

1Q FY3/2024 Financial Results

August 9, 2023
ISUZU MOTORS LIMITED

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Statements contained in this presentation, except for historical or current facts, are based on certain assumptions and our management's judgment in light of currently available information. Therefore, these statements may be susceptible to various factors, such as uncertainty contained in the assumptions and management's judgment and economic changes in the future, which may cause to bring about different results in Isuzu's future earnings and operating results.

Moreover, this presentation is not intended to solicit investment in Isuzu. Isuzu assumes no responsibility for any losses and liabilities that may be incurred because of the information in this presentation.

1. Overview

1. 1Q FY3/2024 Results

- New record high of sales, operating income, and ordinary income for the first quarter.
- Though unit sales increased in developed countries with softening of parts shortages, was hit by downturns in emerging countries. CV units sales as a whole dropped.
- Units sales of LCVs for Thailand decreased due to slumping demand. Unit sales for export rose especially in Australia where vehicle delivery in the prior year was stagnated by parts shortages.
- Material price hike, etc. was offset by improvements in destination mix and model mix, promotion of price realization and cost reduction. Recorded profit growth.

2. FY3/2024 Revised Full-Year Outlook (Comparison to Previous Plan)

- Though weak demand for CVs continues in emerging countries, demand remains robust in developed countries. Expects same level of CV units as a whole.
- Delayed demand recovery impacts LCVs for the Thai market. On the other hand, shall revise outlook of unit sales of LCVs for export upward particularly in regions where vehicle delivery fell behind in the previous year.
- Though started off well in 1Q and material costs etc. remain below our assumed prices, uncertainties remain especially in future demand. Shall make no changes to the forecast of the earnings.

Refer to page 16 for explanation of the following words:

CV (Commercial Vehicle)=Trucks & Buses

LCV (Light Commercial Vehicle)=Pickup trucks and vehicles deriving from pickup trucks

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I am Mr. Yamaguchi. I will briefly explain the overview of our business.

First are the results of the first quarter. Sales, operating income and ordinary income all reached record highs for the first quarter. Net income for the period was also close to a record high, despite an extraordinary loss of 2.2 billion yen arising from the transfer of the Russian business.

CV sales increased in advanced countries due to improvements in parts shortages, while CV sales in emerging countries decreased due to a market slowdown. New model production for the Japanese market has started and orders are coming in at a steady pace. Vehicle registration is expected to come into full swing from the 2nd quarter onwards.

LCV unit sales for Thailand decreased due to the worsened financing environment, while those for exports increased, especially in Australia, where vehicle supply had been delayed on the back of the parts shortages in the previous fiscal year.

On the profit and loss front, improvements in the destination mix and model mix, alleviated the impact of the unit sales decrease. Despite a sharp rise in material and other costs, profit grew, thanks to the positive effect of price realization and cost reduction activities.

Next, I would like to touch on the full-year outlook of the fiscal year ending March 31, 2024. CV unit sales are expected to be at the same level as the initial forecast announced in May, with the demand in emerging countries being weak, but demand in developed countries being strong continuously.

LCV unit sales are expected to fall from the initial forecast as demand for LCVs in Thailand is weak. On the other hand, exports are expected to increase, mainly in areas where the supply shortages occurred in the previous fiscal year.

The full-year earnings forecast will remain unchanged due to the uncertain market, despite the steady progress in the 1st quarter, and recent lower-than-expected prices for materials and other costs.

Overview -1st Quarter FY3/2024 Results-

Global Unit Sales (K-units)		1Q FY3/2024	1Q FY3/2023	Changes	
CV Total	CV-Japan	17	11	6	53%
	CV-Overseas	54	66	-12	-18%
		71	77	-6	-8%
LCV Total	LCV-Thailand	35	48	-13	-26%
	LCV-Export	58	52	6	10%
		93	100	-7	-7%
Total		164	177	-13	-7%

Financial Results (Bil. Yen)

Sales	775.5	688.2	87.3	13%
Operating Income	68.6	54.8	13.8	25%
Ordinary Income	74.9	58.8	16.1	27%
Net Income	45.0	36.1	8.9	25%

Now, I will give a brief overview of the 1st quarter results of the fiscal year ending March 31, 2024.

Global unit sales of both CVs and LCVs fell from the previous year.

Profit and loss results are as described in the table.

In terms of sales, although the unit sales declined, sales rose owing to the changes made in the destination mix and model mix, the impact of the weaker yen, and the expansion of aftersales business.

Overview -FY3/2024 Full-Year Outlook-

Global Unit Sales (K-units)		FY3/2024 Revised Plan	FY3/2024 Previous Plan	Changes	
CV Total	CV-Japan	90	90	No Changes to Unit Sales of CVs	
	CV-Overseas	275	275		
		365	365		
LCV Total	LCV-Thailand	149	181	-32	-18%
	LCV-Export	241	224	17	7%
Total		755	770	-15	-2%

Financial Forecast (Bil. Yen)

Sales	3,300.0	3,300.0	No Changes to Sales, Incomes, and Dividends	
Operating Income	260.0	260.0		
Ordinary Income	275.0	275.0		
Net Income	155.0	155.0		
Dividends	80 Yen	80 Yen		

I now turn to the forecasts of unit sales and earnings for the fiscal year ending March 31, 2024.

The outlook for CV unit sales will remain the same from the forecast announced in May. The LCV unit sales forecast was revised for both Thailand and export markets as was mentioned at the beginning.

The full-year outlook of earnings and dividends will remain unchanged.

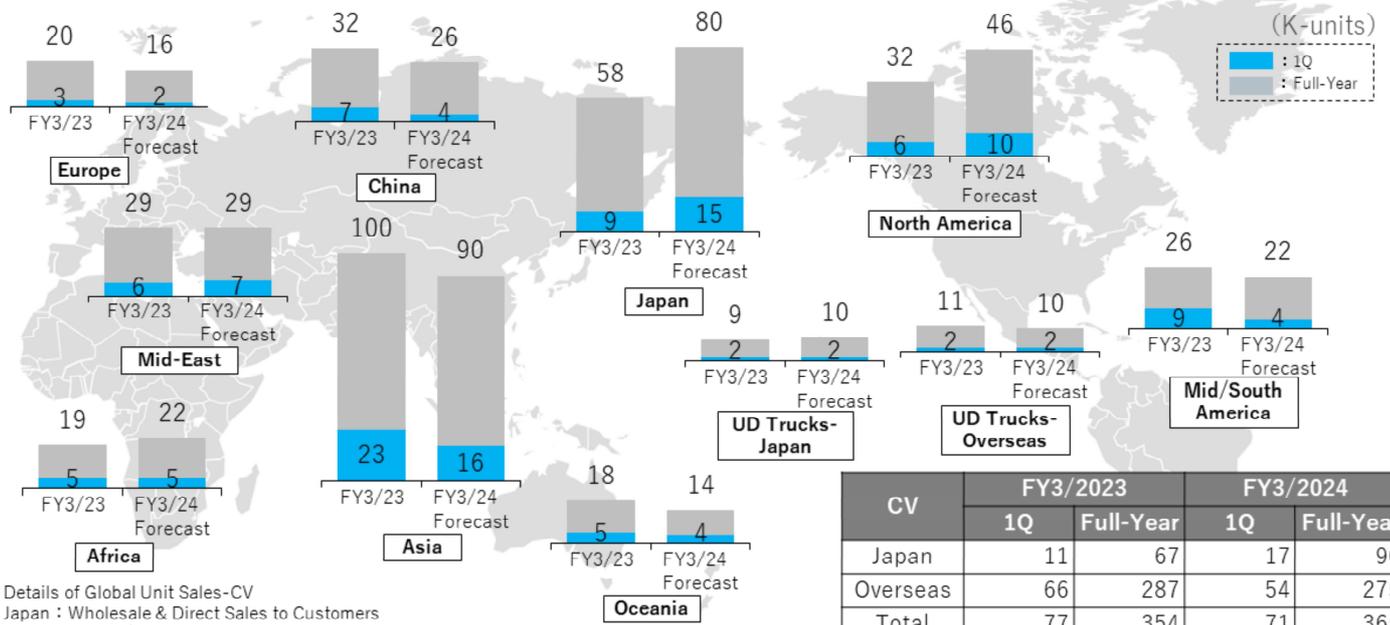
That's all from me.

2. 1Q FY3/2024 Financial Results

Next, I, Mr. Yamakita, will explain the financial results of the first quarter of the fiscal year ending March 31, 2024.

Global Unit Sales (CV)

■ 1Q Unit Sales: Unit sales in Japan and North America increased as parts procurement improved. Only, CV units sales as a whole decreased as Asia and Mid/South America was negatively impacted by interest rate hike and inflation, and some regions were affected by shipping shortages.



Details of Global Unit Sales-CV
 Japan : Wholesale & Direct Sales to Customers
 North America / Australia: Wholesale of Local Distributors
 Other Regions: Shipment from Japan

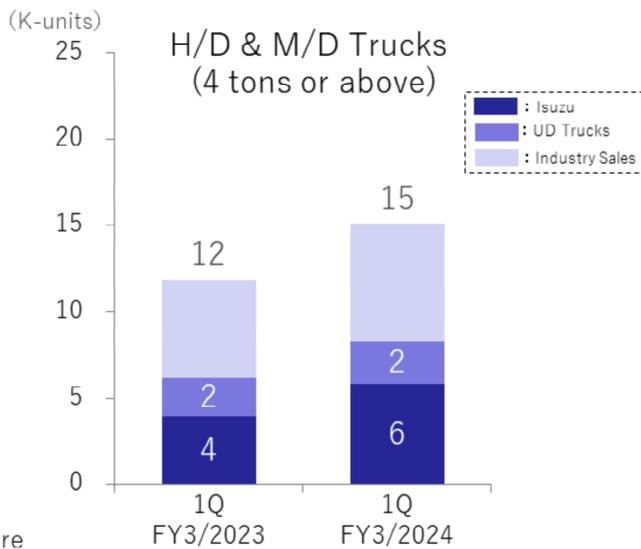
CV	FY3/2023		FY3/2024	
	1Q	Full-Year	1Q	Full-Year
Japan	11	67	17	90
Overseas	66	287	54	275
Total	77	354	71	365

I will explain the global CV unit sales.

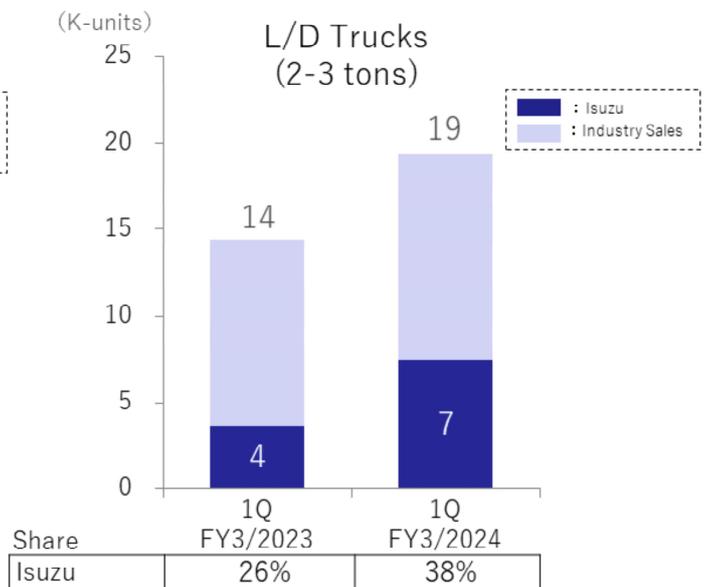
In the 1st quarter, unit sales in Japan and North America grew as parts shortages eased, however, the overall unit sales decreased impacted by interest rate hikes and inflation in Asia and Mid/South America as well as ship shortages in some regions.

Japan Industry Sales and Isuzu Share

- **Industry Sales:** Industry sales of both H/D & M/D and L/D trucks grew due to improvements in parts shortages.
- **Share:** Shares in both categories rose thanks to favorable progress in parts shortages.



Share	FY3/2023	FY3/2024
Isuzu	33%	39%
UD Trucks	19%	16%



Share	FY3/2023	FY3/2024
Isuzu	26%	38%

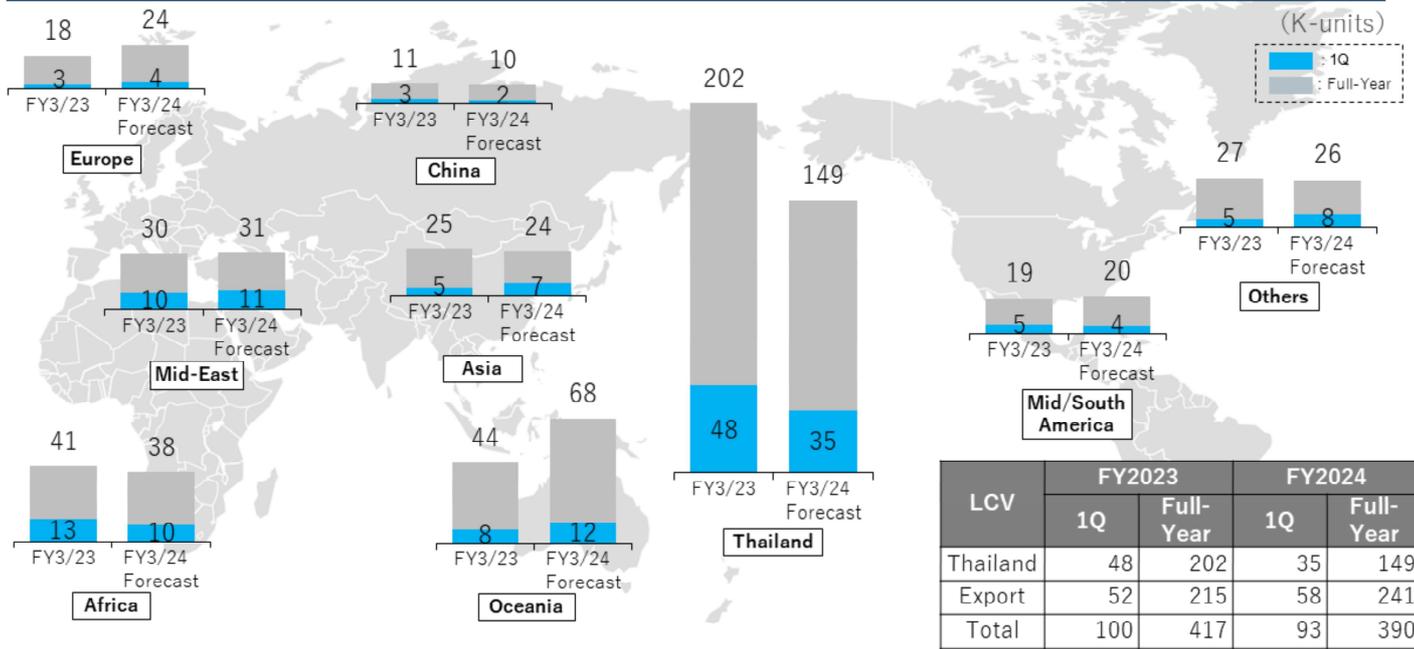
Now, I will talk about the results of the industry sales in Japan and our market share.

Industry sales of both medium-/heavy-duty and light-duty truck segments for Isuzu and other OEMs increased as parts shortages eased.

The market share of both medium-/heavy-duty and light-duty trucks increased due to improvements in parts shortages.

Global Unit Sales (LCV) -1

■ 1Q Unit Sales: Units sales in Thailand has fallen as demand fades. Units sales for export has risen especially in Australia where Isuzu was unable to supply enough vehicles in FY3/2023 due to parts shortages.



9 *Details of Global Unit Sales-LCV: Shipment from Thailand

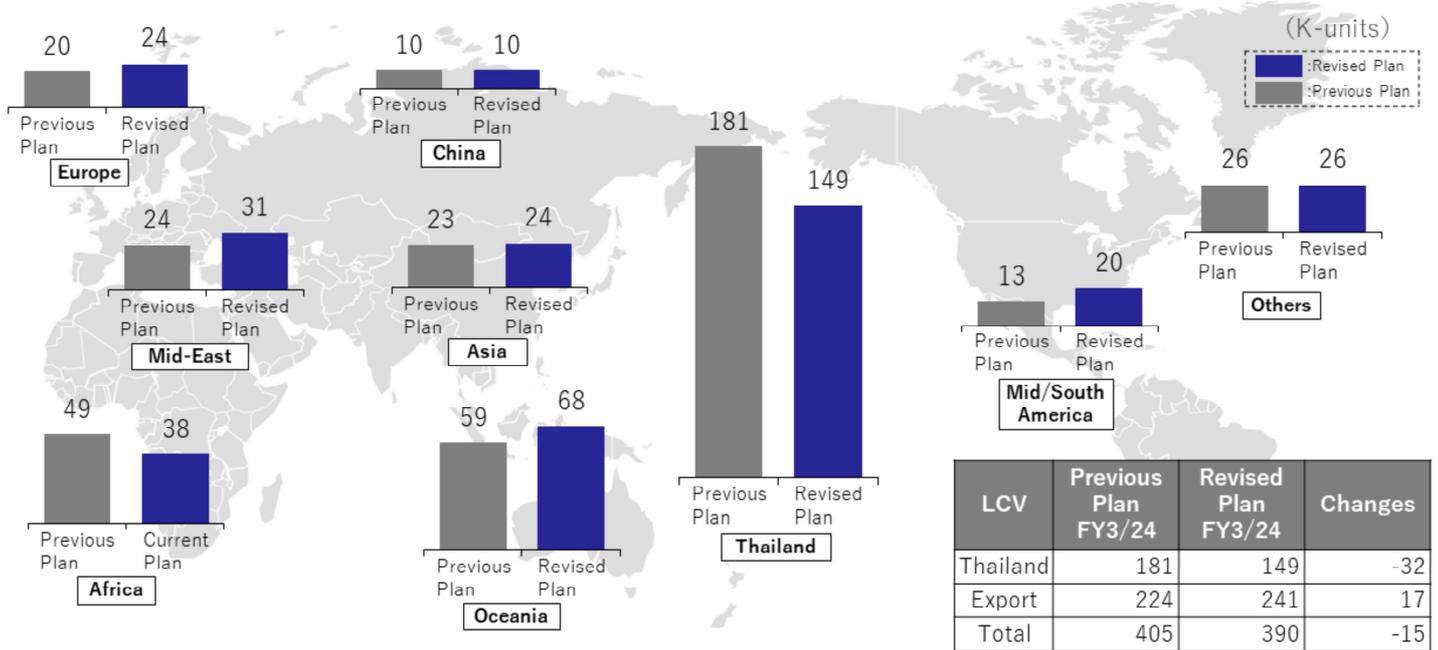
Next, let us now look at global LCV unit sales.

While sales volume saw a decrease for the Thai domestic market due to a market slowdown, unit sales for export markets increased mainly in Australia where Isuzu had been unable to supply enough vehicles, affected by parts shortages in the previous fiscal year.

Global Unit Sales (LCV) -2

(Comparison of Full-Year Outlook from those announced in May)

■ Delay in demand recovery triggers reduced units sales in Thailand. Revised upward LCVs for export due to eased parts shortages.



10 *Details of Global Unit Sales-LCV: Shipment from Thailand

Now, I will turn to the full year outlook of global LCV unit sales.

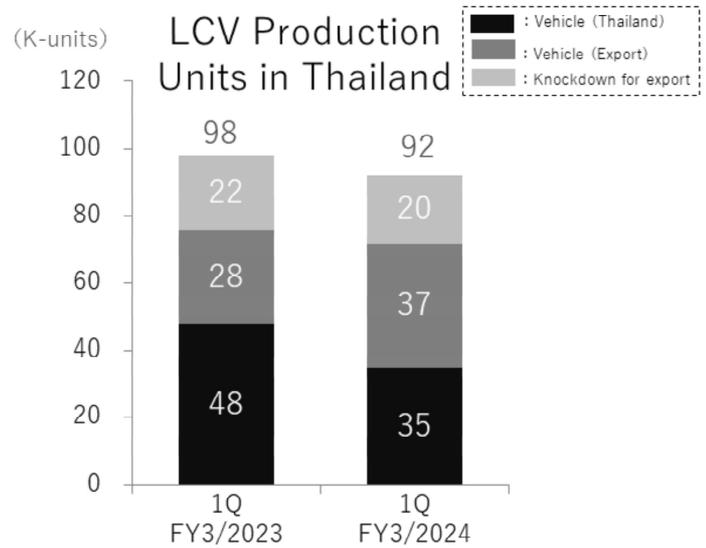
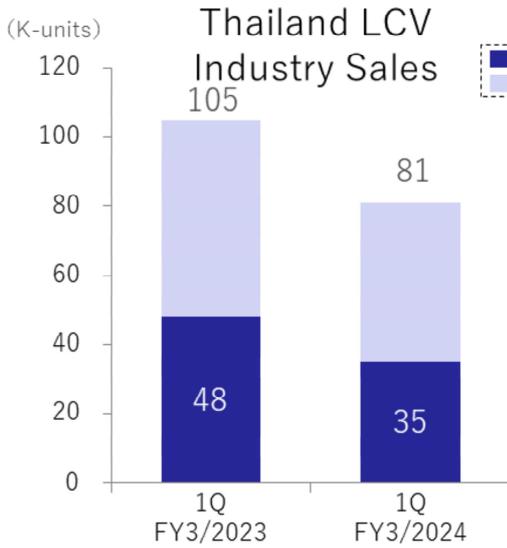
As for Thailand, we have reviewed the initially expected recovery in demand from the second half. We have lowered the outlook of unit sales accordingly.

Meanwhile for export markets, unit sales are expected to increase mainly in regions which faced an undersupply of vehicles caused by parts shortages in the previous fiscal year.

Thailand LCV Industry Sales & Share /LCV Production Units



- Industry sales reduced significantly due to the deteriorating financing environment. High shares continues from the previous fiscal year.
- Production units decreased from same period last fiscal year with less vehicles for the Thai market.



Share	Isuzu	46%	43%
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I will explain LCV industry sales, our market share, and production units in Thailand in the first quarter.

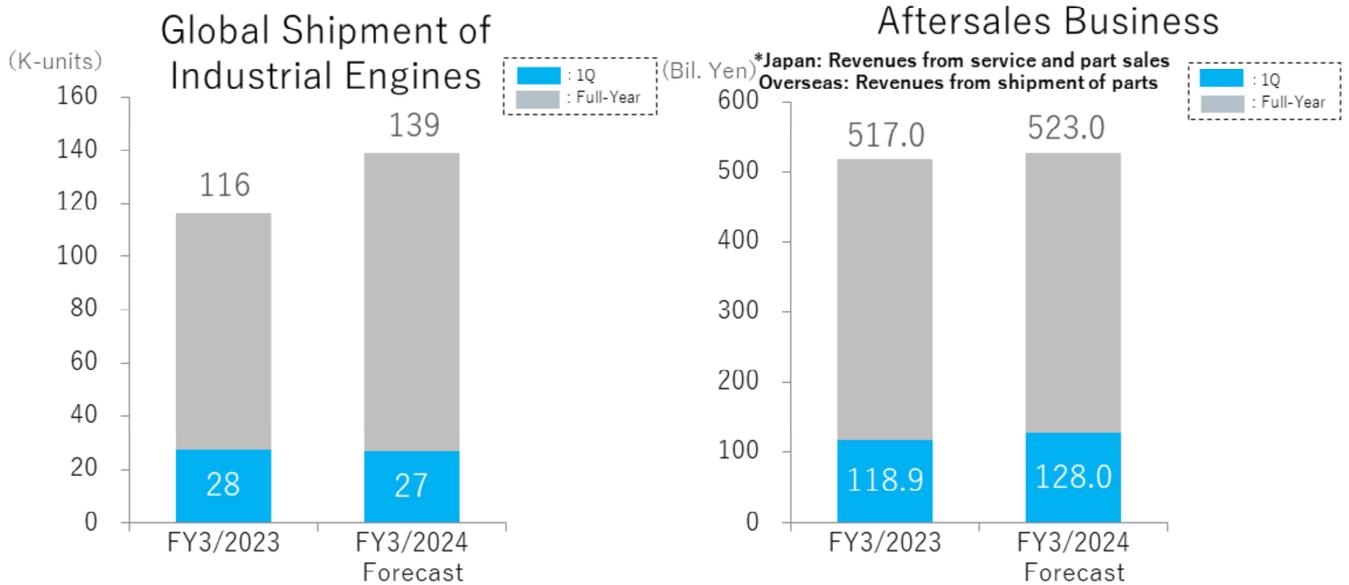
Industry sales dropped significantly compared to the previous fiscal year due to the deteriorating financing environment.

We maintained a high market share continuing from the previous fiscal year.

Production units fell short of the previous fiscal year due to a large decrease in the production of vehicles for the Thai market.

Industrial Engine Global Shipment/Revenue from Aftersales Business

- Industrial Engines: As Chinese construction machinery demand saw a smaller recovery than anticipated, shipment volume remained the same level as the previous fiscal year.
- Aftersales Business: Progressing at a higher-than-expected pace mainly in Japan.



Now, I will turn to the results of industrial engines and the aftersales business for the 1st quarter.

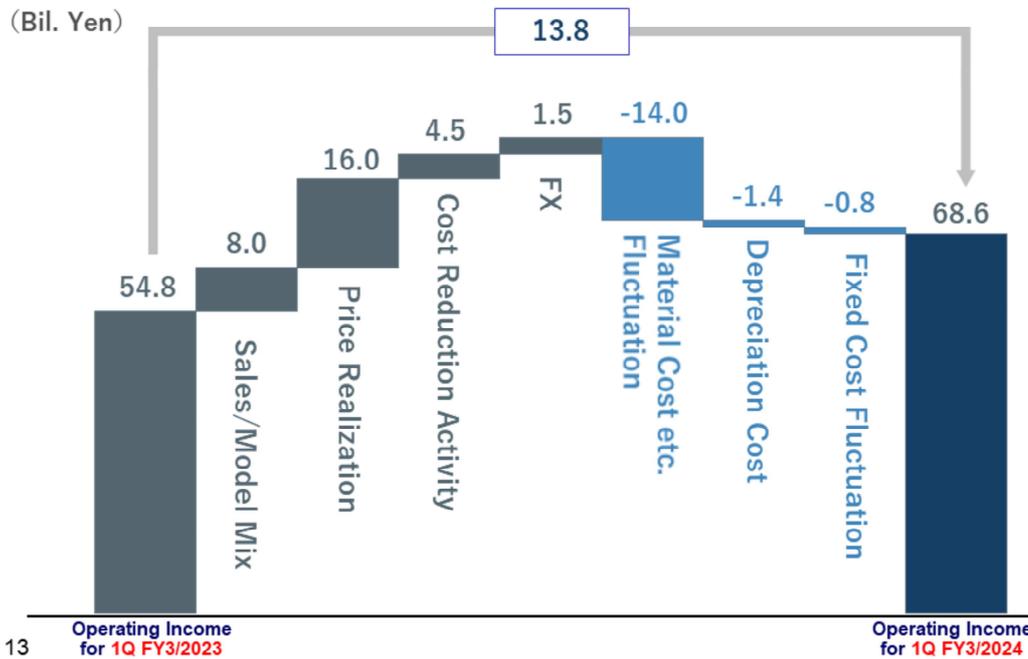
Shipment of industrial engines remained at the same level as the previous fiscal year, because the Chinese construction machinery demand did not recover as much as we had anticipated.

Revenue from aftersales business grew faster than the previous fiscal year, capturing the demand mainly in Japan.

1Q FY3/2023 vs. 1Q FY3/2024 Fluctuations
- Consolidated operating income : analysis of change -

■ Operating income rose in back of improvements in destination and model mix, promotion of price realization and cost reduction activities, and positive effect of FX, despite higher material costs etc.

(Bil. Yen)



FX Rates	FY3/2023	FY3/2024
USD/JPY	129.8	137.5
THB/JPY	3.77	3.99
AUD/JPY	92.7	91.9

Breakdowns	FY3/2024
Sales/Model Mix	8.0
CV-Japan	9.0
CV-Overseas	-2.5
LCV	-1.0
Others	2.5
FX	1.5
USD	1.8
AUD	-0.2
THB & Other Currencies	-0.1
Material Cost etc. Fluctuation	-14.0
Material Cost	-16.5
Logistic Fees	3.5
Electricity, gas etc.	-1.0
Fixed Cost Fluctuation	-0.8
R&D	2.6
Labor Costs	-2.5
Others	-0.9

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Next, I will discuss the analysis of the changes in operating income by comparing the variances between the first quarters of fiscal year ended March 31, 2023 and fiscal year ending March 31, 2024.

Despite soaring material costs and other costs, operating income increased by 13.8 billion yen due to improvements in destination and model mix, price realization, cost reduction activities, and positive effects of foreign exchange.

The exchange rates are shown in the table.

1st Quarter FY3/2024 Consolidated Results - Year-on-year Comparison -

(Bil. Yen)	1Q FY3/2024	1Q FY3/2023	Changes	
Sales	775.5	688.2	87.3	13%
Operating Income	68.6	54.8	13.8	25%
Ordinary Income	74.9	58.8	16.1	27%
* Net Income	45.0	36.1	8.9	25%

	1Q FY3/24	1Q FY3/23		1Q FY3/24	1Q FY3/23
Operating Income	68.6	54.8	Ordinary Income	74.9	58.8
Share of profit of entities accounted for using equity method	1.0	0.9	Gain/Loss on sales of investment securities, Loss on disposal of non- current assets, etc.	-2.4	-0.4
Foreign exchange gains/losses	3.4	1.8	Income Taxes	-16.3	-11.9
Others	1.9	1.3	Profit attributable to non-controlling interests	-11.2	-10.4
Ordinary Income	74.9	58.8	*Net Income	45.0	36.1

I will now touch on the financial results beyond operating income.

Ordinary income was 74.9 billion yen after adding and subtracting the share of profit of entities accounted for using the equity method, foreign exchange gains and losses, and other non-operating income and expenses from the operating income of 68.6 billion yen.

Net income was 45 billion yen after adding and subtracting the gain and loss on sales of investment securities, loss on disposal of non-current assets and other extraordinary income and losses, income taxes, and profit attributed to non-controlling interests from ordinary income of 74.9 billion yen.

Please note that we recorded a 2.2 billion yen of extraordinary loss related to the transfer of our business operations in Russia.

This is the end of the financial result briefing of Isuzu Motors Limited for the 1st quarter of the fiscal year ending March 31, 2024.

Thank you for your time and cooperation.

Moving the World – for You

ISUZU

(Reference) Word Glossary of Product Lineup

CV (Commercial Vehicle)

- Collectively refers to trucks and buses
- Trucks are manufactured and exported mainly from Japan
(Isuzu: Fujisawa Plant in Kanagawa Prefecture, UD Trucks: Ageo Plant in Saitama Prefecture)
- Buses are manufactured by J-Bus Limited, a joint venture with Hino Motors, Ltd and sold under both Isuzu and Hino brands

Major Product Lineups



C&E series and Quon heavy-duty trucks



F-Series medium-duty truck



N-Series light-duty truck



ERGA route bus



GALA sightseeing bus

LCV (Light Commercial Vehicle)

- Collectively refers to 1-ton pickup trucks and PPV(Pick-up Passenger Vehicle) deriving from pickup trucks
- Mainly manufactured and exported from Thailand

Major Product Lineups



D-MAX pickup trucks



MU-X PPV

(Reference) Comparison of Global Unit Sales and Consolidated Sales Results

Consolidated Sales Results: Unit Sales Disclosed in the English Translation of “Summary of Financial Results” (Kessan Tanshin)

