

# FY2022 Consolidated Financial Results (Japan GAAP)

(April 1, 2021 through March 31, 2022)

English Translation of the Original Japanese-Language Document



May 13, 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 general meeting of shareholders : June 28 2022  
 Expected starting date for distribution of cash dividends : June 29, 2022  
 Scheduled date for submission of financial statements : June 28, 2022  
 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, 2021 through March 31, 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	%
FY2022	2,514,291	31.8	187,197	95.5	208,406	99.9	126,193	195.5
FY2021	1,908,150	(8.3)	95,732	(31.9)	104,265	(30.9)	42,708	(47.4)

[Note] Comprehensive Income  
 FY2022 208,023 millions of yen 99.8%  
 FY2021 104,098 millions of yen 54.2%

	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	%	%	%
FY2022	162.87	-	11.4	8.2	7.4
FY2021	57.91	-	4.3	4.7	5.0

[Note] Equity Income from affiliated companies  
 FY2022 9,617 millions of yen  
 FY2021 5,066 millions of yen

[Note] The Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) has been adopted from the beginning of the current fiscal year (FY2022 ending on March 31, 2022). Though the figures of the current fiscal year have reflected the adoption of the said Accounting Standard, the influence of the adoption on the figures is minor, allowing us to show the year-on-year comparison.

### <2> Consolidated Financial Position

	Total Assets	Net Assets	The Capital adequacy ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2022	2,856,139	1,394,425	41.8	1,540.51
FY2021	2,244,970	1,205,013	45.5	1,385.36

[Note] Total Amount of Shareholders' Equity  
 FY2022 1,194,101 millions of yen  
 FY2021 1,021,782 millions of yen

[Note] The Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) has been adopted from the beginning of the current fiscal year. Consequently, the figures of the current fiscal year have reflected the adoption of the said Accounting Standard.

### <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
FY2022	172,056	(420,867)	186,145	341,713
FY2021	222,918	(93,413)	(55,275)	386,670

## 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	%	%
FY2021	-	10.00	-	20.00	30.00	22,153	51.8	2.2
FY2022	-	29.00	-	37.00	66.00	51,310	40.5	4.5
FY2023 (Forecast)	-	33.00	-	33.00	66.00		40.3	

## 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
FY2022	3,000,000	19.3	200,000	6.8	210,000	0.8	127,000	0.6	163.84

\*Notes

<1> Changes in significant subsidiaries during this period : Yes  
 Newly consolidated : UD Trucks Corporation  
 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  
 (8) Changes in Accounting Policies"

<3> Number of shares issued (common stock)  
 Number of shares issued and outstanding FY2022 777,442,069 Shares  
 at the end of the term (inclusive of treasury stock) FY2021 777,442,069 Shares  
 Number of treasury shares at the end of the term FY2022 2,307,049 Shares  
 FY2021 39,883,956 Shares  
 Average number of shares issued FY2022 774,809,245 Shares  
 FY2021 737,543,812 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, 2021 through March 31, 2022)

<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	%
FY2022	1,111,891	20.5	30,731	368.7	96,297	59.4	88,928	80.5
FY2021	922,628	(14.2)	6,556	(79.4)	60,425	(32.7)	49,275	(30.6)

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2022	114.77	-
FY2021	66.81	-

<2> Non-consolidated Financial Position

	Total Assets	Net Assets	The Capital adequacy ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2022	1,444,294	751,628	52.0	969.62
FY2021	1,117,071	657,786	58.9	891.79

Note: Total amount of shareholders' equity  
 FY2022 751,628 millions of yen  
 FY2021 657,786 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. 1. Overview of Financial Results and Financial Position- (1) Overview of Financial Results,

② Forecast for FY2023 ending March 2023"

• The Company has posted its financial results on its web site on Friday, May 13, 2022.

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# 1. Overview of Financial Results and Financial Position

## (1) Overview of Financial Results

### ① Financial Results for FY2022 ended March 2022

Commercial vehicle (CV) markets, especially overseas ones, in the current fiscal year significantly recovered from the downturn in the previous fiscal year caused by the spread of the COVID-19 pandemic. Though the Company's production was affected by disrupted supply chains, the consolidated total number of vehicles sold at home and abroad increased by 125,822 units (27.7 %) from the previous fiscal year to 579,957 units.

Vehicle unit sales in Japan fell by 6,482 units (10.6%) over the previous fiscal year to 54,589 units due to pandemic-related impact on the production, and those abroad rose by 132,304 units (33.7%) year-on-year to 525,368 units thanks to sales volume increases in many markets on the back of strong demand.

As regards sales amounts of products other than vehicles, sales of parts for overseas production grew by 22.5 billion yen (69.7%) year-over-year to 54.9 billion yen, engine and component sales rose by 20.7 billion yen (13.9%) year-on-year to 170.3 billion yen thanks mainly to an increase in unit sales of engines for industrial applications, and other sales climbed by 138.5 billion yen (32.7%) year-over-year to 562.4 billion yen.

Consequently, net sales rose by 606.1 billion yen (31.8%) compared with the previous fiscal year to 2,514.2 billion yen, which comprised 878.1 billion yen posted for Japan, up 16.8% year-on-year, and 1,636.1 billion yen for the rest of the world, up 41.5% year-over-year.

On the profit and loss front, operating income amounted to 187.1 billion yen, up 95.5% year-on-year, thanks to the effects of increased profits, promotion of cost reduction activities and favorable exchange rates, all of which well absorbed cost increase due to soaring raw material and logistics costs. Ordinary income reached 208.4 billion yen, up 99.9% year-on-year, and net income attributable to owners of the parent stood at 126.1 billion yen, up 195.5% year-over-year.

The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) from the beginning of the current fiscal year. For more details, please refer to (8) Changes in Accounting Policies in 3. Notes on Consolidated Financial Statements.

### ② Forecast for FY2023 ending March 2023

For FY2023 ending March 2023, as the strong demand is expected to continue in overseas markets, the Company foresees record-high levels of net sales and vehicle unit sales, though production restrictions due to semiconductor shortages are forecast to remain.

As regards profits and losses, the Company expects a record-high operating income, thanks to the promotion of cost reduction initiatives and favorable foreign exchange rates, in addition to the aforementioned effects of the increased net sales, though further increases in raw material and logistics costs are expected.

The forecast full-year consolidated financial results for FY2023 ending March 2023 are as follows:

Net sales	3,000 billion yen
Operating Income	200 billion yen
Ordinary Income	210 billion yen
Net Income Attributable to Owners of Parent	127 billion yen

\* This forecast for FY2023 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 Financial Position

### ① Assets, Liabilities and Net Assets

Total assets as of the end of the current fiscal year rose by 611.1 billion yen from March 31, 2021 to 2,856.1 billion yen, mainly due to increases in inventories of 189.4 billion yen, property, plant and equipment of 151.3 billion yen, notes and accounts receivable of 83.4 billion yen, and lease receivables and investments in leases of 54.5 billion yen, all of these mainly derived from the inclusion of UD Trucks Corp. and its 14 subsidiaries in the Company's consolidation scope following the acquisition of its stakes, as well as due to an increase in investment securities of 58.1 billion yen owing to a purchase of Toyota shares and a rise in market values of listed shares.

Liabilities grew by 421.7 billion yen from March 31, 2021 to 1,461.7 billion yen, mainly because of increases in interest-bearing liabilities of 213.9 billion yen, notes and accounts payable of 108.7 billion yen, and accrued expenses of 42.9 billion yen.

Net assets increased by 189.4 billion yen from March 31, 2021 to 1,394.4 billion yen, mainly due to 126.1 billion yen posted as the net income attributable to owners of the parent and an increase in foreign currency translation adjustment of 41.6 billion yen, partially offset by a decrease in retained earnings of 37.3 billion yen as a result of dividend payments.

The capital adequacy ratio stood at 41.8%, compared with 45.5% as of March 31, 2021.

Interest-bearing liabilities grew by 213.9 billion yen from March 31, 2021 to 530.4 billion yen.

### ② Cash flows Data

Cash and cash equivalents (hereinafter referred to as "funds") as of the end of the current fiscal year fell by 44.9 billion yen from March 31, 2021 to 341.7 billion yen; more specifically, out of the funds from operating activities of 172.0 billion yen and financing activities of 186.1 billion yen, 420.8 billion yen was used for investing activities.

Free cash flows, calculated by deducting investing cash flows from operating cash flows, recorded an outflow of funds of 248.8 billion yen, against an inflow of funds of 129.5 billion yen as of March 31, 2021.

#### [Cash Flow from Operating Activities]

Funds provided by operating activities amounted to 172.0 billion yen, down 22.8% from March 31, 2021, mainly due to inflows of funds of 204.2 billion yen and 98.3 billion yen recorded for profit before income taxes and depreciation, respectively, and 32.5 billion yen derived from an increase in notes and accounts payable, partially offset by outflows of funds of 105.2 billion yen from an increase in inventories and 46.9 billion yen from income taxes paid.

#### [Cash Flow from Investing Activities]

Funds used in investing activities reached 420.8 billion yen, up 350.5% from March 31, 2021, mainly due to outflows of funds of 290.5 billion yen from acquisition of shares in UD Trucks Corp., which changed the Company's consolidation scope, 100.3 billion yen from acquisition of non-current assets, and 42.9 billion yen from acquisition of investment securities.

#### [Cash Flow from Financing Activities]

Funds provided by financing activities reached 186.1 billion yen, against an outflow of funds of 55.2 billion yen as of March 31, 2021, mainly due to inflows of funds of 196.5 billion yen from execution of long-term borrowings, 42.8 billion yen from disposal of treasury shares, and 41.7 billion yen from an increase in short-term borrowings, partially offset by outflows of funds of 58.1 billion yen from repayments of long-term borrowings, 37.3 billion yen from dividend payment, and 21.8 billion yen from dividend payment to non-controlling interests.

### **(3) Basic Policy regarding Earnings Appropriation and Dividend for FY2022 and FY2023**

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 pay a year-end dividend for the current fiscal year of 37 yen per share, up 8 yen over the 29 yen per share forecast before, due to more-than-expected net income 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.

As regards the total amount of dividends to be paid for the next fiscal year, we plan to pay 66 yen per share, the same amount as in the current fiscal year.

## **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

#### (1) Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>[ASSETS]</b>		
<b>CURRENT ASSETS</b>		
Cash and deposits	404,754	356,018
Notes and accounts receivable	287,790	-
Notes and accounts receivable, and contract assets	-	371,249
Lease receivables and investments in leases	135,997	190,522
Merchandise and finished goods	182,328	281,309
Work in process	25,207	49,946
Raw materials and supplies	80,728	146,422
Other	67,793	96,494
Allowance for doubtful accounts	(1,253)	(1,217)
<b>Total Current Assets</b>	<b>1,183,346</b>	<b>1,490,745</b>
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	178,417	209,638
Machinery, equipment and vehicles, net	163,673	168,786
Land	284,836	371,765
Leased assets, net	4,684	7,346
Vehicles on operating leases, net	78,693	85,727
Construction in progress	28,301	44,914
Other, net	28,955	30,702
<b>Total Property, Plant and Equipment</b>	<b>767,563</b>	<b>918,881</b>
<b>Intangible assets</b>		
Goodwill	2,018	20,519
Other	16,945	66,887
<b>Total Intangible Assets</b>	<b>18,964</b>	<b>87,407</b>
<b>Investments and other assets</b>		
Investment securities	191,682	249,832
Long-term loans receivable	1,043	1,035
Retirement benefit asset	2,372	3,144
Deferred tax assets	43,854	55,095
Other	37,163	51,534
Allowance for doubtful accounts	(1,020)	(1,537)
<b>Total Investments and Other Assets</b>	<b>275,096</b>	<b>359,104</b>
<b>Total Non-Current Assets</b>	<b>1,061,623</b>	<b>1,365,394</b>
<b>TOTAL ASSETS</b>	<b>2,244,970</b>	<b>2,856,139</b>

(millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>[LIABILITIES]</b>		
<b>CURRENT LIABILITIES</b>		
Notes and accounts payable	329,540	436,365
Electronically recorded obligations - operating	58,382	60,332
Short-term borrowings	52,913	139,160
Lease obligations	5,918	8,659
Income taxes payable	17,507	27,593
Accrued expenses	57,800	100,735
Provision for bonuses	20,242	23,553
Provision for bonuses for directors	375	246
Provision for product warranties	5,921	5,075
Deposits received	4,353	4,898
Other	71,010	91,576
<b>Total Current Liabilities</b>	<b>623,965</b>	<b>898,195</b>
<b>NON-CURRENT LIABILITIES</b>		
Bonds payable	50,000	80,000
Long-term borrowings	193,210	286,650
Lease obligations	14,518	16,009
Deferred tax liabilities	582	4,272
Deferred tax liabilities for land revaluation	42,135	42,135
Provision for maintenance costs	4,432	6,170
Provision for share-based remuneration for directors	136	418
Net defined benefit liability	89,015	97,151
Provision for product warranties	-	4,859
Long-term deposits received	1,647	2,723
Other	20,313	23,127
<b>Total Non-Current Liabilities</b>	<b>415,991</b>	<b>563,518</b>
<b>TOTAL LIABILITIES</b>	<b>1,039,956</b>	<b>1,461,714</b>
<b>[NET ASSETS]</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	40,644	40,644
Capital surplus	42,599	42,606
Retained earnings	849,673	928,371
Treasury shares	(54,090)	(3,290)
<b>Total Shareholders' Equity</b>	<b>878,826</b>	<b>1,008,332</b>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>		
Valuation difference on available-for-sale securities	52,942	53,990
Deferred gains or losses on hedges	(796)	(1,102)
Revaluation reserve for land	83,881	83,952
Foreign currency translation adjustment	7,830	49,459
Remeasurements of defined benefit plans	(901)	(531)
<b>Total Accumulated Other Comprehensive Income</b>	<b>142,955</b>	<b>185,768</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>183,230</b>	<b>200,324</b>
<b>TOTAL NET ASSETS</b>	<b>1,205,013</b>	<b>1,394,425</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,244,970</b>	<b>2,856,139</b>

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

Consolidated Statements of Income

(millions of yen)

	FY2021 Fiscal year ending March 31, 2021	FY2022 Fiscal year ending March 31, 2022
Net sales	1,908,150	2,514,291
Cost of sales	1,605,111	2,056,104
<b>GROSS PROFIT</b>	<b>303,038</b>	<b>458,187</b>
<b>Selling, general and administrative expenses</b>		
Transportation costs	31,230	50,509
Promotion expenses	9,795	8,225
Advertising expenses	4,240	5,561
Unpaid repair expenses	18,166	17,891
Provision for product warranties	3,150	4,254
Salaries and allowances	74,464	96,664
Provision for bonuses	12,425	15,367
Provision for bonuses for directors	331	197
Provision for share-based remuneration for directors	-	418
Retirement benefit expenses	4,649	4,759
Depreciation	12,215	21,434
Other	36,636	45,705
Total Selling, general and administrative expenses	207,305	270,989
<b>OPERATING PROFIT</b>	<b>95,732</b>	<b>187,197</b>
<b>Non-operating income</b>		
Interest income	3,144	3,335
Dividend income	2,313	5,232
Share of profit of entities accounted for using equity method	5,066	9,617
Rental income	162	241
Foreign exchange gains	1,746	5,779
Other	4,040	4,107
<b>Total non-operating income</b>	<b>16,474</b>	<b>28,314</b>
<b>Non-operating expenses</b>		
Interest expenses	2,859	2,130
Litigation settlement	840	59
Compensation expenses	443	-
Currency option cost	290	249
Other	3,506	4,666
<b>Total non-operating expenses</b>	<b>7,941</b>	<b>7,106</b>
<b>ORDINARY PROFIT</b>	<b>104,265</b>	<b>208,406</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	180	177
Gain on sales of investment securities	714	2,923
<b>Total extraordinary income</b>	<b>895</b>	<b>3,100</b>
<b>Extraordinary losses</b>		
Loss on disposal of non-current assets	975	1,621
Impairment loss	13,840	343
Loss on sales of investment securities	38	40
Loss on valuation of investment securities	176	5,017
Loss on valuation of investments in capital of subsidiaries and associates	-	62
Loss on COVID-19	3,298	104
Other	-	34
<b>Total extraordinary losses</b>	<b>18,331</b>	<b>7,224</b>
<b>Profit before income taxes</b>	<b>86,829</b>	<b>204,281</b>
<b>Income taxes-current</b>	<b>31,666</b>	<b>53,134</b>
<b>Income taxes-deferred</b>	<b>2,626</b>	<b>(5,572)</b>
<b>Total Income taxes</b>	<b>34,292</b>	<b>47,562</b>
<b>Profit</b>	<b>52,537</b>	<b>156,719</b>
<b>Profit attributable to non-controlling interests</b>	<b>9,828</b>	<b>30,526</b>
<b>Profit attributable to owners of parent</b>	<b>42,708</b>	<b>126,193</b>

## Consolidated Statements of Comprehensive Income

(millions of yen)

	FY2021 Fiscal year ending March 31, 2021	FY2022 Fiscal year ending March 31, 2022
<b>Profit</b>	52,537	156,719
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	27,565	861
Deferred gains or losses on hedges	(1,098)	(305)
Foreign currency translation adjustment	17,366	42,887
Remeasurements of defined benefit plans, net of tax	7,757	443
Share of other comprehensive income of entities accounted for using equity method	(28)	7,416
Total other comprehensive income	<b>51,561</b>	<b>51,303</b>
<b>Comprehensive income</b>	<b>104,098</b>	<b>208,023</b>
<b>Comprehensive income attributable to</b>		
owners of the parent	90,160	168,935
non-controlling interests	13,938	39,087

### (3) Consolidated Statements of Changes in Net Assets

FY2021 (Fiscal year ending March 31, 2021)

(millions of yen)

	Shareholders' Equity				
	Share Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	<b>40,644</b>	<b>42,503</b>	<b>924,729</b>	<b>(150,441)</b>	<b>857,436</b>
Changes during period					
Dividends of surplus			(21,414)		(21,414)
Profit attributable to owners of parent			42,708		42,708
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares				10	10
Cancellation of treasury shares		(96,336)		96,336	-
Transfer to capital surplus from retained earnings		96,336	(96,336)		-
Change in capital surplus due to transactions with non-controlling interests		95			95
Change of scope of equity method			(12)	9	(3)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	95	(75,055)	96,350	21,390
Balance at the end of current period	<b>40,644</b>	<b>42,599</b>	<b>849,673</b>	<b>(54,090)</b>	<b>878,826</b>

	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	<b>25,597</b>	<b>302</b>	<b>83,881</b>	<b>(5,517)</b>	<b>(8,760)</b>	<b>95,503</b>	<b>180,442</b>	<b>1,133,381</b>
Changes during period								
Dividends of surplus								(21,414)
Profit attributable to owners of parent								42,708
Purchase of treasury shares								(5)
Disposal of treasury shares								10
Cancellation of treasury shares								-
Transfer to capital surplus from retained earnings								-
Change in capital surplus due to transactions with non-controlling interests								95
Change of scope of equity method								(3)
Net changes of items other than shareholders' equity	27,344	(1,098)	-	13,347	7,859	47,452	2,788	50,241
Total changes of items during period	27,344	(1,098)	-	13,347	7,859	47,452	2,788	71,631
Balance at the end of current period	<b>52,942</b>	<b>(796)</b>	<b>83,881</b>	<b>7,830</b>	<b>(901)</b>	<b>142,955</b>	<b>183,230</b>	<b>1,205,013</b>

	Shareholders' Equity				
	Share Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	<b>40,644</b>	<b>42,599</b>	<b>849,673</b>	<b>(54,090)</b>	<b>878,826</b>
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	<b>40,644</b>	<b>42,606</b>	<b>928,371</b>	<b>(3,290)</b>	<b>1,008,332</b>

	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	<b>52,942</b>	<b>(796)</b>	<b>83,881</b>	<b>7,830</b>	<b>(901)</b>	<b>142,955</b>	<b>183,230</b>	<b>1,205,013</b>
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	<b>53,990</b>	<b>(1,102)</b>	<b>83,952</b>	<b>49,459</b>	<b>(531)</b>	<b>185,768</b>	<b>200,324</b>	<b>1,394,425</b>

**(4) Consolidated Statements of Cash Flows**

(millions of yen)

	FY2021 Fiscal year ending March 31, 2021	FY2022 Fiscal year ending March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	86,829	204,281
Depreciation	82,354	98,335
Share of (profit) loss of entities accounted for using equity method	(5,066)	(9,617)
Increase (decrease) in provision for product warranties	(715)	138
Increase (decrease) in provision for bonuses	(403)	501
Increase (decrease) in provision for bonuses for directors	179	(140)
Amortization of goodwill	2,207	4,334
Increase (decrease) in allowance for doubtful accounts	567	(136)
Increase (decrease) in provision for maintenance costs	545	1,738
Increase (decrease) in provision for share-based remuneration for directors	(62)	282
Increase (decrease) in retirement benefit liability	17	(775)
Interest and dividends income	(5,458)	(8,568)
Interest expenses	2,859	2,130
Loss (gain) on sales of non-current assets	(180)	(177)
Loss (gain) on disposal of non-current assets	975	1,621
Loss (gain) on sales of investment securities	(675)	(2,882)
Loss (gain) on valuation of investment securities	176	5,017
Loss on valuation of investments in capital of subsidiaries and associates	-	62
Impairment loss	13,840	343
Decrease (increase) in notes and accounts receivable	(11,255)	605
Net decrease (increase) in lease receivables and investments in leases	855	(5,437)
Decrease (increase) in inventories	38,494	(105,245)
Decrease (increase) in other current assets	2,383	(16,462)
Increase (decrease) in notes and accounts payable	15,981	32,523
Increase (decrease) in accrued expenses	8,285	13,507
Increase (decrease) in deposits received	928	17
Increase (decrease) in other liabilities	14,574	(7,407)
Other, net	703	1,771
(Subtotal)	<u>248,943</u>	<u>210,361</u>
Interest and dividends received	7,545	10,783
Interest paid	(2,906)	(2,187)
Income taxes paid	<u>(30,664)</u>	<u>(46,901)</u>
Net cash provided by (used in) operating activities	<b>222,918</b>	<b>172,056</b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(49)	(42,981)
Proceeds from sales of investment securities	2,419	5,496
Purchase of non-current assets	(97,891)	(100,325)
Proceeds from sales of non-current assets	5,492	7,312
Long-term loan advances	(351)	(280)
Collection of long-term loans receivable	340	320
Net decrease (increase) in short-term loans receivable	168	12
Net decrease (increase) in time deposits	(369)	943
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(290,563)
Other, net	<u>(3,172)</u>	<u>(801)</u>
Net cash provided by (used in) investing activities	<b>(93,413)</b>	<b>(420,867)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(26,776)	41,715
Proceeds from long-term borrowings	43,300	196,500
Repayments of long-term borrowings	(84,873)	(58,140)
Proceeds from bonds issues	50,000	30,000
Proceeds from share issuance to non-controlling shareholders	5,426	-
Repayments of lease obligations	(4,496)	(5,314)
Proceeds from disposal of treasury shares	-	42,822
Purchase of treasury shares	(4)	(2,258)
Dividends paid	(21,412)	(37,300)
Dividends paid to non-controlling interests	(16,258)	(21,876)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(180)	0
Net cash provided by (used in) financing activities	<u>(55,275)</u>	<u>186,145</u>
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>	<b>8,465</b>	<b>17,708</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>82,695</b>	<b>(44,956)</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>303,974</b>	<b>386,670</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>386,670</b>	<b>341,713</b>

(5) Notes on Premise of a Going Concern

None

(6) 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.

(7) Per Share Information

FY2021		FY2022	
Net assets per share (yen)	1,385.36	Net assets per share (yen)	1,540.51
Net income per share (yen)	57.91	Net income per share (yen)	162.87

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

	FY2021	FY2022
Net income (millions of yen)	42,708	126,193
Amount not attributable to common shareholders (millions of yen)	-	-
Net income associated with common shares (millions of yen)	42,708	126,193
Average number of shares (shares)	737,543,812	774,809,245

## (8) Changes in Accounting Policies

### (Adoption of Accounting Standard for Revenue Recognition)

The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020, hereinafter referred to as the “Revenue Recognition Accounting Standard”) from the beginning of the current fiscal year, according to which revenue is recognized when control of promised goods or services is transferred to customers, at the amounts expected to be received in exchange for those goods or services.

Consequently, part of consideration paid to customers, such as sales commissions previously recorded as selling, general and administrative expenses, is now reduced from transaction prices. As regards transactions done by the Company’s subsidiaries as agents, the revenue was recognized as the total sum of consideration received from customers; however, the revenue is now recognized as the net amounts calculated by subtracting the amounts paid to suppliers from the amounts received from customers. Furthermore, as regards paid supply transactions, the paid supply materials were recognized as extinguished; however, where the Company is obliged to buy them back, they now are not recognized as extinguished.

As a result, in the current fiscal year, net sales, cost of sales, and selling, general and administrative expenses fell by 9,601 million yen, 2,757 million yen, and 6,844 million yen, respectively. On the other hand, inventories and other current liabilities rose by 4,963 million yen and 4,963 million yen, respectively.

Because the Revenue Recognition Accounting Standard has been adopted from the beginning of the current fiscal year, “Notes and accounts receivable”, which was shown in the Current Assets section on the previous fiscal year’s consolidated balance sheets, is now included in “Notes and accounts receivable, and contract assets” from the beginning of the current fiscal year. According to the transitional treatment provided in Paragraph 89-2 of the Revenue Recognition Accounting Standard, the previous fiscal year’s consolidated balance sheets are not reclassified due to this change.

### (Adoption of Accounting Standard concerning Fair Value Measurement)

The Company has adopted the Accounting Standard for Fair Value Measurement (ASBJ Statement No.30, July 4, 2019, hereinafter referred to as the “Fair Value Measurement Accounting Standard”) from the beginning of the current fiscal year, applying new accounting policies defined in the Fair Value Measurement Accounting Standard over the future, according to the transitional treatment specified in Paragraph 19 of the Fair Value Measurement Accounting Standard and in Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No.10, July 4, 2019). This adoption has no influence on the Company’s consolidated financial statements of the current fiscal year.

(9) Business Combinations

(Business combinations through acquisition)

The Company acquired all the shares in UD Trucks Corp. on April 1, 2021.

1. Overview of the business combination

(1) Name of the acquired company and business description

Name of the acquired business: UD Trucks Corp. (hereinafter referred to as “UDT”)  
Business description: Development, manufacture, export and sales of trucks; production and sales of parts for vehicles

(2) Main reason for the business combination

The auto industry has been facing a once-in-a-century upheaval, and particularly in the commercial vehicle segment, creation of new solutions including about advanced technologies is demanded to address various issues and challenges in the logistics industry, as well as to meet a wide variety of customer needs across the globe.

The Company, sharing these issues and challenges with Aktiebolaget Volvo (hereinafter “AB Volvo”, headquartered in Gothenburg, Sweden), executed agreements to form a strategic alliance with AB Volvo within the commercial vehicle segment on October 30, 2020, based on which the Company and AB Volvo will intend to closely collaborate with each other to deepen existing technologies and develop advanced ones, leveraging the two companies’ mutual complementarity of expertise, as well as using excellent technologies each has and a larger volume base created by this strategic alliance.

As the first step for this strategic alliance, the Company acquired all the shares owned by AB Volvo in UDT (hereinafter the “UDT Share Acquisition”), in order to further strengthen its heavy-duty truck business in Japan and abroad and to swiftly achieve results of the strategic collaboration.

The Company, together with UDT, will aim to create synergies in the long run and solve issues and challenges facing the logistics industry in the future, based on the stronger and closer relationship with AB Volvo.

(3) Date of the business combination

April 1, 2021

(4) Legal form of the business combination

Share acquisition with cash as the consideration

(5) Name of the acquired business after the business combination

No change

(6) Percentage of the voting rights acquired

100.0%

(7) Basis for determining the acquirer

The Company acquired all the shares in UDT with cash as the consideration.

(8) Other items related to the overview of the business combination

In the wake of the UDT Share Acquisition, 14 subsidiaries and three affiliated companies of UDT have become Isuzu Group companies.

2. Financial result period of the acquired business included in the consolidated statements of income of the current fiscal year

From April 1, 2021 to December 31, 2021

3. Acquisition cost of the acquired business and breakdown by type of consideration

Consideration for the acquisition	Cash	56,898 million yen
The earn-out clause	Cash	1,880 million yen
<hr/>		
Acquisition cost		58,778 million yen

(Note) The aforementioned consideration for the acquisition has reflected the transfer price adjustment according to the share transfer agreement for the UDT Share Acquisition. In addition, the said share transfer agreement includes an earn-out clause with 15,000 million yen as the upper limit to be paid.

The Company repaid in subrogation performance borrowings payable by UDT and its subsidiaries to AB Volvo Group companies (261,534 million yen). Consequently, the amount paid by the Company to AB Volvo for the UDT Share Acquisition amounted to 320,312 million yen, including the aforementioned consideration for the acquisition.

4. Descriptions and amounts of major acquisition-related costs

Advisory fees and commissions 1,810 million yen

5. Amount of goodwill generated, cause of the generation, and the amortization method & period

(1) Amount of goodwill generated

22,716 million yen

(2) Cause of the generation

This goodwill represents future excess earning power expected from future business development.

(3) Amortization method and period

Equal amortization over seven years

6. Breakdown of assets acquired and liabilities assumed at the date of the business combination and the corresponding amounts

Current assets	207,415 million yen
Non-current assets	206,156 million yen
Total assets	<hr/> 413,571 million yen
Current liabilities	353,245 million yen
Non-current liabilities	24,263 million yen
Total liabilities	<hr/> 377,508 million yen

7. Details of the earn-out clause in the business combination agreement and its accounting policy for the current fiscal year and beyond

The share transfer agreement for the UDT Share Acquisition includes the earn-out clause with 15,000 million yen as the upper limit to be paid. If any additional payment according to the said clause is made, the payment will be regarded as having been paid at the time of the acquisition of UDT, with the acquisition price and the amounts of goodwill and its amortization revised accordingly.

8. Amount posted as intangible assets other than goodwill, its breakdown by major items with their weighted average amortization periods

(1) Amount posted as intangible assets other than goodwill

46,755 million yen

(2) Breakdown by major items with their amortization periods

Trademark	20,513 million yen	Amortization period 10 years
Patent	20,342 million yen	Amortization period 8 years
Customer-related assets	5,900 million yen	Amortization period 20 years

9. Estimated amounts of influence on the consolidated statements of income for the Consolidated Statements of Income in the current fiscal year on the assumption that the business combination was completed at the beginning of the current fiscal year, and their calculation method

Net sales	67,047 million yen
Operating income	1,052 million yen

(Calculation method for the estimated amounts)

The estimated amounts of influence were calculated based on information on net sales, profits and losses of the acquired business from January 1, 2021 through March 31, 2021, a period until the date of the business combination on the assumption that the business combination was completed at the beginning of the current fiscal year. In addition, this calculation was done with the goodwill, etc. recognized at the time of the business combination regarded as having accrued at the beginning of the current fiscal year.

Please note that the aforementioned estimated amounts and their calculation method did not receive any audit certification.

(10) Important Subsequent Events

None

#### 4. Other

##### (1) Sales Condition (Consolidated)

		FY2021 (Fiscal year ending March 31, 2021)		FY2022 (Fiscal year ending March 31, 2022)		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
	Japan	26,757	244,683	29,323	298,105	2,566	53,422
	Overseas	29,468	149,653	49,091	264,579	19,623	114,926
HD/MD vehicles		56,225	394,337	78,414	562,684	22,189	168,347
	Japan	34,314	133,424	25,266	96,568	(9,048)	(36,856)
	Overseas	363,596	774,484	476,277	1,067,255	112,681	292,771
LD vehicles, etc		397,910	907,909	501,543	1,163,823	103,633	255,914
	Japan	61,071	378,108	54,589	394,673	(6,482)	16,565
	Overseas	393,064	924,138	525,368	1,331,834	132,304	407,696
Total vehicles		454,135	1,302,246	579,957	1,726,507	125,822	424,261
	Overseas	-	32,358	-	54,926	-	22,568
Parts for overseas production		-	32,358	-	54,926	-	22,568
	Japan	-	51,198	-	58,296	-	7,098
	Overseas	-	98,463	-	112,093	-	13,630
Engines/Components		-	149,661	-	170,390	-	20,729
	Japan	-	322,326	-	425,177	-	102,851
	Overseas	-	101,556	-	137,289	-	35,733
Other		-	423,883	-	562,466	-	138,583
	Japan	-	751,633	-	878,147	-	126,514
	Overseas	-	1,156,517	-	1,636,143	-	479,626
Sales amount		-	1,908,150	-	2,514,291	-	606,141

## (2) Overseas Sales

FY2021 (April 1, 2020 through March 31, 2021)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	121,792	563,914	470,810	1,156,517
2 Consolidated sales	-	-	-	1,908,150
3 Overseas sales per Consolidated sales	% 6.4	% 29.6	% 24.7	% 60.6

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, Colombia, South Africa, Italy

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

made by the parent company and consolidated subsidiaries.

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.