

# FY2023 Consolidated Financial Results (Japan GAAP)

(April 1, 2022 through June 30, 2022)

## English Translation of the Original Japanese-Language Document



August 5, 2022

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 : Masanori Katayama, President  
 Contact : Takuo Maeda, General Manager,  
 PR and Government Relations Department Tel. 045-299-9099  
 Scheduled date for submission of quarterly financial statements : August 10, 2022  
 Expected starting date for distribution of cash dividends : -  
 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 June 30, 2022)

#### <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 1st Quarter	688,201	29.9	54,771	(7.7)	58,814	(5.4)	36,051	(22.4)
FY2022 1st Quarter	529,608	61.7	59,336	-	62,189	-	46,429	-

[Note] Comprehensive Income  
 FY2023 1st Quarter 82,475 millions of yen 26.3%  
 FY2022 1st Quarter 65,282 millions of yen -%

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2023 1st Quarter	46.51	-
FY2022 1st Quarter	60.05	-

#### <2> Consolidated Financial Position

	Total Assets	Net Assets	The Capital adequacy ratio
	millions of yen	millions of yen	%
FY2023 1st Quarter	2,931,295	1,445,389	41.9
FY2022	2,856,139	1,394,425	41.8

[Note] Total Amount of Shareholders' Equity  
 FY2023 1st Quarter 1,229,513 millions of yen  
 FY2022 1,194,101 millions of yen

### 2. Cash Dividends

	Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
FY2022	yen -	yen 29.00	yen -	yen 37.00	yen 66.00
FY2023	-	-	-	-	-
FY2023(Forecast)	-	33.00	-	33.00	66.00

[Note] Revision to the projected dividend for FY2023: None

### 3. Consolidated Financial Forecast for FY2023 (April 1, 2022 through March 31, 2023)

(% 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
FY2023	3,000,000	19.3	200,000	6.8	210,000	0.8	127,000	0.6	163.84

[Note] Revision to Consolidated Financial Forecast for FY2023: None

\*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 : Yes

Changes in accounting policies 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

"2. Notes on Consolidated Quarterly Financial Statements  
(6) Changes in Accounting Policies"

<4> Number of shares issued (common stock)

Number of shares issued and outstanding	FY2023 1st Quarter	777,442,069	Shares
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at the end of the term (inclusive of treasury shares)	FY2022	777,442,069	Shares
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Number of treasury shares at the end of the term	FY2023 1st Quarter	2,254,575	Shares
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	FY2022	2,307,049	Shares
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Average number of shares issued	FY2023 1st Quarter	775,146,182	Shares
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	FY2022 1st Quarter	773,131,672	Shares
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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 FY2023 First Quarter

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

• The Company has posted its financial results on its web site on August 5, 2022.

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## **1. Qualitative Information Concerning Consolidated Financial Results for FY2023 First Quarter**

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

Commercial vehicle demand, especially in overseas markets, remained steady in the current fiscal year's first quarter. The total number of vehicles sold at home and abroad during the quarter rose by 19,568 units (15.2%) compared with the same period last fiscal year to 148,323 units, despite the negative impact on the production caused by disrupted supply chains.

Vehicle unit sales in Japan fell by 3,543 units (26.5%) over the same period last fiscal year to 9,850 units, due to the aforementioned negative influence on the manufacturing. The number of vehicles sold abroad increased by 23,111 units (20.0%) year-on-year to 138,473 units, mainly due to an increase in sales volumes of pickup trucks thanks to improved parts supply.

As regards sales amounts of products other than vehicles, sales of parts for overseas production rose by 2.6 billion yen (25.2%) year-on-year to 13.0 billion yen, engine and component sales increased by 2.1 billion yen (5.4%) year-on-year to 42.1 billion yen, and other sales grew by 45.4 billion yen (40.3%) year-on-year to 158.3 billion yen.

Consequently, net sales rose by 158.5 billion yen (29.9%) over the same period last fiscal year to 688.2 billion yen, which comprised 207.6 billion yen posted for Japan, up 20.4% year-over-year, and 480.5 billion yen for the rest of the world, up 34.6% year-over-year.

On the profit and loss front, this quarter as a whole resulted in increased sales but lower profits, compared with the same period last fiscal year: Operating income amounted to 54.7 billion yen, down 7.7% year-on-year, as improved sales volumes and favorable foreign exchange rates were more than offset by increases in material and freight costs. Ordinary income reached 58.8 billion yen, down 5.4% year-on-year, and net income attributable to owners of the parent stood at 36.0 billion yen, down 22.4% year-on-year.

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

Total assets as of the end of the current fiscal year's first quarter rose by 75.1 billion yen from March 31, 2022 to 2,931.2 billion yen, mainly due to increases in inventories of 78.9 billion yen, cash and deposits of 30.9 billion yen, and other tangible fixed assets of 11.7 billion yen, partially offset by decreases in notes and accounts receivable, and contract assets of 27.0 billion yen and investment securities of 17.2 billion yen owing to a fall in market values of listed shares and a disposal of DMAX, Ltd. shares.

Liabilities increased by 24.1 billion yen from March 31, 2022 to 1,485.9 billion yen, mainly because of an increase in interest-bearing liabilities of 35.2 billion yen, partially offset by a decrease in notes and accounts payable of 9.9 billion yen.

Net assets grew by 50.9 billion yen from March 31, 2022 to 1,445.3 billion yen, mainly due to 36.0 billion yen posted as net income attributable to owners of the parent and an increase in foreign currency translation adjustment of 33.4 billion yen, partially offset by a decrease in retained earnings of 28.7 billion yen as a result of dividend payments.

The capital adequacy ratio stood at 41.9%, compared with 41.8% as of March 31, 2022.

Interest-bearing liabilities rose by 35.2 billion yen from March 31, 2022 to 565.6 billion yen.

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

There is no change to the full-year consolidated financial forecast released on May 13, 2022.

\* This forecast for the current fiscal year 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. Notes on Consolidated Quarterly Financial Statements

### (1) Consolidated Quarterly Balance Sheets

	(millions of yen)	
	As of March 31, 2022	As of June 30, 2022
<b>[ASSETS]</b>		
<b>CURRENT ASSETS</b>		
Cash and deposits	356,018	386,943
Notes and accounts receivable, and contract assets	371,249	344,167
Lease receivables and investments in leases	190,522	188,972
Merchandise and finished goods	281,309	326,910
Work in process	49,946	60,209
Raw materials and supplies	146,422	169,461
Other	96,494	97,182
Allowance for doubtful accounts	(1,217)	(2,320)
<b>Total Current Assets</b>	<b>1,490,745</b>	<b>1,571,527</b>
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	209,638	217,694
Machinery, equipment and vehicles, net	168,786	171,819
Land	371,765	371,260
Leased assets, net	7,346	6,799
Vehicles on operating leases, net	85,727	84,339
Construction in progress	44,914	34,264
Other, net	30,702	42,488
<b>Total Property, Plant and Equipment</b>	<b>918,881</b>	<b>928,666</b>
<b>Intangible assets</b>		
Goodwill	20,519	18,658
Other	66,887	59,450
<b>Total Intangible Assets</b>	<b>87,407</b>	<b>78,108</b>
<b>Investments and other assets</b>		
Investment securities	249,832	232,609
Long-term loans receivable	1,035	1,070
Retirement benefit asset	3,144	3,268
Deferred tax assets	55,095	62,852
Other	51,534	54,566
Allowance for doubtful accounts	(1,537)	(1,374)
<b>Total Investments and Other Assets</b>	<b>359,104</b>	<b>352,992</b>
<b>Total Non-Current Assets</b>	<b>1,365,394</b>	<b>1,359,768</b>
<b>TOTAL ASSETS</b>	<b>2,856,139</b>	<b>2,931,295</b>

(millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>[LIABILITIES]</b>		
<b>CURRENT LIABILITIES</b>		
Notes and accounts payable	436,365	430,863
Electronically recorded obligations - operating	60,332	55,919
Short-term borrowings	139,160	171,260
Lease obligations	8,659	7,768
Income taxes payable	27,593	32,474
Accrued expenses	100,735	87,571
Provision for bonuses	23,553	34,662
Provision for bonuses for directors	246	222
Provision for product warranties	5,075	5,171
Deposits received	4,898	7,116
Other	91,576	86,084
<b>Total Current Liabilities</b>	<b>898,195</b>	<b>919,115</b>
<b>NON-CURRENT LIABILITIES</b>		
Bonds payable	80,000	80,000
Long-term borrowings	286,650	285,170
Lease obligations	16,009	21,486
Deferred tax liabilities	4,272	3,504
Deferred tax liabilities for land revaluation	42,135	42,135
Provision for maintenance costs	6,170	6,683
Provision for share-based remuneration for directors	418	433
Net defined benefit liability	97,151	97,678
Provision for product warranties	4,859	4,972
Long-term deposits received	2,723	2,645
Other	23,127	22,079
<b>Total Non-Current Liabilities</b>	<b>563,518</b>	<b>566,790</b>
<b>TOTAL LIABILITIES</b>	<b>1,461,714</b>	<b>1,485,905</b>
<b>[NET ASSETS]</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	40,644	40,644
Capital surplus	42,606	42,606
Retained earnings	928,371	933,092
Treasury shares	(3,290)	(3,216)
<b>Total Shareholders' Equity</b>	<b>1,008,332</b>	<b>1,013,127</b>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>		
Valuation difference on available-for-sale securities	53,990	50,882
Deferred gains or losses on hedges	(1,102)	(992)
Revaluation reserve for land	83,952	83,952
Foreign currency translation adjustment	49,459	82,956
Remeasurements of defined benefit plans	(531)	(411)
<b>Total Accumulated Other Comprehensive Income</b>	<b>185,768</b>	<b>216,386</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>200,324</b>	<b>215,876</b>
<b>TOTAL NET ASSETS</b>	<b>1,394,425</b>	<b>1,445,389</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,856,139</b>	<b>2,931,295</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 three months ended	FY2022 1st Quarter June 30, 2021	FY2023 1st Quarter June 30, 2022
Net sales	529,608	688,201
Cost of sales	422,273	558,575
<b>GROSS PROFIT</b>	<b>107,335</b>	<b>129,626</b>
Selling, general and administrative expenses	47,999	74,854
<b>OPERATING INCOME</b>	<b>59,336</b>	<b>54,771</b>
<b>Non-operating income</b>		
Interest income	787	992
Dividend income	543	426
Share of profit of entities accounted for using equity method	1,389	866
Foreign exchange gains	674	1,780
Other	1,100	1,300
<b>Total non-operating income</b>	<b>4,495</b>	<b>5,365</b>
<b>Non-operating expenses</b>		
Interest expenses	559	597
Litigation settlement	11	-
Currency option cost	68	236
Other	1,002	488
<b>Total non-operating expenses</b>	<b>1,641</b>	<b>1,323</b>
<b>ORDINARY INCOME</b>	<b>62,189</b>	<b>58,814</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	154	35
Gain on sales of investment securities	25	-
<b>Total extraordinary income</b>	<b>180</b>	<b>35</b>
<b>Extraordinary losses</b>		
Loss on disposal of non-current assets	273	278
Impairment loss	165	37
Loss on sales of investment securities	4	12
Loss on valuation of investment securities	38	152
Loss on COVID-19	67	-
<b>Total extraordinary losses</b>	<b>549</b>	<b>481</b>
<b>PROFIT BEFORE INCOME TAXES</b>	<b>61,819</b>	<b>58,368</b>
Income taxes	7,901	11,962
<b>PROFIT</b>	<b>53,917</b>	<b>46,406</b>
Profit attributable to non-controlling interests	7,487	10,355
Profit attributable to owners of the parent	46,429	36,051

## Consolidated Quarterly Statements of Comprehensive Income

(millions of yen)

For the first three months ended	FY2022 1st Quarter June 30, 2021	FY2023 1st Quarter June 30, 2022
<b>Profit</b>	53,917	46,406
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	8,439	(3,141)
Deferred gains or losses on hedges	604	109
Foreign currency translation adjustment	(1,592)	34,155
Remeasurements of defined benefit plans, net of tax	530	85
Share of other comprehensive income of entities accounted for using equity method	3,381	4,861
Total other comprehensive income	<b>11,364</b>	<b>36,069</b>
<b>Comprehensive income</b>	<b>65,282</b>	<b>82,475</b>
<b>Comprehensive income attributable to:</b>		
owners of the parent	57,892	66,668
non-controlling interests	7,389	15,806



(3) Notes on Premise of a Going Concern

None

(4) 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.

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

None

(6) 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's first quarter.

(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 4,734 million yen, current liabilities rose by 764 million yen, and non-current liabilities climbed by 4,453 million yen on the consolidated balance sheets for the current fiscal year's first quarter. The impact of this adoption on the consolidated statements of income for the current fiscal year's first quarter is immaterial.

(7) Important Subsequent Events

None

### 3. Supplementary Information

#### (1) Sales Condition

<Sales Results by Region>

		FY2022		FY2023		Change	
		(Fiscal year ending June 30, 2021)		(Fiscal year ending June 30, 2022)			
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
	Japan	5,509	48,156	5,765	61,180	256	13,024
	Overseas	8,872	46,167	13,495	83,825	4,623	37,658
HD/MD vehicles		14,381	94,323	19,260	145,006	4,879	50,683
	Japan	7,884	30,185	4,085	16,362	(3,799)	(13,823)
	Overseas	106,490	241,849	124,978	313,312	18,488	71,463
LD vehicles, etc		114,374	272,035	129,063	329,674	14,689	57,639
	Japan	13,393	78,342	9,850	77,543	(3,543)	(799)
	Overseas	115,362	288,016	138,473	397,138	23,111	109,122
Total vehicles		128,755	366,359	148,323	474,681	19,568	108,322
	Overseas	-	10,417	-	13,040	-	2,623
	Parts for overseas production	-	10,417	-	13,040	-	2,623
	Japan	-	9,031	-	14,543	-	5,512
	Overseas	-	30,929	-	27,590	-	(3,339)
Engines / Components		-	39,960	-	42,133	-	2,173
	Japan	-	85,069	-	115,531	-	30,462
	Overseas	-	27,801	-	42,815	-	15,014
Other		-	112,871	-	158,346	-	45,475
	Japan	-	172,443	-	207,617	-	35,174
	Overseas	-	357,165	-	480,584	-	123,419
Sales amount		-	529,608	-	688,201	-	158,593

<Overseas Sales>

FY2022 (April 1, 2021 through June 30, 2021)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	43,441	158,555	155,168	357,165
2 Consolidated sales	-	-	-	529,608
3 Overseas sales per Consolidated sales	% 8.2	% 29.9	% 29.3	% 67.4

1. This segmentation is based on the geographical area.

2. Major countries or areas included

(1) North America---USA

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

(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.

FY2023 (April 1, 2022 through June 30, 2022)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	43,354	216,612	220,618	480,584
2 Consolidated sales	-	-	-	688,201
3 Overseas sales per Consolidated sales	% 6.3	% 31.5	% 32.1	% 69.8

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, Columbia, South Africa, Italy

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

made by the parent company and consolidated subsidiaries.