

FY2024 Consolidated Financial Results (Japan GAAP)

(April 1, 2023 through June 30, 2023)

English Translation of the Original Japanese-Language Document



August 9, 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
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 Scheduled date for submission of quarterly financial statements : August 10, 2023
 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, 2023 through June 30, 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	%
FY2024 1st Quarter	775,466	12.7	68,606	25.3	74,886	27.3	45,041	24.9
FY2023 1st Quarter	688,201	29.9	54,771	(7.7)	58,814	(5.4)	36,051	(22.4)

[Note] Comprehensive Income
 FY2024 1st Quarter 104,100 millions of yen 26.2%
 FY2023 1st Quarter 82,475 millions of yen 26.3%

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2024 1st Quarter	58.11	-
FY2023 1st Quarter	46.51	-

<2> Consolidated Financial Position

	Total Assets	Net Assets	The Capital adequacy ratio
	millions of yen	millions of yen	%
FY2024 1st Quarter	3,130,604	1,574,411	43.5
FY2023	3,046,777	1,510,232	42.9

[Note] Total Amount of Shareholders' Equity
 FY2024 1st Quarter 1,362,214 millions of yen
 FY2023 1,308,506 millions of yen

2. Cash Dividends

	Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	yen	yen	yen	yen	yen
FY2023	-	36.00	-	43.00	79.00
FY2024	-	-	-	-	-
FY2024(Forecast)	-	40.00	-	40.00	80.00

[Note] Revision to the projected dividend for FY2024: None

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

[Note] Revision to Consolidated Financial Forecast for FY2024: 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 : 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	FY2024 1st Quarter	777,442,069	Shares
at the end of the term (inclusive of treasury shares)	FY2023	777,442,069	Shares

Number of treasury shares at the end of the term	FY2024 1st Quarter	2,266,204	Shares
	FY2023	2,264,274	Shares

Average number of shares issued	FY2024 1st Quarter	775,177,030	Shares
	FY2023 1st Quarter	775,146,182	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 FY2024 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 9, 2023.

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1. Qualitative Information Concerning Consolidated Financial Results for FY2024 First Quarter

(1) Overview of Consolidated Financial Results

The total number of vehicles sold at home and abroad during the current fiscal year's first quarter decreased by 9,722 units (5.8%) compared with the same period last fiscal year to 158,126 units.

Vehicle unit sales in Japan rose by 5,334 units (54.2%) over the same period last fiscal year to 15,184 units, due to improvements in the parts shortages. As for the number of vehicles sold abroad, due to the impact of inflation and rising interest rates, CV (commercial vehicles: truck and bus) decreased by 9,699 units (15.1%) year-on-year mainly in Asia, and LCV (pick-up truck and its derivative vehicle) fell by 5,407 units (5.8%) mainly in Thailand.

As regards sales amounts of products other than vehicles, sales of industrial engines fell by 0.8 billion yen (2.7%) year-on-year to 29.0 billion yen, due to the weak demand for construction machinery in China, and other sales grew by 8.3 billion yen (4.9%) year-on-year to 179.0 billion yen, due to a growth in the lifecycle business.

Consequently, net sales rose by 87.3 billion yen (12.7%) over the same period last fiscal year to 775.5 billion yen, which comprised 253.3 billion yen posted for Japan, up 22.0% year-over-year, and 522.2 billion yen for the rest of the world, up 8.6% year-over-year.

On the profit and loss front, despite a sharp rise in material costs, improvements were seen in initiatives for price realization, destination markets mix, and model mix, which resulted in operating income amounting to 68.6 billion yen, up 25.3% year-on-year, ordinary income reaching 74.9 billion yen, up 27.3% year-on-year, and net income attributable to owners of the parent standing at 45 billion yen, up 24.9% 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 83.8 billion yen from March 31, 2023 to 3,130.6 billion yen, mainly due to increases in inventories of 52.3 billion yen, current assets under Other of 23.5 billion yen, and investment securities of 16.7 billion yen, partially offset by decreases in notes and accounts receivable, and contract assets of 5.5 billion yen and deferred tax assets of 4.8 billion yen.

Liabilities grew by 19.6 billion yen from March 31, 2023 to 1,556.2 billion yen, mainly because of an increase in interest-bearing liabilities of 29.2 billion yen, partially offset by decreases in notes and accounts payable of 12.0 billion yen and accrued expenses of 11.1 billion yen.

Net assets increased by 64.2 billion yen from March 31, 2023 to 1,574.4 billion yen, mainly due to 45.0 billion yen posted as the net income attributable to owners of the parent and an increase in foreign currency translation adjustment of 28.9 billion yen, partially offset by a decrease in retained earnings of 33.4 billion yen as a result of dividend payments.

The capital adequacy ratio stood at 43.5%, compared with 42.9% as of March 31, 2023.

Interest-bearing liabilities increased by 29.2 billion yen from March 31, 2023 to 542.3 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 12, 2023.

* 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. Consolidated Quarterly Financial Statements and Major Notes

(1) Consolidated Quarterly Balance Sheets

	(millions of yen)	
	As of March 31, 2023	As of June 30, 2023
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	383,587	382,249
Notes and accounts receivable, and contract assets	398,630	393,160
Lease receivables and investments in leases	199,841	202,099
Merchandise and finished goods	392,278	431,429
Work in process	51,294	61,750
Raw materials and supplies	169,882	172,586
Other	109,108	132,610
Allowance for doubtful accounts	(2,366)	(2,487)
Total Current Assets	1,702,258	1,773,399
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings and structures, net	213,461	212,878
Machinery, equipment and vehicles, net	164,318	169,029
Land	371,367	372,368
Leased assets, net	5,794	5,539
Vehicles on operating leases, net	87,259	87,822
Construction in progress	43,361	31,430
Other, net	50,101	54,050
Total Property, Plant and Equipment	935,664	933,119
Intangible assets		
Goodwill	18,010	17,109
Other	56,667	67,612
Total Intangible Assets	74,678	84,722
Investments and other assets		
Investment securities	218,844	235,496
Long-term loans receivable	1,060	1,090
Retirement benefit asset	3,161	3,278
Deferred tax assets	61,956	57,153
Other	50,264	44,064
Allowance for doubtful accounts	(1,111)	(1,720)
Total Investments and Other Assets	334,176	339,363
Total Non-Current Assets	1,344,518	1,357,204
TOTAL ASSETS	3,046,777	3,130,604

(millions of yen)

	As of March 31, 2023	As of June 30, 2023
[LIABILITIES]		
CURRENT LIABILITIES		
Notes and accounts payable	496,833	480,848
Electronically recorded obligations - operating	66,856	70,885
Short-term borrowings	117,880	138,603
Commercial papers	-	12,600
Lease obligations	7,610	7,318
Income taxes payable	31,257	35,797
Accrued expenses	115,873	104,762
Provision for bonuses	26,824	37,360
Provision for bonuses for directors	289	280
Provision for product warranties	5,439	5,677
Deposits received	5,062	8,638
Other	94,905	88,843
Total Current Liabilities	968,832	991,616
NON-CURRENT LIABILITIES		
Bonds payable	80,000	80,000
Long-term borrowings	285,044	279,642
Lease obligations	22,609	24,146
Deferred tax liabilities	4,000	1,390
Deferred tax liabilities for land revaluation	42,135	42,135
Provision for maintenance costs	5,184	5,526
Provision for share-based remuneration for directors	887	1,001
Net defined benefit liability	94,423	94,629
Provision for product warranties	5,119	5,601
Long-term deposits received	2,539	2,570
Other	25,767	27,932
Total Non-Current Liabilities	567,712	564,576
TOTAL LIABILITIES	1,536,544	1,556,193
[NET ASSETS]		
SHAREHOLDERS' EQUITY		
Share capital	40,644	40,644
Capital surplus	42,048	42,048
Retained earnings	1,021,771	1,034,260
Treasury shares	(3,234)	(3,238)
Total Shareholders' Equity	1,101,230	1,113,715
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	42,530	56,039
Deferred gains or losses on hedges	204	(851)
Revaluation reserve for land	83,952	83,952
Foreign currency translation adjustment	79,190	108,051
Remeasurements of defined benefit plans	1,398	1,306
Total Accumulated Other Comprehensive Income	207,276	248,498
NON-CONTROLLING INTERESTS	201,725	212,196
TOTAL NET ASSETS	1,510,232	1,574,411
TOTAL LIABILITIES AND NET ASSETS	3,046,777	3,130,604

(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	FY2023 1st Quarter June 30, 2022	FY2024 1st Quarter June 30, 2023
Net sales	688,201	775,466
Cost of sales	558,575	618,664
GROSS PROFIT	129,626	156,802
Selling, general and administrative expenses	74,854	88,195
OPERATING INCOME	54,771	68,606
Non-operating income		
Interest income	992	2,030
Dividend income	426	375
Share of profit of entities accounted for using equity method	866	1,027
Foreign exchange gains	1,780	3,369
Other	1,300	1,323
Total non-operating income	5,365	8,128
Non-operating expenses		
Interest expenses	597	831
Litigation settlement	-	20
Currency option cost	236	316
Other	488	681
Total non-operating expenses	1,323	1,848
ORDINARY INCOME	58,814	74,886
Extraordinary income		
Gain on sale of non-current assets	35	120
Gain on sale of investment securities	-	0
Total extraordinary income	35	120
Extraordinary losses		
Loss on disposal of non-current assets	278	248
Impairment loss	37	-
Loss on sale of shares of subsidiaries	-	※2,216
Loss on sale of investment securities	12	-
Loss on valuation of investment securities	152	-
Total extraordinary losses	481	2,464
PROFIT BEFORE INCOME TAXES	58,368	72,542
Income taxes	11,962	16,271
PROFIT	46,406	56,271
Profit attributable to non-controlling interests	10,355	11,229
Profit attributable to owners of the parent	36,051	45,041

Consolidated Quarterly Statements of Comprehensive Income

(millions of yen)

For the first three months ended	FY2023 1st Quarter June 30, 2022	FY2024 1st Quarter June 30, 2023
Profit	46,406	56,271
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,141)	13,578
Deferred gains or losses on hedges	109	(1,055)
Foreign currency translation adjustment	34,155	33,375
Remeasurements of defined benefit plans, net of tax	85	(97)
Share of other comprehensive income of entities accounted for using equity method	4,861	2,028
Total other comprehensive income	36,069	47,828
Comprehensive income	82,475	104,100
Comprehensive income attributable to:		
owners of the parent	66,668	86,264
non-controlling interests	15,806	17,835

(3) Notes on Premise of a Going Concern

None

(4) Notes on consolidated statements of income

※ Loss on sale of shares of subsidiaries

In June 2023, Isuzu Motors Limited went into an agreement to sell all its shareholdings in local subsidiary ISUZU RUS to Russian automaker Sollers Public Joint Stock Company.

The extraordinary loss of 2,216-million-yen is recorded as loss on sale of shares of subsidiaries.

(5) 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.

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

None

(7) Important Subsequent Events

None

3. Supplementary Information

(1) Sales Condition

< Consolidated sales results >

		FY2023 (Fiscal year ending June 30, 2022)		FY2024 (Fiscal year ending June 30, 2023)		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
HD/MD CV	Japan	5,765	61,180	7,699	81,810	1,934	20,629
	Overseas	13,831	85,512	12,845	88,528	(986)	3,016
HD/MD CV		19,596	146,692	20,544	170,338	948	23,646
LD CV	Japan	4,085	16,362	7,485	31,877	3,400	15,515
	Overseas	50,486	111,216	41,773	128,606	(8,713)	17,389
LD CV		54,571	127,579	49,258	160,484	(5,313)	32,904
LCV	Overseas	93,731	213,449	88,324	236,676	(5,407)	23,226
	LCV	93,731	213,449	88,324	236,676	(5,407)	23,226
Total vehicles	Japan	9,850	77,543	15,184	113,688	5,334	36,144
	Overseas	158,048	410,179	142,942	453,811	(15,106)	43,632
Total vehicles		167,898	487,722	158,126	567,499	(9,772)	79,777
Industrial Engines	Japan	-	12,996	-	15,531	-	2,534
	Overseas	-	16,808	-	13,481	-	(3,326)
Industrial Engines		-	29,805	-	29,013	-	(792)
Other	Japan	-	117,077	-	124,096	-	7,019
	Overseas	-	53,596	-	54,857	-	1,260
Other		-	170,674	-	178,954	-	8,279
Sales amount	Japan	-	207,617	-	253,315	-	45,698
	Overseas	-	480,584	-	522,150	-	41,566
Sales amount		-	688,201	-	775,466	-	87,265

- (Note) 1. From the first quarter of the consolidated fiscal period, the categories of HD/MD vehicles and LD vehicles, etc. were renamed to HD/MD CV and LD CV respectively. In addition, a new category LCV was added to separately describe pickup trucks, etc. that were included in LD vehicles, etc. CV and LCV refer to commercial vehicles (trucks and buses) and pickup trucks and variant vehicle models respectively.
2. From the first quarter of the consolidated fiscal period, Parts for overseas production were spread across LD/MD CV, LD CV, and LCV depending on vehicle types. Because the number of Parts for overseas production were tallied and included in the respective volumes, it resulted in changes in the total number of units for the same period of the previous year.
3. From the first quarter of the consolidated fiscal period, the category Engines/Components was renamed to Industrial Engines, and a new category Other was added to separately describe components that were included in Engines/Components.
4. The sales results for the first quarter of the previous consolidated fiscal period were summarized and tabulated with new categories.

<Overseas Sales>

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.

FY2024 (April 1, 2023 through June 30, 2023)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	82,062	194,057	246,030	522,150
2 Consolidated sales	-	-	-	775,466
3 Overseas sales per Consolidated sales	% 10.6	% 25.0	% 31.7	% 67.3

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, Columbia, South Africa, Italy

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

made by the parent company and consolidated subsidiaries.