

FY2025 Consolidated Financial Results (Japan GAAP)

(April 1, 2024 through March 31, 2025)

English Translation of the Original Japanese-Language Document



MEMBERSHIP
May 14, 2025

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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 Public Relations Department Tel. (045)299-9099
 Scheduled date for general meeting of shareholders : June 26, 2025
 Expected starting date for distribution of cash dividends : June 27, 2025
 Scheduled date for submission of financial statements : June 25, 2025
 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, 2024 through March 31, 2025)

<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 | % |
| FY2025 | 3,208,084 | (5.3) | 229,109 | (21.8) | 248,231 | (20.7) | 134,363 | (23.8) |
| FY2024 | 3,386,676 | 6.0 | 293,085 | 15.6 | 313,039 | 16.0 | 176,442 | 16.3 |

[Note] Comprehensive Income FY2025 179,707 millions of yen (44.4%)
 FY2024 323,093 millions of yen 44.0%

| | 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 | % | % | % |
| FY2025 | 183.02 | - | 9.3 | 7.6 | 7.1 |
| FY2024 | 229.92 | - | 12.7 | 9.9 | 8.7 |

[Note] Equity Income from affiliated companies FY2025 10,337 millions of yen
 FY2024 2,657 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 |
| FY2025 | 3,288,944 | 1,606,413 | 43.9 | 2,026.43 |
| FY2024 | 3,263,001 | 1,659,029 | 44.8 | 1,951.02 |

[Note] Total Amount of Shareholders' Equity FY2025 1,442,823 millions of yen
 FY2024 1,460,695 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 |
| FY2025 | 217,658 | (177,891) | (64,591) | 371,763 |
| FY2024 | 298,568 | (155,080) | (144,977) | 384,878 |

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 | % | % |
| FY2024 | - | 43.00 | - | 49.00 | 92.00 | 70,219 | 40.0 | 5.1 |
| FY2025 | - | 46.00 | - | 46.00 | 92.00 | 66,953 | 50.3 | 4.6 |
| FY2026 (Forecast) | - | 46.00 | - | 46.00 | 92.00 | | 50.4 | |

[Note] The consolidated earnings forecast for the fiscal year ending March 31, 2026 is made in accordance with International Financial Reporting Standards (IFRS), and the dividend is also estimated based on the IFRS-based earnings forecast.

3. Consolidated Financial Forecast for FY2026 (April 1, 2025 through March 31, 2026)

(% indicates increase/decrease from previous term.)

| | Revenue | | Operating profit | | Profit before tax | | Profit attributable to owners of parent | | Basic earnings per share |
|--------|-----------------|---|------------------|---|-------------------|---|---|---|--------------------------|
| | millions of yen | % | millions of yen | % | millions of yen | % | millions of yen | % | yen |
| FY2025 | 3,300,000 | - | 210,000 | - | 220,000 | - | 130,000 | - | 182.58 |

[Note] The Isuzu Group will voluntarily start applying International Financial Reporting Standards (IFRS), in lieu of Japanese GAAP, to its consolidated financial statements for the fiscal year ended March 31, 2025 onwards. For this reason, the consolidated financial forecast for the fiscal year ending March 31, 2026 is prepared based on IFRS and does not include percentage changes from the actual figures for the fiscal year ended March 31, 2025, which was prepared based on Japanese GAAP.

*Notes

<1> Changes in significant subsidiaries during this period : YES
 Newly consolidated : IC Engineering Corp.
 Excluded from the scope of consolidation : IJTT Co., Ltd., UD Financial Services Co., Ltd.
 TOKAI CORPORATION,
 IJTT (Thailand) Co.,Ltd., PT.Jidosha buhin Indonesia
 P.T. Asian Isuzu Casting Center,
 Isuzu Diesel Services of America, Inc.

<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 details, please refer to

3. Consolidated Financial Statements and Major Notes

(8) Notes on Changes in Accounting Policies on page 14 of the attached document.

<3> Number of shares issued (common stock)

| | | | |
|--|--------|-------------|--------|
| Number of shares issued and outstanding | FY2025 | 713,526,569 | Shares |
| at the end of the term (inclusive of treasury stock) | FY2024 | 777,442,069 | Shares |
| Number of treasury shares at the end of the term | FY2025 | 1,522,493 | Shares |
| | FY2024 | 28,760,765 | Shares |
| Average number of shares issued | FY2025 | 734,156,978 | Shares |
| | FY2024 | 767,393,388 | 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, 2024 through March 31, 2025)

<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 | % |
| FY2025 | 1,428,208 | 8.4 | (22,379) | - | 85,143 | (46.0) | 77,672 | (49.0) |
| FY2024 | 1,318,030 | 0.9 | 14,423 | (57.5) | 157,726 | (19.1) | 152,383 | (18.4) |

| | Net Income per Share | | Net Income per Share after Dilution of Potential Stock | |
|--------|----------------------|--|--|--|
| | yen | | yen | |
| FY2025 | 105.79 | | - | |
| FY2024 | 198.56 | | - | |

<2> Non-consolidated Financial Position

| | Total Assets | Net Assets | The Capital adequacy ratio | Net Assets per Share |
|--------|-----------------|-----------------|----------------------------|----------------------|
| | millions of yen | millions of yen | % | yen |
| FY2025 | 1,661,382 | 850,812 | 51.2 | 1,194.87 |
| FY2024 | 1,621,544 | 945,807 | 58.3 | 1,263.22 |

Note: Total amount of shareholders' equity
 FY2025 850,812 millions of yen
 FY2024 945,807 millions of yen

<Reasons for Differences between Non-consolidated Financial Results and Actual Results for the Previous Fiscal Year>

There are differences between Non-consolidated Financial Results for the current fiscal year and actual figures for the previous year mainly due to rising R&D and material costs, among other things.

*This Financial Results report is out of scope of Financial Audit by certified public accountants or an audit firm.

*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

②Forecast for FY2026 ending March 2026"

• The Company has posted its financial results on its web site on Wednesday, May 14, 2025.

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1. Overview of Financial Results and Financial Position

(1) Overview of Consolidated Financial Results

① Financial Results for FY2025 ended March 2025

The total number of vehicles sold at home and abroad for the fiscal year ended March 2025 decreased by 142,172 units (21.3%) compared with the previous fiscal year to 524,637 units.

Vehicle unit sales in Japan rose by 14,535 units (23.1%) over the previous fiscal year to 77,467 units due to a sales expansion of the full-model-changed vehicles in the market. Regarding overseas unit sales, the unit sales of CV (commercial vehicles, i.e. trucks and buses), dropped by 26,085 units (10.7%) year-on-year to 218,220 units mainly in North America and Europe where back-orders normalized, and the unit sales of LCV (light commercial vehicles, i.e. pick-up trucks and its derivative vehicles), decreased by 130,622 (36.3%) year-on-year to 228,950 units due to severe market conditions for both Thailand and its export markets, and inventory adjustments by dealers in Thailand.

Sales amounts of industrial engines fell by 9.4 billion yen (8.2%) year-over-year to 105.1 billion yen, and other sales grew by 9.9 billion yen (1.3%) year-over-year to 751.9 billion yen, thanks to a growth in business segments such as the vehicle life-cycle management business.

Consequently, net sales fell by 178.6 billion yen (5.3%) over the previous fiscal year to 3,208.1 billion yen, which comprised 1,241.4 billion yen posted for the Japanese market, up 11.9% year-on-year, and 1,966.7 billion yen for the rest of the world, down 13.7% year-on-year.

On the profit and loss front, the Company suffered a decrease in operating income, which amounted to 229.1 billion yen, down 21.8% year-over-year, due to the negative impacts of the decrease in the unit sales in overseas markets and the increase in material costs, outweighing the positive impacts of the price realization and the weaker yen. Ordinary income reached 248.2 billion yen, down 20.7% year-over-year, and net income attributable to owners of the parent company stood at 134.4 billion yen, down 23.8% year-over-year.

② Forecast for FY2026 ending March 2026

For the fiscal year ending March 2026, the Company expects an increase in the CV unit sales for the Japanese market, which will be driven by a production capacity increase for the high-in-demand vehicles that can be driven with an automatic transmission license, and the enrichment of vehicle model line-up. It also forecasts an increase in the CV unit sales for the overseas markets, mainly in Europe and Asia, despite an expected impact of the U.S. tariffs. Regarding LCV, an increase in the unit sales for Thailand is expected due to completion of inventory adjustment at dealers and a gradual recovery in demand from the second half of the fiscal year. The unit sales for exports from Thailand are projected to increase mainly in the African and Oceania regions.

On the profit and loss front, although the Company expects operating income to decrease by 19.1 billion yen, to 210 billion yen due to the severe situation in which the positive impacts of increased unit sales and the promotion of price realization are assumed to be outweighed by the negative impacts of rising material costs, the stronger yen, and the U.S. tariffs, it still intends to execute its scheduled plans of investment in development for future growth.

The forecast full-year consolidated financial results for FY2026 ending March 2026 are as follows:

| | |
|---|-------------------|
| Revenue | 3,300 billion yen |
| Operating profit | 210 billion yen |
| Profit before tax | 220 billion yen |
| Profit attributable to owners of parent | 130 billion yen |

* The above consolidated financial forecast is prepared in accordance with International Financial Reporting Standards (IFRS), and therefore, is not based on Japanese GAAP. Additionally, this forecast for FY2026 is calculated by the Company based on information available at the time and judged to be reasonable by the Company. It also includes risks and uncertainties such as global economic situations, market 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 at the end of the current fiscal year rose by 25.9 billion yen from March 31, 2024 to 3,288.9 billion yen, mainly due to increases in lease receivables and investments in leases of 34.1 billion yen, intangible assets of 15.5 billion yen, deferred tax assets of 12.3 billion yen and other current assets of 8.7 billion yen, partially offset by decreases in property, plant and equipment of 20.4 billion yen, cash and deposits of 13.9 billion yen and notes and accounts receivable, and contract assets of 12.3 billion yen.

Liabilities grew by 78.6 billion yen from March 31, 2024 to 1,682.5 billion yen, mainly because of an increase in interest-bearing liabilities of 119.1 billion yen, partially offset by decreases in accounts payable of 24.2 billion yen and retirement benefit liability of 10.7 billion yen.

Net assets decreased by 52.6 billion yen from March 31, 2024 to 1,606.4 billion yen, mainly associated with decreases in non-controlling interests of 34.7 billion yen, valuation difference on available-for-sale securities of 26.0 billion yen and retained earnings of 195.9 billion yen as a result of paying dividends and cancelling treasury shares, partially offset by 134.4 billion yen posted as the net income attributable to owners of the parent, 50.8 billion yen as a result of cancelling treasury shares and an increase in foreign currency translation adjustment of 21.7 billion yen.

The capital adequacy ratio stood at 43.9%, compared with 44.8% as of March 31, 2024.

Interest-bearing liabilities increased by 119.1 billion yen from March 31, 2024 to 675.9 billion yen.

② Overview of Cash Flows

Cash and cash equivalents (hereinafter referred to as Net cash) at the end of the current consolidated fiscal year decreased by 13.1 billion yen from March 31, 2024 to 371.8 billion yen; more specifically, out of the net cash from operating activities of 217.7 billion yen, 177.9 billion yen and 64.6 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 39.8 billion yen (versus an inflow of 143.5 billion yen a year earlier)

[Cash Flow from Operating Activities]

Net cash gained by operating activities amounted to 217.7 billion yen, down 27.1% compared to the prior fiscal year, mainly due to a decrease in notes and accounts payable of 30.3 billion yen, an increase in inventories of 14.0 billion yen and payments of income taxes and others of 75.0 billion yen, partially offset by fund inflows of 240.1 billion yen recorded for profit before income taxes, 110.4 billion yen for depreciation and a decrease in trade receivables of 22.3 billion yen.

[Cash Flow from Investing Activities]

Net cash used in investing activities amounted to 177.9 billion yen, up 14.7% compared to the prior fiscal year, mainly because of a fund outflow due to acquisition of non-current assets of 174.9 billion yen.

[Cash Flow from Financing Activities]

Net cash used in financing activities amounted to 64.6 billion yen, down 55.4% compared to the prior fiscal year, mainly because of fund outflows due to payment of long-term borrowings of 136.8 billion yen, purchase of treasury shares of 75.6 billion yen, dividend paid of 70.9 billion yen and dividends paid to non-controlling interests of 39.4 billion yen, partially offset by long-term obligations of 193.1 billion yen, an increase in commercial papers of 50.0 billion yen and proceeds from issuance of bonds of 30.0 billion yen.

(3) Basic Policy regarding Earnings Appropriation and Dividend for FY2025 and FY2026

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.

For FY2025 ended March 2025, the Company plans to pay a year-end dividend of 46 yen per share, unchanged from the previous forecast. Thus, the annual dividend consisting of the year-end and interim dividends amounts to be 92 yen per share in total.

For FY2026 ending March 2026, in consideration of the business outlook and the above-mentioned dividend policy, although the Company expects a decrease in profit, it will not reduce the dividend but will plan to pay 92 yen per share (i.e. interim dividend of 46 yen, and year-end dividend of 46 yen), which will be the same amount as for FY2025.

2. Basic Concept on Choice of Accounting Standards

The Group decided to replace the Japanese GAAP with the IFRS (International Financial Reporting Standards) starting from the consolidated financial statements included in the Annual Securities Report for the fiscal year ended March 31, 2025, aiming to provide internationally comparable accounting information and establish a global management foundation through unified accounting standards within the Group, in addition to enhancing convenience for shareholders.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|-------------------------|-------------------------|
| [ASSETS] | | |
| CURRENT ASSETS | | |
| Cash and deposits | 400,786 | 386,842 |
| Notes and accounts receivable, and contract assets | 420,702 | 408,435 |
| Lease receivables and investments in leases | 223,370 | 257,429 |
| Merchandise and finished goods | 445,692 | 457,495 |
| Work in process | 72,096 | 55,410 |
| Raw materials and supplies | 153,970 | 165,430 |
| Other | 103,920 | 112,602 |
| Allowance for doubtful accounts | (2,970) | (3,276) |
| Total Current Assets | 1,817,568 | 1,840,370 |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 213,224 | 195,130 |
| Machinery, equipment and vehicles, net | 161,946 | 137,729 |
| Land | 392,871 | 400,662 |
| Leased assets, net | 5,549 | 5,714 |
| Vehicles on operating leases, net | 92,622 | 101,928 |
| Construction in progress | 50,439 | 55,300 |
| Other, net | 59,040 | 58,790 |
| Total Property, Plant and Equipment | 975,694 | 955,256 |
| Intangible assets | | |
| Goodwill | 15,836 | 11,877 |
| Other | 73,748 | 93,199 |
| Total Intangible Assets | 89,584 | 105,077 |
| Investments and other assets | | |
| Investment securities | 283,581 | 274,579 |
| Long-term loans receivable | 1,028 | 956 |
| Retirement benefit asset | 3,785 | 4,858 |
| Deferred tax assets | 44,271 | 56,530 |
| Other | 49,309 | 53,288 |
| Allowance for doubtful accounts | (1,823) | (1,974) |
| Total Investments and Other Assets | 380,153 | 388,239 |
| Total Non-Current Assets | 1,445,432 | 1,448,573 |
| TOTAL ASSETS | 3,263,001 | 3,288,944 |

(millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|-------------------------|-------------------------|
| [LIABILITIES] | | |
| CURRENT LIABILITIES | | |
| Notes and accounts payable | 476,578 | 487,881 |
| Electronically recorded obligations - operating | 75,542 | 40,037 |
| Short-term borrowings | 204,590 | 180,491 |
| Commercial papers | - | 50,000 |
| Current portion of bonds payable | - | 30,000 |
| Lease obligations | 8,977 | 8,804 |
| Income taxes payable | 32,533 | 22,661 |
| Accrued expenses | 140,704 | 136,365 |
| Provision for bonuses | 30,248 | 28,885 |
| Provision for bonuses for directors | 316 | 266 |
| Provision for product warranties | 6,618 | 7,836 |
| Deposits received | 6,313 | 7,291 |
| Other | 100,719 | 109,368 |
| Total Current Liabilities | 1,083,144 | 1,109,889 |
| NON-CURRENT LIABILITIES | | |
| Bonds payable | 80,000 | 80,000 |
| Long-term borrowings | 239,266 | 301,886 |
| Lease obligations | 23,987 | 24,756 |
| Long-term income taxes payable | - | 237 |
| Deferred tax liabilities | 1,408 | 943 |
| Deferred tax liabilities for land revaluation | 42,135 | 43,336 |
| Provision for maintenance costs | 3,184 | 1,345 |
| Provision for share-based remuneration for directors | 1,517 | 171 |
| Net defined benefit liability | 86,292 | 75,574 |
| Provision for product warranties | 7,898 | 9,416 |
| Long-term deposits received | 2,502 | 2,588 |
| Other | 32,632 | 32,383 |
| Total Non-Current Liabilities | 520,827 | 572,641 |
| TOTAL LIABILITIES | 1,603,972 | 1,682,530 |
| [NET ASSETS] | | |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 40,644 | 40,644 |
| Capital surplus | 43,304 | 42,460 |
| Retained earnings | 1,132,211 | 1,065,757 |
| Treasury shares | (53,133) | (2,364) |
| Total Shareholders' Equity | 1,163,027 | 1,146,498 |
| ACCUMULATED OTHER COMPREHENSIVE INCOME | | |
| Valuation difference on available-for-sale securities | 82,646 | 56,597 |
| Deferred gains or losses on hedges | (60) | 162 |
| Revaluation reserve for land | 83,952 | 82,751 |
| Foreign currency translation adjustment | 123,830 | 145,531 |
| Remeasurements of defined benefit plans | 7,299 | 11,282 |
| Total Accumulated Other Comprehensive Income | 297,668 | 296,325 |
| NON-CONTROLLING INTERESTS | 198,333 | 163,589 |
| TOTAL NET ASSETS | 1,659,029 | 1,606,413 |
| TOTAL LIABILITIES AND NET ASSETS | 3,263,001 | 3,288,944 |

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

Consolidated Statement of Income

(millions of yen)

| | FY2024 Fiscal year ending March 31, 2024 | FY2025 Fiscal year ending March 31, 2025 |
|---|--|--|
| Net sales | 3,386,676 | 3,208,084 |
| Cost of sales | 2,706,443 | 2,567,437 |
| GROSS PROFIT | 680,233 | 640,646 |
| Selling, general and administrative expenses | | |
| Transportation costs | 64,509 | 50,787 |
| Promotion expenses | 11,385 | 15,543 |
| Advertising expenses | 9,100 | 8,794 |
| Unpaid repair expenses | 21,869 | 20,598 |
| Provision for product warranties | 10,486 | 12,180 |
| Salaries and allowances | 118,693 | 124,158 |
| Provision for bonuses | 21,420 | 21,689 |
| Provision for bonuses for directors | 195 | 203 |
| Provision for share-based remuneration for directors | 755 | 171 |
| Retirement benefit expenses | 5,185 | 4,576 |
| Depreciation | 21,988 | 23,556 |
| Other | 101,556 | 129,275 |
| Total Selling, general and administrative expenses | 387,147 | 411,536 |
| OPERATING PROFIT | 293,085 | 229,109 |
| Non-operating income | | |
| Interest income | 10,122 | 11,095 |
| Dividend income | 5,887 | 7,064 |
| Share of profit of entities accounted for using equity method | 2,657 | 10,337 |
| Rental income | 364 | 386 |
| Foreign exchange gains | 7,450 | - |
| Other | 5,307 | 5,651 |
| Total non-operating income | 31,789 | 34,535 |
| Non-operating expenses | | |
| Interest expenses | 4,185 | 4,988 |
| Foreign exchange losses | - | 3,211 |
| Litigation settlement | 47 | 1,279 |
| Compensation expenses | 1,310 | 118 |
| Currency option cost | 1,707 | 1,548 |
| Other | 4,584 | 4,267 |
| Total non-operating expenses | 11,835 | 15,413 |
| ORDINARY PROFIT | 313,039 | 248,231 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 2,962 | 433 |
| Gain on bargain purchase | - | 152 |
| Gain on step acquisitions | - | 17 |
| Gain on sales of investment securities | 2,564 | 1,753 |
| Total extraordinary income | 5,526 | 2,357 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 2,057 | 3,444 |
| Impairment loss | 4,597 | 620 |
| Loss on sales of investment securities | 22 | 6 |
| Loss on sale of shares of subsidiaries | 2,216 | ※ 6,390 |
| Loss on business of subsidiaries | 4,079 | - |
| Total extraordinary losses | 12,974 | 10,462 |
| Profit before income taxes | 305,591 | 240,126 |
| Income taxes-current | 86,818 | 68,812 |
| Income taxes-deferred | (2,582) | (3,324) |
| Total Income taxes | 84,235 | 65,488 |
| Profit | 221,356 | 174,638 |
| Profit attributable to non-controlling interests | 44,913 | 40,274 |
| Profit attributable to owners of parent | 176,442 | 134,363 |

Consolidated Statement of Comprehensive Income

(millions of yen)

| | FY2024 Fiscal year ending March 31, 2024 | FY2025 Fiscal year ending March 31, 2025 |
|---|--|--|
| Profit | 221,356 | 174,638 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 40,429 | (25,842) |
| Deferred gains or losses on hedges | (265) | 223 |
| Foreign currency translation adjustment | 52,350 | 19,657 |
| Revaluation reserve for land | - | (1,201) |
| Remeasurements of defined benefit plans, net of tax | 5,977 | 3,658 |
| Share of other comprehensive income of entities accounted for using equity method | 3,245 | 8,572 |
| Total other comprehensive income | 101,737 | 5,069 |
| Comprehensive income | 323,093 | 179,707 |
| Comprehensive income attributable to | | |
| owners of the parent | 266,834 | 133,020 |
| non-controlling interests | 56,259 | 46,687 |

(3) Consolidated Statement of Changes in Net Assets

FY2024 (Fiscal year ending March 31, 2024)

(millions of yen)

| | Shareholders' Equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share Capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period | 40,644 | 42,048 | 1,021,771 | (3,234) | 1,101,230 |
| Changes during period | | | | | |
| Dividends of surplus | | | (66,857) | | (66,857) |
| Profit attributable to owners of parent | | | 176,442 | | 176,442 |
| Change due to changes in accounting period of consolidated subsidiaries | | | 855 | | 855 |
| Purchase of treasury shares | | | | (50,013) | (50,013) |
| Disposal of treasury shares | | | | 115 | 115 |
| Change in capital surplus due to transactions with non-controlling interests | | 1,255 | | | 1,255 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | - | 1,255 | 110,440 | (49,898) | 61,797 |
| Balance at the end of current period | 40,644 | 43,304 | 1,132,211 | (53,133) | 1,163,027 |

| | 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 | 42,530 | 204 | 83,952 | 79,190 | 1,398 | 207,276 | 201,725 | 1,510,232 |
| Changes during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (66,857) |
| Profit attributable to owners of parent | | | | | | | | 176,442 |
| Change due to changes in accounting period of consolidated subsidiaries | | | | | | | | 855 |
| Purchase of treasury shares | | | | | | | | (50,013) |
| Disposal of treasury shares | | | | | | | | 115 |
| Change in capital surplus due to transactions with non-controlling interests | | | | | | | | 1,255 |
| Net changes of items other than shareholders' equity | 40,116 | (265) | - | 44,640 | 5,900 | 90,391 | (3,392) | 86,999 |
| Total changes of items during period | 40,116 | (265) | - | 44,640 | 5,900 | 90,391 | (3,392) | 148,796 |
| Balance at the end of current period | 82,646 | (60) | 83,952 | 123,830 | 7,299 | 297,668 | 198,333 | 1,659,029 |

| | Shareholders' Equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share Capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period | 40,644 | 43,304 | 1,132,211 | (53,133) | 1,163,027 |
| Changes during period | | | | | |
| Dividends of surplus | | | (70,923) | | (70,923) |
| Profit attributable to owners of parent | | | 134,363 | | 134,363 |
| Change due to changes in accounting period of consolidated subsidiaries | | | 109 | | 109 |
| Purchase of treasury shares | | | | (75,605) | (75,605) |
| Disposal of treasury shares | | | | 1,388 | 1,388 |
| Cancellation of treasury shares | | (124,986) | | 124,986 | - |
| Transfer to capital surplus from retained earnings | | 124,986 | (124,986) | | - |
| Sale of shares of consolidated subsidiaries | | (844) | (5,016) | | (5,861) |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | - | (844) | (66,454) | 50,769 | (16,529) |
| Balance at the end of current period | 40,644 | 42,460 | 1,065,757 | (2,364) | 1,146,498 |

| | 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 | 82,646 | (60) | 83,952 | 123,830 | 7,299 | 297,668 | 198,333 | 1,659,029 |
| Changes during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (70,923) |
| Profit attributable to owners of parent | | | | | | | | 134,363 |
| Change due to changes in accounting period of consolidated subsidiaries | | | | | | | | 109 |
| Purchase of treasury shares | | | | | | | | (75,605) |
| Disposal of treasury shares | | | | | | | | 1,388 |
| Cancellation of treasury shares | | | | | | | | - |
| Transfer to capital surplus from retained earnings | | | | | | | | - |
| Sale of shares of consolidated subsidiaries | | | | | | | | (5,861) |
| Net changes of items other than shareholders' equity | (26,049) | 223 | (1,201) | 21,701 | 3,983 | (1,343) | (34,744) | (36,087) |
| Total changes of items during period | (26,049) | 223 | (1,201) | 21,701 | 3,983 | (1,343) | (34,744) | (52,615) |
| Balance at the end of current period | 56,597 | 162 | 82,751 | 145,531 | 11,282 | 296,325 | 163,589 | 1,606,413 |

(4) Consolidated Statement of Cash Flows

(millions of yen)

| | FY2024 Fiscal year ending March 31, 2024 | FY2025 Fiscal year ending March 31, 2025 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 305,591 | 240,126 |
| Depreciation | 115,033 | 110,400 |
| Amortization of goodwill | 4,673 | 3,959 |
| Share of (profit) loss of entities accounted for using equity method | (2,657) | (10,337) |
| Increase (decrease) in provision for product warranties | 3,865 | 3,177 |
| Increase (decrease) in provision for bonuses | 3,309 | (541) |
| Increase (decrease) in provision for bonuses for directors | 24 | (51) |
| Increase (decrease) in allowance for doubtful accounts | 864 | 436 |
| Increase (decrease) in retirement benefit liability | (4,917) | (8,351) |
| Increase (decrease) in provision for maintenance costs | (1,999) | (1,838) |
| Increase (decrease) in provision for share-based remuneration for directors | 630 | (1,345) |
| Interest and dividends income | (16,010) | (18,159) |
| Interest expenses | 4,185 | 4,988 |
| Loss (gain) on sales of non-current assets | (2,962) | (433) |
| Loss (gain) on disposal of non-current assets | 2,057 | 3,444 |
| Loss (gain) on sales of investment securities | (2,541) | (1,747) |
| Loss (gain) on sale of shares of subsidiaries | 2,216 | 6,390 |
| Loss on business of subsidiaries | 4,079 | - |
| Impairment loss | 4,597 | 620 |
| Gain on bargain purchase | - | (152) |
| Loss (gain) on step acquisitions | - | (17) |
| Decrease (increase) in notes and accounts receivable | 9,460 | 22,331 |
| Net decrease (increase) in lease receivables and investments in leases | (23,526) | (34,056) |
| Decrease (increase) in inventories | (23,583) | (13,991) |
| Decrease (increase) in other current assets | 9,098 | (10,747) |
| Increase (decrease) in notes and accounts payable | (50,446) | (30,317) |
| Increase (decrease) in accrued expenses | 20,309 | (351) |
| Increase (decrease) in deposits received | 1,143 | 1,323 |
| Increase (decrease) in other liabilities | (10,102) | 8,668 |
| Other, net | 833 | 106 |
| (Subtotal) | 353,227 | 273,533 |
| Interest and dividends received | 24,063 | 23,781 |
| Interest paid | (4,207) | (4,624) |
| Income taxes paid | (74,514) | (75,031) |
| Net cash provided by (used in) operating activities | 298,568 | 217,658 |
| Cash flows from investing activities | | |
| Purchase of investment securities | (6,467) | (8,129) |
| Proceeds from sales of investment securities | 5,650 | 2,691 |
| Purchase of non-current assets | (161,381) | (174,892) |
| Proceeds from sales of non-current assets | 9,764 | 6,919 |
| Long-term loan advances | (361) | (486) |
| Collection of long-term loans receivable | 473 | 312 |
| Net decrease (increase) in short-term loans receivable | 43 | (406) |
| Net decrease (increase) in time deposits | (641) | 2,567 |
| Payments for sale of shares of subsidiaries resulting in change in scope of consolidation | (1,758) | (7,647) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | - | (469) |
| Other, net | (401) | 1,648 |
| Net cash provided by (used in) investing activities | (155,080) | (177,891) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 58,999 | (5,000) |
| Net increase (decrease) in commercial papers | - | 50,000 |
| Proceeds from long-term borrowings | 92,058 | 193,079 |
| Repayments of long-term borrowings | (110,135) | (136,764) |
| Proceeds from bonds issues | - | 30,000 |
| Repayments to non-controlling shareholders | (3,375) | - |
| Repayments of lease obligations | (9,354) | (9,978) |
| Purchase of treasury shares | (50,012) | (75,604) |
| Dividends paid | (66,810) | (70,894) |
| Dividends paid to non-controlling interests | (52,866) | (39,428) |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (3,480) | - |
| Net cash provided by (used in) financing activities | (144,977) | (64,591) |
| Effect of Exchange Rate Change on Cash and Cash Equivalents | 25,434 | 10,690 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 23,944 | (14,133) |
| Cash and Cash Equivalents at Beginning of Period | 364,396 | 384,878 |
| Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | (3,462) | 1,018 |
| Cash and Cash Equivalents at End of Period | 384,878 | 371,763 |

(5) Notes on Premise of Going Concern

None

(6) Notes on consolidated statement of income

※ Loss on sale of shares of subsidiaries

As of April 26, 2024, the Company transferred all of its common shares of IJTT Co., Ltd., (hereafter IJTT) to IJTT, that is to say a share buyback by IJTT, while reinvesting in the IJTT's shareholder ARTS-1 Co., Ltd., which is wholly owned by Japan Manufacturing Future Investment Business Limited, for which Sparx Group Co., Ltd. is a general partner.

Subsequently, the Company recorded an extraordinary loss of 6.39 billion yen, which is a loss resulting from the sales of its subsidiary's shares.

(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) Notes on Changes in Accounting Policies

(Application of the Accounting Standard for Income Taxes-Current)

Accounting Standard for Corporate, Inhabitant and Enterprise Taxes (ASBJ Statement No. 27, October 28, 2022. Hereinafter referred to as the Revised Accounting Standard 2022) and others are applied from the beginning of the current consolidated fiscal year.

The amendment to categories in which current income taxes, etc. should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, October 28, 2022, hereinafter referred to as the 2022 Revised Guidance). These changes in accounting principles have no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries arising from transactions between consolidated companies were deferred for tax purposes, the 2022 Revised Guidance has been applied from the beginning of the first quarter consolidated accounting period. These changes in accounting principles were retrospectively applied. Accordingly, the consolidated financial statements for the prior fiscal year have been modified retrospectively. These changes in accounting principles have no impact on the prior consolidated financial statements.

(Application of the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules)

The Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules (ASBJ Practical Solution No. 46, March 22, 2024) is applied from the beginning of the current consolidated fiscal year. The effect of the change in accounting policy on the consolidated financial statements is immaterial.

(9) Per Share Information

| FY2024 | | FY2025 | |
|----------------------------|----------|----------------------------|----------|
| Net assets per share (yen) | 1,951.02 | Net assets per share (yen) | 2,026.43 |
| Net income per share (yen) | 229.92 | Net income per share (yen) | 183.02 |

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

| | FY2024 | FY2025 |
|--|-------------|-------------|
| Net Income attributable to owners of parent (millions of yen) | 176,442 | 134,363 |
| Amount not attributable to common shareholders (millions of yen) | - | - |
| Net income associated with common shares (millions of yen) | 176,442 | 134,363 |
| Average number of common shares during the period (shares) | 767,393,388 | 734,156,978 |

(10) Additional Information

(Acquisition and cancellation of treasury stock)

At a meeting of the Board of Directors held on August 7, 2024, the Company resolved to purchase its own shares pursuant to the provision of Article 156 of the Companies Act as applied mutatis mutandis pursuant to the Paragraph 3 of Article 165 of the said Act, and as below to cancel its own shares pursuant to Article 178 of the Companies Act. In accordance with the above resolution of the Board of Directors, the Company repurchased and cancelled its own shares as follows:

1. Reasons for acquisition and cancellation of treasury shares

In addition to actively implementing growth investments toward the 2030s, the Company will purchase and cancel treasury shares to raise capital efficiency and maintain an appropriate level of capital.

2. Details of the acquisition of treasury shares

- | | |
|---|--|
| (1) Class of shares to be acquired | : Common shares |
| (2) Total number of shares to be acquired | : 45 million shares (upper limit) (6.0% of the total number of shares outstanding excluding treasury shares) |
| (3) Total acquisition cost | : 75 billion yen (upper limit) |
| (4) Acquisition period | : From August 8, 2024 to March 31, 2025 |
| (5) Acquisition method | : Market purchase based on a discretionary transaction contract |

3. Details of the acquisition of treasury shares

- | | |
|-------------------------------------|--|
| (1) Class of shares to be acquired | : Common shares |
| (2) Total number of shares acquired | : 37,346,900 shares |
| (3) Acquisition price | : 74,999,978,808 yen |
| (4) Acquisition period | : From August 8, 2024 to February 27, 2025 |

4. Result of the cancellation of treasury shares

- | | |
|--|---|
| (1) Class of shares cancelled | : Common shares |
| (2) Total number of shares cancelled | : 37,346,900 shares (5.0% of total outstanding shares before cancellation) |
| (3) Total number of outstanding shares after cancellation | : 713,526,569 shares |
| (4) Cancellation date | : March 27, 2025 |

(11) Important Subsequent Events

None

4. Supplementary Information

(1) Sales Condition

< Consolidated sales results >

| | | | FY2024 | | FY2025 | | Change | |
|----------------|-------|---------------|-------------------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------|-----------------------------|
| | | | (Fiscal year ending March 31, 2024) | | (Fiscal year ending March 31, 2025) | | | |
| | | | Volume (units) | Amount (millions of yen) | Volume (units) | Amount (millions of yen) | Volume (units) | Amount (millions of yen) |
| | Japan | | 33,931 | 389,900 | 39,301 | 475,890 | 5,370 | 85,989 |
| | | North America | 5,289 | 50,541 | 2,965 | 36,283 | (2,324) | (14,258) |
| | | Asia | 25,694 | 162,085 | 19,958 | 118,032 | (5,736) | (44,053) |
| | | others | 27,579 | 203,610 | 31,216 | 237,675 | 3,637 | 34,065 |
| | | Overseas | 58,562 | 416,237 | 54,139 | 391,990 | (4,423) | (24,246) |
| HD/MD CV | | | 92,493 | 806,137 | 93,440 | 867,880 | 947 | 61,743 |
| | Japan | | 29,001 | 133,830 | 38,166 | 184,561 | 9,165 | 50,730 |
| | | North America | 38,299 | 264,676 | 24,013 | 188,805 | (14,286) | (75,871) |
| | | Asia | 70,089 | 109,451 | 54,160 | 110,054 | (15,929) | 603 |
| | | others | 77,355 | 220,671 | 85,908 | 260,063 | 8,553 | 39,391 |
| | | Overseas | 185,743 | 594,800 | 164,081 | 558,923 | (21,662) | (35,876) |
| LD CV | | | 214,744 | 728,630 | 202,247 | 743,484 | (12,497) | 14,853 |
| | | North America | - | - | - | - | - | - |
| | | Asia | 157,829 | 381,368 | 64,845 | 205,587 | (92,984) | (175,781) |
| | | others | 201,743 | 613,941 | 164,105 | 534,061 | (37,638) | (79,879) |
| | | Overseas | 359,572 | 995,310 | 228,950 | 739,649 | (130,622) | (255,661) |
| LCV | | | 359,572 | 995,310 | 228,950 | 739,649 | (130,622) | (255,661) |
| | Japan | | 62,932 | 523,730 | 77,467 | 660,451 | 14,535 | 136,720 |
| | | North America | 43,588 | 315,218 | 26,978 | 225,088 | (16,610) | (90,129) |
| | | Asia | 253,612 | 652,905 | 138,963 | 433,674 | (114,649) | (219,231) |
| | | others | 306,677 | 1,038,223 | 281,229 | 1,031,800 | (25,448) | (6,422) |
| | | Overseas | 603,877 | 2,006,347 | 447,170 | 1,690,563 | (156,707) | (315,784) |
| Total vehicles | | | 666,809 | 2,530,077 | 524,637 | 2,351,014 | (142,172) | (179,063) |

| | | | FY2024 | | FY2025 | | Change | |
|--------------------|-------|---------------|-------------------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------|-----------------------------|
| | | | (Fiscal year ending March 31, 2024) | | (Fiscal year ending March 31, 2025) | | | |
| | | | Volume (units) | Amount (millions of yen) | Volume (units) | Amount (millions of yen) | Volume (units) | Amount (millions of yen) |
| | Japan | | - | 64,840 | - | 53,207 | - | (11,633) |
| | | North America | - | 12,304 | - | 8,140 | - | (4,163) |
| | | Asia | - | 33,077 | - | 40,926 | - | 7,849 |
| | | others | - | 4,338 | - | 2,862 | - | (1,476) |
| | | Overseas | - | 49,720 | - | 51,929 | - | 2,209 |
| Industrial Engines | | | - | 114,561 | - | 105,136 | - | (9,424) |
| | Japan | | - | 520,332 | - | 527,695 | - | 7,363 |
| | | North America | - | 45,337 | - | 46,012 | - | 674 |
| | | Asia | - | 87,920 | - | 80,056 | - | (7,863) |
| | | others | - | 88,447 | - | 98,167 | - | 9,720 |
| | | Overseas | - | 221,705 | - | 224,237 | - | 2,531 |
| Other | | | - | 742,038 | - | 751,933 | - | 9,895 |
| | Japan | | - | 1,108,903 | - | 1,241,354 | - | 132,450 |
| | | North America | - | 372,860 | - | 279,241 | - | (93,618) |
| | | Asia | - | 773,903 | - | 554,657 | - | (219,245) |
| | | others | - | 1,131,010 | - | 1,132,831 | - | 1,821 |
| | | Overseas | - | 2,277,773 | - | 1,966,730 | - | (311,043) |
| Sales amount | | | - | 3,386,676 | - | 3,208,084 | - | (178,592) |

- (Note) 1. CV and LCV stand for commercial vehicles (trucks and buses) and pickup trucks and variant models, respectively.
2. Overseas sales and unit sales represent the sales and unit sales raised by the Company and its consolidated subsidiaries in countries and regions other than Japan.
3. The classification of countries and regions is determined by the degree of geographical proximity.
4. Major countries and regions in each category:
(1) North America: USA
(2) Asia: Thailand, China, Indonesia and the Philippines
(3) Other regions: Australia, Saudi Arabia, Mexico, UAE and Colombia