Advertising expenses	5,561	7,543
Unpaid repair expenses	17,891	19,684
Provision for product warranties	4,254	6,228
Salaries and allowances	96,664	110,811
Provision for bonuses	15,367	18,166
Provision for bonuses for directors	197	239
Provision for share-based remuneration for directors	418	559
Retirement benefit expenses	4,759	5,522
Depreciation	21,434	20,836
Other	45,705	69,415
Total Selling, general and administrative expenses	270,989	341,642
OPERATING PROFIT	187,197	253,546
Non-operating income		
Interest income	3,335	5,612
Dividend income	5,232	5,519
Share of profit of entities accounted for using equity method	9,617	5,765
Rental income	241	338
Foreign exchange gains	5,779	-
Other	4,107	9,246
Total non-operating income	28,314	26,482
Non-operating expenses		
Interest expenses	2,130	2,227
Foreign exchange losses	-	2,444
Litigation settlement	59	36
Compensation expenses	-	1,578
Currency option cost	249	953
Other	4,666	2,916
Total non-operating expenses	7,106	10,156
ORDINARY PROFIT	208,406	269,872
Extraordinary income		
Gain on sales of non-current assets	177	332
Gain on sales of investment securities	2,923	3,411
Total extraordinary income	3,100	3,744
Extraordinary losses		
Loss on disposal of non-current assets	1,621	1,480
Impairment loss	343	258
Loss on sales of investment securities	40	214
Loss on valuation of investment securities	5,017	152
Loss on valuation of investments in capital of subsidiaries and associates	62	-
Loss on COVID-19	104	-
Loss related to the Russian business	-	※1,668
Other	34	-
Total extraordinary losses	7,224	3,775
Profit before income taxes	204,281	269,841
Income taxes-current	53,134	72,987
Income taxes-deferred	(5,572)	253
Total Income taxes	47,562	73,241
Profit	156,719	196,600
Profit attributable to non-controlling interests	30,526	44,856
Profit attributable to owners of parent	126,193	151,743

Consolidated Statements of Comprehensive Income

(millions of yen)

	FY2022 Fiscal year ending March 31, 2022	FY2023 Fiscal year ending March 31, 2023
Profit	156,719	196,600
Other comprehensive income		
Valuation difference on available-for-sale securities	861	(11,476)
Deferred gains or losses on hedges	(305)	1,306
Foreign currency translation adjustment	42,887	33,385
Remeasurements of defined benefit plans, net of tax	443	1,643
Share of other comprehensive income of entities accounted for using equity method	7,416	2,931
Total other comprehensive income	51,303	27,790
Comprehensive income	208,023	224,390
Comprehensive income attributable to		
owners of the parent	168,935	173,250
non-controlling interests	39,087	51,139

(3) Consolidated Statements of Changes in Net Assets

FY2022 (Fiscal year ending March 31, 2022)

(millions of yen)

	Shareholders' Equity				
	Share Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	40,644	42,599	849,673	(54,090)	878,826
Changes during period					
Dividends of surplus			(37,314)		(37,314)
Profit attributable to owners of parent			126,193		126,193
Reversal of revaluation reserve for land			(71)		(71)
Purchase of treasury shares				(2,259)	(2,259)
Disposal of treasury shares		(10,109)		53,059	42,949
Transfer to capital surplus from retained earnings		10,109	(10,109)		-
Change in capital surplus due to transactions with non-controlling interests		7			7
Net changes of items other than shareholders' equity					
Total changes of items during period	-	7	78,698	50,800	129,505
Balance at the end of current period	40,644	42,606	928,371	(3,290)	1,008,332

	Accumulated other comprehensive income						Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	52,942	(796)	83,881	7,830	(901)	142,955	183,230	1,205,013
Changes during period								
Dividends of surplus								(37,314)
Profit attributable to owners of parent								126,193
Reversal of revaluation reserve for land								(71)
Purchase of treasury shares								(2,259)
Disposal of treasury shares								42,949
Transfer to capital surplus from retained earnings								-
Change in capital surplus due to transactions with non-controlling interests								7
Net changes of items other than shareholders' equity	1,048	(305)	71	41,629	370	42,813	17,093	59,906
Total changes of items during period	1,048	(305)	71	41,629	370	42,813	17,093	189,411
Balance at the end of current period	53,990	(1,102)	83,952	49,459	(531)	185,768	200,324	1,394,425

	Shareholders' Equity				
	Share Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	40,644	42,606	928,371	(3,290)	1,008,332
Changes during period					
Dividends of surplus			(56,752)		(56,752)
Profit attributable to owners of parent			151,743		151,743
Change due to changes in accounting period of consolidated subsidiaries			(1,591)		(1,591)
Purchase of treasury shares				(40)	(40)
Disposal of treasury shares				96	96
Change in capital surplus due to transactions with non-controlling interests		(557)			(557)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(557)	93,399	55	92,898
Balance at the end of current period	40,644	42,048	1,021,771	(3,234)	1,101,230

	Accumulated other comprehensive income						Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	53,990	(1,102)	83,952	49,459	(531)	185,768	200,324	1,394,425
Changes during period								
Dividends of surplus								(56,752)
Profit attributable to owners of parent								151,743
Change due to changes in accounting period of consolidated subsidiaries								(1,591)
Purchase of treasury shares								(40)
Disposal of treasury shares								96
Change in capital surplus due to transactions with non-controlling interests								(557)
Net changes of items other than shareholders' equity	(11,459)	1,306	-	29,730	1,930	21,507	1,401	22,908
Total changes of items during period	(11,459)	1,306	-	29,730	1,930	21,507	1,401	115,806
Balance at the end of current period	42,530	204	83,952	79,190	1,398	207,276	201,725	1,510,232

(4) Consolidated Statements of Cash Flows

(millions of yen)

	FY2022 Fiscal year ending March 31, 2022	FY2023 Fiscal year ending March 31, 2023
Cash flows from operating activities		
Profit before income taxes	204,281	269,841
Depreciation	98,335	107,255
Share of (profit) loss of entities accounted for using equity method	(9,617)	(5,765)
Increase (decrease) in provision for product warranties	138	542
Increase (decrease) in provision for bonuses	501	2,626
Increase (decrease) in provision for bonuses for directors	(140)	68
Amortization of goodwill	4,334	4,219
Increase (decrease) in allowance for doubtful accounts	(136)	835
Increase (decrease) in provision for maintenance costs	1,738	(985)
Increase (decrease) in provision for share-based remuneration for directors	282	468
Increase (decrease) in retirement benefit liability	(775)	(533)
Interest and dividends income	(8,568)	(11,132)
Interest expenses	2,130	2,227
Loss (gain) on sales of non-current assets	(177)	(332)
Loss (gain) on disposal of non-current assets	1,621	1,480
Loss (gain) on sales of investment securities	(2,882)	(3,196)
Loss (gain) on valuation of investment securities	5,017	152
Loss on valuation of investments in capital of subsidiaries and associates	62	-
Impairment loss	343	258
Loss related to the Russian business	-	1,668
Decrease (increase) in notes and accounts receivable	605	(8,942)
Net decrease (increase) in lease receivables and investments in leases	(5,437)	(9,198)
Decrease (increase) in inventories	(105,245)	(113,089)
Decrease (increase) in other current assets	(16,462)	(6,915)
Increase (decrease) in notes and accounts payable	32,523	39,311
Increase (decrease) in accrued expenses	13,507	17,475
Increase (decrease) in deposits received	17	(400)
Increase (decrease) in other liabilities	(7,407)	(1,431)
Other, net	1,771	(295)
(Subtotal)	210,361	286,210
Interest and dividends received	10,783	15,053
Interest paid	(2,187)	(2,210)
Income taxes paid	(46,901)	(71,968)
Net cash provided by (used in) operating activities	172,056	227,085
Cash flows from investing activities		
Purchase of investment securities	(42,981)	(121)
Proceeds from sales of investment securities	5,496	23,937
Purchase of non-current assets	(100,325)	(107,319)
Proceeds from sales of non-current assets	7,312	6,128
Long-term loan advances	(280)	(330)
Collection of long-term loans receivable	320	358
Net decrease (increase) in short-term loans receivable	12	107
Net decrease (increase) in time deposits	943	(4,076)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(290,562)	-
Other, net	(801)	788
Net cash provided by (used in) investing activities	(420,867)	(80,527)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	41,715	(49,400)
Proceeds from long-term borrowings	196,500	117,042
Repayments of long-term borrowings	(58,140)	(90,577)
Proceeds from bonds issues	30,000	-
Proceeds from share issuance to non-controlling shareholders	-	8,942
Repayments to non-controlling shareholders	-	(788)
Repayments of lease obligations	(5,314)	(7,349)
Proceeds from disposal of treasury shares	42,822	-
Purchase of treasury shares	(2,258)	(38)
Dividends paid	(37,300)	(56,726)
Dividends paid to non-controlling interests	(21,876)	(48,160)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	-	7,343
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	0	(20,659)
Net cash provided by (used in) financing activities	186,145	(140,372)
Effect of Exchange Rate Change on Cash and Cash Equivalents	17,708	18,116
Net Increase (Decrease) in Cash and Cash Equivalents	(44,956)	24,302
Cash and Cash Equivalents at Beginning of Period	386,670	341,713
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-	(1,620)
Cash and Cash Equivalents at End of Period	341,713	364,396

(5) Notes on Premise of a Going Concern

None

(6) Notes on consolidated statements of income

※ Extraordinary loss related to the Russian business

The Isuzu Group has a consolidated subsidiary that manufactures and sells commercial vehicles and pickup trucks in the Russian Federation.

Due to the continuing situation in Ukraine since February 2022, the environment essential for business activities in Russia has changed significantly. For this reason, the Group temporarily suspended manufacturing at the subsidiary until normal business conditions are restored in Russia, while continuing to examine various possibilities.

However, as the environment required for business success in Russia is still showing no signs of improvement, a 1,668-million-yen write-down on the assets held by the subsidiary is recorded as an extraordinary loss related to the Russian business.

(7) Segment Information

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.

(8) Per Share Information

FY2022		FY2023	
Net assets per share (yen)	1,540.51	Net assets per share (yen)	1,688.1
Net income per share (yen)	162.87	Net income per share (yen)	195.75

[Note] Basis for the calculation of Net income per share is as follows.

	FY2022	FY2023
Net income (millions of yen)	126,193	151,743
Amount not attributable to common shareholders (millions of yen)	-	-
Net income associated with common shares (millions of yen)	126,193	151,743
Average number of shares (shares)	774,809,245	775,178,896

(9) Changes in Accounting Policies

(Adoption of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has adopted the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31, revised on June 17, 2021, hereinafter referred to as the “Implementation Guidance”) since the beginning of the current fiscal year’s first quarter, applying into the future the new accounting policy stipulated by the Implementation Guidance, according to the transitional treatment provided in 27-2 thereof. This adoption has no impact on the Company’s consolidated financial statements for the current fiscal year.

(Adoption of ASU 2016-02 Leases)

The Company’s US consolidated subsidiaries have adopted ASU 2016-02 Leases (hereinafter the “Standard”) since the beginning of the current fiscal year’s first quarter. Accordingly, in principle, all operating lease transactions by the lessee are accounted for as right-of-use assets and lease liabilities. In adopting the Standard, the cumulative effect of adopting it is recognized at the date of initial adoption, which is permitted as a transitional measure.

Due to the adoption of the Standard, property, plant and equipment increased by 4,664 million yen, current liabilities rose by 937 million yen, and non-current liabilities climbed by 4,199 million yen on the consolidated balance sheets for the current fiscal year. The impact of this adoption on the consolidated statements of income for the current fiscal year ended on March 31, 2023 is immaterial.

(10) Important Subsequent Events

None

4. Supplementary Information

(1) Sales Condition (Consolidated)

<Sales Results by Region>

		FY2022 (Fiscal year ending March 31, 2022)		FY2023 (Fiscal year ending March 31, 2023)		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
HD/MD vehicles	Japan	29,323	298,105	30,157	332,066	834	33,961
	Overseas	49,091	264,579	62,104	394,775	13,013	130,196
		78,414	562,684	92,261	726,842	13,847	164,157
LD vehicles, etc	Japan	25,266	96,568	27,691	116,163	2,425	19,595
	Overseas	476,277	1,067,255	551,541	1,479,463	75,264	412,207
		501,543	1,163,823	579,232	1,595,626	77,689	431,803
Total vehicles	Japan	54,589	394,673	57,848	448,229	3,259	53,556
	Overseas	525,368	1,331,834	613,645	1,874,238	88,277	542,404
		579,957	1,726,507	671,493	2,322,468	91,536	595,960
Parts for overseas production	Overseas	-	54,926	-	44,310	-	(10,616)
		-	54,926	-	44,310	-	(10,616)
Engines/Components	Japan	-	58,296	-	59,086	-	789
	Overseas	-	112,093	-	112,320	-	227
		-	170,390	-	171,407	-	1,016
Other	Japan	-	425,177	-	482,517	-	57,340
	Overseas	-	137,289	-	174,833	-	37,544
		-	562,466	-	657,351	-	94,884
Sales amount	Japan	-	878,147	-	989,833	-	111,686
	Overseas	-	1,636,143	-	2,205,703	-	569,559
		-	2,514,291	-	3,195,537	-	681,245

<Overseas Sales>

FY2022 (April 1, 2021 through March 31, 2022)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	142,803	724,553	768,787	1,636,143
2 Consolidated sales	-	-	-	2,514,291
3 Overseas sales per Consolidated sales	% 5.7	% 28.8	% 30.6	% 65.1

1. This segmentation is based on the geographical area.

2. Major countries or areas included

(1) North America---USA

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

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

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

made by the parent company and consolidated subsidiaries.

FY2023 (April 1, 2022 through March 31, 2023)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	245,273	942,822	1,017,607	2,205,703
2 Consolidated sales	-	-	-	3,195,537
3 Overseas sales per Consolidated sales	% 7.7	% 29.5	% 31.8	% 69.0

1. This segmentation is based on the geographical area.

2. Major countries or areas included

(1) North America---USA

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

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

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

made by the parent company and consolidated subsidiaries.