

# Financial and Non-Financial Performance

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## Consolidated Ten-Year Summary

### ISUZU MOTORS LIMITED and Consolidated Subsidiaries

Consolidated	(Millions of yen)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
For the Year:										
Net sales	1,400,074	1,655,588	1,760,858	1,879,442	1,926,967	1,953,186	2,070,359	2,149,168	2,079,936	1,908,150
Cost of sales	1,189,109	1,400,877	1,441,483	1,543,661	1,574,885	1,623,948	1,700,726	1,765,270	1,730,354	1,605,111
Gross profit	210,964	254,710	319,374	335,780	352,081	329,238	369,632	383,898	349,582	303,038
Selling, general and administrative expenses	113,591	123,927	145,125	164,669	180,522	182,793	202,867	207,116	208,999	207,305
Operating income	97,373	130,783	174,219	171,111	171,559	146,444	166,765	176,781	140,582	95,732
Profit before extraordinary items	102,893	141,719	186,620	187,411	186,690	152,022	173,616	189,001	150,876	104,265
Profit before income taxes	101,881	138,213	188,448	184,251	186,379	148,921	176,095	186,108	143,511	86,829
Profit attributable to owners of the Parent	91,256	96,537	119,316	117,060	114,676	93,858	105,663	113,444	81,232	42,708
At Year-End:										
Total assets	1,213,402	1,340,822	1,521,757	1,800,998	1,808,377	1,879,853	2,066,539	2,130,894	2,152,090	2,244,970
Net assets	479,644	620,959	768,953	914,451	897,650	962,107	1,086,510	1,116,335	1,133,381	1,205,013

Non-consolidated	(Millions of yen)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
For the Year:										
Net sales	943,656	967,489	986,822	1,060,028	1,076,360	1,065,886	1,081,384	1,130,825	1,074,968	922,628
Cost of sales	800,826	814,986	824,606	895,517	914,721	919,225	931,700	976,838	938,856	814,661
Gross profit	142,829	152,502	162,215	164,510	161,638	146,661	149,684	153,986	136,111	107,966
Selling, general and administrative expenses	76,722	80,614	88,603	98,616	97,334	96,391	103,139	104,136	104,351	101,409
Operating income	66,106	71,888	73,612	65,893	64,304	50,269	46,544	49,849	31,760	6,556
Income before extraordinary items	73,615	76,603	79,358	78,931	108,624	100,330	71,745	100,413	89,796	60,425
Income before income taxes	72,187	78,815	79,748	78,131	107,554	98,927	69,875	95,422	79,055	50,790
Net income	79,029	53,689	56,543	67,070	91,905	87,310	58,476	83,719	70,964	49,275
At Year-End:										
Total assets	836,916	841,816	848,411	936,803	965,977	1,025,050	1,053,710	1,035,508	1,030,852	1,117,071
Net assets	356,397	400,589	438,677	468,720	475,388	544,117	593,999	573,641	604,015	657,786

# Management's Discussion and Analysis of Financial Condition and Results of Operation

(Note: yen amounts are rounded down to the nearest 100 million.)

## (1) Overview of Results of Operations (Fiscal year ended March 2021)

### 1. Results of Operations

Economic conditions in the fiscal year ended March 2021 were severely impacted by the global spread of COVID-19. In the commercial vehicle market, global demand fell significantly due to the pandemic, but showed signs of recovery from the third quarter onward.

In this business environment, Isuzu has been working to achieve its mid- to long-term vision set out in the previous Mid-Term Business Plan (FY2019 to FY2021) (hereinafter, the *previous Mid-Term Business Plan*) to become a company that *inspires broad admiration for its exceptional CV, LCV, and powertrain products that support human lifestyles*.

Specifically, we continued our efforts to build an alliance system. In October 2020, we concluded a basic agreement for a strategic alliance with the Volvo Group in the field of commercial vehicles, and started full-scale collaboration in April 2021. Through this strategic alliance, we will leverage complementary areas of expertise, utilize each company's outstanding technologies and economies of scale, and collaborate on the development of both existing and advanced technologies for commercial vehicles. We will work together to address the future challenges facing the logistics industry, maximizing the value and benefits we provide to our customers and society, and create new value for the commercial vehicle industry.

In addition, in March 2021 we agreed on a new partnership with Hino Motors, Ltd. and Toyota Motor Corporation aiming to solve transportation issues and contribute to the realization of carbon neutrality. By combining Toyota's CASE technologies with the commercial vehicle platform cultivated by the Company and Hino, we plan to accelerate the societal implementation and spread of CASE technologies and services to help address various difficulties facing the transportation industry, which supports the movement of people and goods using commercial vehicles, such as improving transport efficiency, driver shortages, and long working hours. We also aim to contribute to the realization of a

carbon neutral society.

In the fiscal year ended March 2021, vehicle unit sales in Japan fell by 10,282 units (14.4%) year-on-year to 61,071 units, reflecting a decrease in total industry volume, although the Company maintained its strong reputation in the light-duty truck segment, with a high market share of 40.8%.

Overseas vehicle unit sales decreased by 44,806 units (10.2%) year-on-year to 393,064 units, owing to a fall in total industry volume, primarily in Asia.

As a result, consolidated total vehicle unit sales in Japan and overseas decreased by 55,088 units (10.8%) year-on-year to 454,135 units.

As a result, the Company's earnings results for the fiscal year ended March 2021 were as follows.

	(Billions of yen)		
	Fiscal year ended March 2021	Fiscal year ended March 2020 comparison	
<b>Net sales</b>	1,908.1	(171.7)	(8.3)%
<b>Operating income</b>	95.7	(44.8)	(31.9)%
<b>Profit before extraordinary items</b>	104.2	(46.6)	(30.9)%
<b>Profit attributable to owners of the parent</b>	42.7	(38.5)	(47.4)%

In terms of profit and loss, operating income was 95.7 billion yen, down 31.9% compared to the previous fiscal year, due to the decrease in net sales, despite an improvement in profitability due to cost reduction activities, and progress on reducing expenses.

Profit before extraordinary items was 104.2 billion yen, down 30.9% on the previous fiscal year, and profit attributable to owners of the parent was 42.7 billion yen, down 47.4% on the previous year.

### 2. Overview of Financial Position

Total assets as of March 31, 2021 stood at 2,244.9 billion yen, an increase of 92.8 billion yen from March 31, 2020.

Liabilities increased by 21.2 billion yen from March 31, 2020 to 1,039.9 billion yen.

Net assets increased by 71.6 billion yen from March 31, 2020 to 1,205.0 billion yen.

The shareholders' equity ratio stood at 45.5%, compared with 44.3% on March 31, 2020.

Interest-bearing liabilities decreased by 20.1 billion yen compared with March 31, 2020 to 316.5 billion yen.

### 3. Cash Flows

Cash and cash equivalents (hereinafter referred to as *funds*) as of March 31, 2021 increased by 82.6 billion yen from March 31, 2020 to 386.6 billion yen. Operating activities provided net cash of 222.9 billion yen, while 93.4 billion yen was used for investing activities and 55.2 billion yen for financing activities.

Free cash flows, calculated by deducting investing cash flows from operating cash flows, saw a positive inflow of 129.5 billion yen, an increase of 317.2% from the fiscal year ended March 2020.

#### Cash Flows from Operating Activities

Funds provided by operating activities amounted to 222.9 billion yen, an increase of 80.2% year-on-year.

This was mainly due to recording inflows of funds of 86.8 billion yen for profit before income taxes, and of 82.3 billion yen for accumulated depreciation, as well as a decrease in inventories of 38.4 billion yen and increase in notes and accounts payable of 15.9 billion yen. These were partially offset by outflows of funds from an increase in notes and accounts receivable of 11.2 billion yen and cash paid for income taxes of 30.6 billion yen.

#### Cash Flows from Investing Activities

N Funds used in investing activities amounted to 93.4 billion yen, an increase of 0.8% year-on-year.

This mainly reflected outflows of funds of 97.8 billion yen for payment on the purchase of property, plant and equipment.

## Cash Flows from Financing Activities

Net funds used in financing activities amounted to 55.2 billion yen, an increase of 119.8% year-on-year.

This mainly reflected outflows of funds of 84.8 billion yen for repayment long-term borrowings, 21.4 billion yen for payment of dividends made by the parent company, and payment on dividends to non-controlling shareholders of 16.2 billion yen. Inflows of funds included proceeds from long-term borrowings of 43.3 billion yen and proceeds from bonds issues of 50.0 billion yen.

## (2) Analysis of Financial Condition and Results of Operations in the View of Management

The following provides an analysis of the Group's financial condition and results of operations in the view of management.

The following information contains forward-looking statements that reflect the judgement of management as of June 25, 2021.

### Analysis of Results of Operations, etc. for Fiscal 2021

#### (a) Overview

##### CVs

Total commercial vehicle unit sales for the fiscal year ended March 2021 decreased by 44,537 units (18.2%) year-on-year to 200,729 units.

Total industry volume in Japan fell sharply in the first half due to the COVID-19 pandemic. In the second half, total industry volume recovered to almost the same level as the previous fiscal year, but due to the impact of the decline in the first half, vehicle unit sales in Japan for the fiscal year ended March 2021 fell by 10,282 units (14.4%) year-on-year to 61,071 units.

Overseas, total industry volume also declined sharply in the first half due to the pandemic, but the market returned to an overall recovery trend in the second half of the fiscal year. As a result, total vehicle unit sales in Japan and abroad decreased by 34,255 units (19.7%) year-on-year to 139,658 units.

The company's share of the domestic heavy- and medium-duty truck market increased 1.3 percentage points year-on-year to 33.8% due to stable sales. Moreover, the Company's market share for light-duty trucks decreased by 1.6 percentage points year-on-year to 40.8%, mainly reflecting a surge in the previous fiscal year due to last minute demand ahead of changes in emissions regulations.

#### ·Sales Units of CV

		FY2020 (Units)	FY2021 (Units)	Changes	% Change
Japan	Heavy- and medium-duty	28,945	26,757	(2,188)	(7.6)
	Light-duty	42,408	34,314	(8,094)	(19.1)
	<b>Total</b>	<b>71,353</b>	<b>61,071</b>	<b>(10,282)</b>	<b>(14.4)</b>
North America	Heavy- and medium-duty	1,422	1,572	150	10.5
	Light-duty	27,561	19,765	(7,796)	(28.3)
	<b>Total</b>	<b>28,983</b>	<b>21,337</b>	<b>(7,646)</b>	<b>(26.4)</b>
Asia	Heavy- and medium-duty	16,061	11,986	(4,075)	(25.4)
	Light-duty	45,283	31,180	(14,103)	(31.1)
	<b>Total</b>	<b>61,344</b>	<b>43,166</b>	<b>(18,178)</b>	<b>(29.6)</b>
Others	Heavy- and medium-duty	19,375	15,910	(3,465)	(17.9)
	Light-duty	64,211	59,245	(4,966)	(7.7)
	<b>Total</b>	<b>83,586</b>	<b>75,155</b>	<b>(8,431)</b>	<b>(10.1)</b>
<b>Total</b>	Heavy- and medium-duty	65,803	56,225	(9,578)	(14.6)
	Light-duty	179,463	144,504	(34,959)	(19.5)
	<b>Total</b>	<b>245,266</b>	<b>200,729</b>	<b>(44,537)</b>	<b>(18.2)</b>

#### LCVs

Total LCV sales units in the fiscal year ended March 2021 dropped by 10,551 units (4.0%) year-on-year to 253,406 units.

In Asia, total industry volume fell sharply in the first half of the fiscal year due to the impact of the COVID-19 pandemic. However, volume began to recover from the second quarter onward.

As a result, vehicle unit sales decreased by 14,475 units (8.0%) year-on-year to 166,247 units. In other areas, sales of new models entered full swing from the second half, and overall vehicle unit sales increased by 3,924 units (4.7%) year-on-year to 87,159 units.

Although total demand for LCVs decreased in Thailand, the continued popularity of the new model resulted in a year-on-year increase in market share\* to 42.3%.

\*Up until the fiscal year ended March 2020, this figure represented cumulative results for calendar years from January to December. However, from the fiscal year ended March 2021, the cumulative results for the fiscal year from April to March are shown.

#### ·Sales Units of LCV

	FY2020 (Units)	FY2021 (Units)	Changes	% Change
Asia	180,722	166,247	(14,475)	(8.0)
Others	83,235	87,159	3,924	4.7
<b>Total</b>	<b>263,957</b>	<b>253,406</b>	<b>(10,551)</b>	<b>(4.0)</b>

#### Powertrains

Shipments of industrial engines for the fiscal year ended March 2021 increased by 15,135 units (12.3%) from the previous year to 138,021 units, reflecting strong demand for construction machinery in China.

#### ·Shipment Units of Industrial Engines

	FY2020 (Units)	FY2021 (Units)	Changes	% Change
<b>Total</b>	<b>122,886</b>	<b>138,021</b>	<b>15,135</b>	<b>12.3</b>

## (b) Analysis of Results of Operations (Fiscal year ended March 2021)

### Net Sales

Net sales fell by 171.7 billion yen (8.3%) over the previous fiscal year to 1,908.1 billion yen, mainly due to a decrease in vehicle sales in Japan and overseas.

Net sales in Japan were 751.6 billion yen (down 9.1% year-on-year), and net sales overseas 1,156.5 billion yen (down 7.7% year-on-year).

### Operating Income

Operating income in the fiscal year ended March 2021 was 95.7 billion yen, (down 31.9% from the previous fiscal year).

The main contributing factors were 9.0 billion yen due to cost reduction activities, and 12.1 billion yen due to changes in expenses including extraordinary losses related to the COVID-19 pandemic. Additional negative factors included sales and model mix fluctuations due to the decrease in sales volumes, which reduced operating income by 66.0 billion yen.

As a result, Isuzu's operating income on net sales for the fiscal year ended March 2021 fell to 5.0% (6.8% for the previous fiscal year).

**Analysis of Fluctuations of Operating Income (year on year)**

	(Billions of yen)
Changes in expenses	12.2
Cost reduction activities	9.0
Exchange rate fluctuations	0
Economic fluctuations	0
Sales and model mix fluctuations	(66.0)
<b>Total</b>	<b>(44.8)</b>

**Non-Operating Gains/Losses**

In the fiscal year ended March 2021, Isuzu posted a non-operating gain of 8.5 billion yen, a decrease of 1.7 billion yen from the previous year.

Principle contributors to the result were a decrease in compensation expenses of 2.2 billion yen year-on-year, a positive factor. On the other hand, while net interest (interest and dividend income minus interest expenses) came to 2.5 billion yen, interest income decreased by 2.1 billion yen year-on-year, and equity in earnings of unconsolidated subsidiaries and affiliates decreased by 2.9 billion yen from the previous year.

**Extraordinary Gains/Losses**

For the fiscal year ended March 2021, Isuzu posted a net extraordinary loss of 17.4 billion yen, a deterioration of 10.0 billion yen from the previous year. Principal factors were extraordinary losses including loss on disposal of property, plant and equipment, impairment loss on fixed assets, and losses related to COVID-19, and extraordinary gains including gains on the disposal of property, plant and equipment, and gain on sales of investment securities.

**Taxes**

Taxes in the fiscal year ended March 2021 including current income taxes and deferred income taxes were 34.2 billion yen. In the fiscal year ended March 2020, taxes were 41.0 billion yen.

**Non-Controlling Interests**

Non-controlling interests consist primarily of profits returned to

the non-controlling shareholders of Isuzu's locally incorporated subsidiaries in the ASEAN region and North America as well as Japanese parts manufacturers. Non-controlling interests in the fiscal year ended March 2021 were 9.8 billion yen, compared to 21.2 billion yen in the fiscal year ended March 2020.

**Profit Attributable to Owners of the Parent**

Profit attributable to owners of the parent in the fiscal year ended March 2021 was 42.7 billion yen, a decrease of 38.5 billion yen from the previous year.

Profit attributable to owners of the parent per share came to 57.91 yen.

**(c) Financial Condition (Fiscal year ended March 2021)****Assets**

As of March 31, 2021, assets totaled 2,244.9 billion yen, an increase of 92.8 billion yen from March 31, 2020.

This was primarily because of increases in cash and time deposits of 83.3 billion yen, investment securities of 37.1 billion yen, and notes and accounts receivable of 20.8 billion yen, which were partially offset by decreases in inventories of 35.5 billion yen and deferred tax assets of 14.6 billion yen.

**Liabilities**

Total liabilities as of March 31, 2021 increased 21.2 billion yen from March 31, 2020 to 1,039.89 billion yen.

This was mainly due to increases in notes and accounts payable of 25.9 billion yen and other current liabilities of 11.7 billion yen, while interest-bearing liabilities decreased by 20.1 billion yen.

**Net Assets**

Net assets increased by 71.6 billion yen from March 31, 2020 to 1,205.0 billion yen.

This was chiefly because of an increase in profit attributable to owners of the parent of 42.7 billion yen, and the unrealized holding gain on securities was 27.3 billion yen and foreign currency translation adjustments improved by 13.3 billion yen, while dividends of surplus were 21.4 billion yen.

**(d) Analysis of Capital Resources and Fund Liquidity Demand for Funds**

Principal sources of demand for funds in the Group include

purchases of materials and parts for use in manufacturing products; manufacturing expenses; purchases of products; sales, general, and administrative expenses; working capital; and funds for capital investment.

**Status of Fund Procurement**

With regard to working capital, group companies ordinarily procure working capital in their local currencies in the form of short-term borrowings with a repayment period not exceeding one year. With regard to funds for capital investment, in principle the Group uses its own funds in the form of capital and retained earnings to cover such investments. Going forward, we may consider procuring funds by such means as borrowing or corporate bond issues.

**Fund Liquidity**

As we enter the CASE era, the Company's competitors, partners, and stakeholders are growing more diverse and expanding globally. To be accepted as a company in these rapidly changing times, we strongly recognize the need to change of our management culture.

To tackle this transformation, the company will place *evolving management from ESG perspectives* at the core of its activities, benchmarking ourselves against leading global manufacturers. To develop together with our increasingly globalized and diverse stakeholders, we aim to place greater emphasis on capital efficiency in management against a backdrop of stable accumulation of shareholders' equity, to realize sustainable and stable shareholder returns, even in an era of rapid change and uncertainty.

Specifically, we will increase capital efficiency by enhancing our social value through strengthening the products and services we provide, with the aim of achieving a 15% ROE in five years' time,

In addition, to realize sustainable and stable shareholder returns, even in an era of rapid change and uncertainty, we aim to achieve an average dividend payout ratio of 40% during the period of *Mid-Term Business Plan 2024* (FY2022 to FY2024).

In addition, as part of our management focus on capital efficiency, we will consider flexible stock buybacks.

In accordance with the Mid-Term Business Plan through to the fiscal year ending March 2024, the Group will work to achieve these goals by using operating cash flow generated

through its business operations to fund investments, debt repayment, and shareholder returns, and by mainly using borrowing and corporate bonds to finance M&As and other activities.

Although it remains necessary to closely watch the liquidity of our cash position, the Group's policy is to maintain sufficient liquidity to deal with abrupt changes in the financial markets by augmenting cash and cash equivalents with commitment line contracts with major banks.

# Consolidated Financial Statements

## Consolidated Balance Sheets (As of March 31, 2021 and 2020)

	(Millions of yen)	
Assets	2020	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and time deposits	321,427	404,754
Notes and accounts receivable	266,919	287,790
Lease receivables and lease investment assets	136,852	135,997
Merchandise and finished goods	215,111	182,328
Work in process	25,352	25,207
Raw materials and supplies	83,342	80,728
Other current assets	71,631	67,793
Less : Allowance for doubtful accounts	(1,098)	(1,253)
<b>Total Current Assets</b>	<b>1,119,539</b>	<b>1,183,346</b>
<b>Non-Current Assets</b>		
<b>Property, Plant and Equipment</b>		
Buildings and structures	174,478	178,417
Machinery and equipment	171,604	163,673
Land	282,125	284,836
Lease assets	5,000	4,684
Vehicles on operating leases	68,280	78,693
Construction in progress	29,721	28,301
Others	30,711	28,955
<b>Total Property, Plant and Equipment</b>	<b>761,922</b>	<b>767,563</b>
<b>Intangible Assets</b>		
Goodwill	4,573	2,018
Others	18,701	16,945
<b>Total Intangible Assets</b>	<b>23,274</b>	<b>18,964</b>
<b>Investments and Advances</b>		
Investment securities	154,556	191,682
Long-term loans	987	1,043
Net defined benefit asset	2,158	2,372
Deferred tax assets	58,502	43,854
Other investments and advances	31,822	37,163
Less : allowance for doubtful accounts	(674)	(1,020)
<b>Total Investments and Advances</b>	<b>247,352</b>	<b>275,096</b>
<b>Total Non-Current Assets</b>	<b>1,032,550</b>	<b>1,061,623</b>
<b>Total Assets</b>	<b>2,152,090</b>	<b>2,244,970</b>

	(Millions of yen)	
Liabilities and Net Assets	2020	2021
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes and accounts payable	312,048	329,540
Electronically recorded obligations - operating	49,897	58,382
Short-term borrowings	80,178	52,913
Lease obligations	5,568	5,918
Accrued income taxes	17,060	17,507
Accrued expenses	48,226	57,800
Provision for bonuses	20,619	20,242
Provision for directors' bonuses	233	375
Provision for product warranties	6,636	5,921
Deposits received	3,413	4,353
Other current liabilities	59,310	71,010
<b>Total Current Liabilities</b>	<b>603,193</b>	<b>623,965</b>
<b>Non-Current Liabilities</b>		
Bonds payable	—	50,000
Long-term borrowings	234,642	193,210
Lease obligations	16,321	14,518
Deferred tax liabilities	792	582
Deferred Tax Liabilities Related to Land Revaluation	42,135	42,135
Provision for maintenance costs	3,886	4,432
Provision for Management Board Incentive Plan Trust	198	136
Net defined benefit liabilities	99,066	89,015
Long-term deposits received	1,635	1,647
Other Long-term Liabilities	16,837	20,313
<b>Total Non-Current Liabilities</b>	<b>415,515</b>	<b>415,991</b>
<b>Total Liabilities</b>	<b>1,018,708</b>	<b>1,039,956</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Common stock	40,644	40,644
Capital surplus	42,503	42,599
Retained earnings	924,729	849,673
Less: treasury stock, at cost	(150,441)	(54,090)
<b>Total Shareholders' Equity</b>	<b>857,436</b>	<b>878,826</b>
<b>Accumulated Other Comprehensive Income</b>		
Unrealized holding gain (loss) on securities	25,597	52,942
Unrealized gain (loss) on hedging instruments	302	(796)
Revaluation reserve for land	83,881	83,881
Foreign currency translation adjustment	(5,517)	7,830
Remeasurements of defined benefit plans	(8,760)	(901)
<b>Total Accumulated Other Comprehensive Income</b>	<b>95,503</b>	<b>142,955</b>
<b>Non-Controlling Interests</b>	<b>180,442</b>	<b>183,230</b>
<b>Total Net Assets</b>	<b>1,133,381</b>	<b>1,205,013</b>
<b>Total Liabilities and Net Assets</b>	<b>2,152,090</b>	<b>2,244,970</b>

## Consolidated Financial Statements

## Consolidated Statements of Income (As of March 31, 2021 and 2020)

	(Millions of yen)	
	2020	2021
<b>Net Sales</b>	2,079,936	1,908,150
<b>Cost of sales</b>	1,730,354	1,605,111
<b>Gross Profit</b>	349,582	303,038
<b>Selling, General and Administrative Expenses</b>	208,999	207,305
<b>Operating Income</b>	140,582	95,732
<b>Non-Operating Income</b>		
Interest income	4,534	3,144
Dividend income	2,997	2,313
Equity in earnings of unconsolidated subsidiaries and affiliates	8,033	5,066
Rental income	184	162
Foreign exchange gain	329	1,746
Others	3,607	4,040
<b>Total Non-Operating Income</b>	19,686	16,474
<b>Non-Operating Expenses</b>		
Interest expense	2,833	2,859
Litigation settlement	52	840
Compensation expenses	2,650	443
Currency options	1,005	290
Others	2,851	3,506
<b>Total Non-Operating Expenses</b>	9,392	7,941
<b>Profit before extraordinary items</b>	150,876	104,265
<b>Extraordinary Income</b>		
Gain on sales of property, plant and equipment	289	180
Gain on sales of investment securities	14	714
<b>Total Extraordinary Income</b>	304	895
<b>Extraordinary Losses</b>		
Loss on disposal of property, plant and equipment	1,987	975
Impairment loss on fixed assets	190	13,840
Gain on sales of investment securities	19	38
Loss on valuation of investment securities	5,317	176
Loss on COVID-19	—	3,298
Others	155	—
<b>Total Extraordinary Loss</b>	7,669	18,331
<b>Profit before income taxes and non-controlling interests</b>	143,511	86,829
Income taxes-current	40,141	31,666
Income taxes-deferred	880	2,626
<b>Total Income Taxes</b>	41,022	34,292
<b>Profit</b>	102,489	52,537
Profit Attributable to Non-Controlling interests	21,256	9,828
<b>Profit Attributable to Owners of the Parent</b>	81,232	42,708

## Consolidated Statements of Comprehensive Income (As of March 31, 2021 and 2020)

	(Millions of yen)	
	2020	2021
<b>Profit</b>	102,489	52,537
<b>Other Comprehensive Income</b>		
Unrealized holding gain (loss) on securities	(13,345)	27,565
Unrealized gain (loss) on hedging instruments	170	(1,098)
Foreign currency translation adjustments	(19,294)	17,366
Remeasurements of defined benefit plans	(1,635)	7,757
Share of other comprehensive income of affiliates accounted for using the equity method	(857)	(28)
<b>Total Other Comprehensive Income</b>	(34,962)	51,561
<b>Comprehensive Income</b>	67,526	104,098
Comprehensive income attributable to :		
Owners of parent	51,088	90,160
Non-controlling interests	16,438	13,938



## Consolidated Financial Statements

## Consolidated Statements of Change in Net Assets (As of March 31, 2021 and 2020)

(Millions of yen)

	Shareholders' Equity					Accumulated Other Comprehensive Income						Non-Controlling Interests	Net Assets
	Common stock	Capital Surplus	Retained Earnings	Treasury Stock, at cost	Total Shareholders' Equity	Unrealized Holding Gain (Loss) on Securities	Revaluation Reserve for Land	Unrealized Gain (Loss) on Hedging Instruments	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
<b>Balance at March 31, 2019</b>	40,644	42,129	871,845	(150,485)	<b>804,134</b>	38,754	83,880	131	10,195	(7,314)	<b>125,647</b>	<b>186,553</b>	<b>1,116,335</b>
Cumulative effects of changes in accounting policies			(287)		<b>(287)</b>								<b>(287)</b>
Restated balance at the beginning of the current period	40,644	42,129	871,558	(150,485)	<b>803,847</b>	38,754	83,880	131	10,195	(7,314)	<b>125,647</b>	<b>186,553</b>	<b>1,116,047</b>
Cash dividends			(28,061)		<b>(28,061)</b>								<b>(28,061)</b>
Reversal of revaluation reserve for land			(0)		<b>(0)</b>								<b>(0)</b>
Profit attributable to owners of the parent			81,232		<b>81,232</b>								<b>81,232</b>
Acquisition of treasury stock				(5)	<b>(5)</b>								<b>(5)</b>
Disposal of treasury stock				50	<b>50</b>								<b>50</b>
Purchase of shares of consolidated subsidiaries		374			<b>374</b>								<b>374</b>
Net changes on items other than shareholders' equity						(13,156)	0	170	(15,713)	(1,446)	<b>(30,143)</b>	<b>(6,110)</b>	<b>(36,254)</b>
<b>Balance at March 31, 2020</b>	40,644	42,503	924,729	(150,441)	<b>857,436</b>	25,597	83,881	302	(5,517)	(8,760)	<b>95,503</b>	<b>180,442</b>	<b>1,133,381</b>
Cash dividends			(21,414)		<b>(21,414)</b>								<b>(21,414)</b>
Profit attributable to owners of the parent			42,708		<b>42,708</b>								<b>42,708</b>
Acquisition of treasury stock				(5)	<b>(5)</b>								<b>(5)</b>
Disposal of treasury stock				10	<b>10</b>								<b>10</b>
Cancellation of treasury stock		(96,336)		96,336	<b>—</b>								<b>—</b>
Transfer to capital surplus from retained earnings		96,336	(96,336)		<b>—</b>								<b>—</b>
Change in capital surplus due to transactions with non-controlling interests		95			<b>95</b>								<b>95</b>
Change in scope of equity method			(12)	9	<b>(3)</b>								<b>(3)</b>
Net changes on items other than shareholders' equity						27,344	—	(1,098)	13,347	7,859	<b>47,452</b>	<b>2,788</b>	<b>50,241</b>
<b>Balance at March 31, 2021</b>	40,644	42,599	849,673	(54,090)	<b>878,826</b>	52,942	83,881	(796)	7,830	(901)	<b>142,955</b>	<b>183,230</b>	<b>1,205,013</b>

## Consolidated Financial Statements

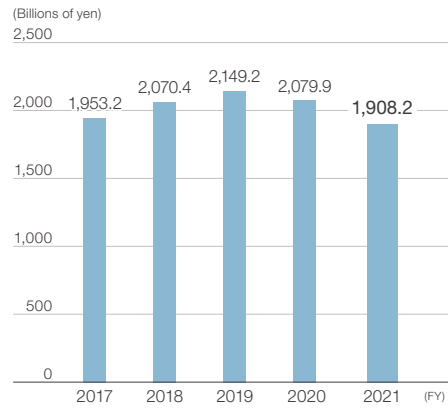
## Consolidated Statements of Cash Flows (As of March 31, 2021 and 2020)

	(Millions of yen)	
	2020	2021
<b>Cash Flows from Operating Activities</b>		
Profit before income taxes and non-controlling interests	143,511	86,829
Depreciation and amortization	78,678	84,561
Equity in earnings of unconsolidated subsidiaries and affiliates	(8,033)	(5,066)
Increase (decrease) in provision for allowance for product warranty	(188)	(715)
Increase (decrease) in provision for bonus accounts	21	(403)
Increase (decrease) in provision for directors' bonuses	(201)	179
Increase (decrease) in provision for allowance for doubtful accounts	(38)	567
Increase (decrease) in provision for maintenance costs	(1,929)	545
Increase (decrease) in provision for management board incentive plan trust	(11)	(62)
Increase (decrease) in net defined benefit liabilities	(446)	17
Interest and dividend income	(7,531)	(5,458)
Interest expenses	2,833	2,859
Loss (gain) on sales of property, plant and equipment, net	(289)	(180)
Loss (gain) on disposal of property, plant and equipment, net	1,987	975
Loss (gain) on sales of securities, net	4	(675)
Loss (gain) on valuation of securities, net	5,317	176
Loss on impairment of fixed assets	190	13,840
Other extraordinary loss (income)	155	—
Decrease (increase) in notes and accounts receivable	23,232	(11,255)
Decrease (increase) in lease receivables and lease investment assets	(19,121)	855
Decrease (increase) in inventories	(25,039)	38,494
Decrease (increase) in other current assets	(14,306)	2,383
Increase (decrease) in notes and accounts payable	(14,098)	15,981
Increase (decrease) in accrued expenses and taxes	(2,642)	8,285
Increase (decrease) in deposits received	(635)	928
Increase (decrease) in other current liabilities	(1,482)	14,574
Others	(285)	703
<b>Subtotal</b>	<b>159,649</b>	<b>248,943</b>
Cash received from interest and dividends	11,032	7,545
Cash paid for interest	(2,841)	(2,906)
Cash paid for income taxes	(44,139)	(30,664)
<b>Net Cash Provided by Operating Activities</b>	<b>123,701</b>	<b>222,918</b>

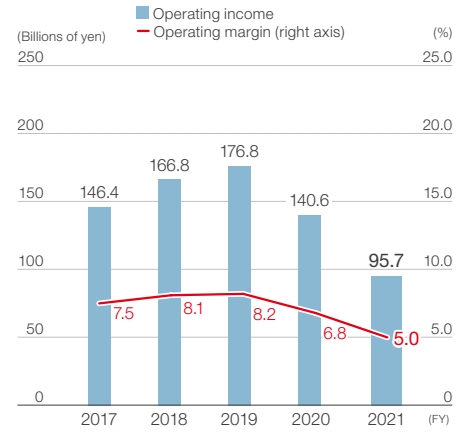
	(Millions of yen)	
	2020	2021
<b>Cash Flows from Investing Activities</b>		
Payment on purchase of investment securities	(434)	(49)
Proceeds from sales of investment securities	52	2,419
Payment on purchase of property, plant and equipment	(103,467)	(97,891)
Proceeds from sales of property, plant and equipment	6,475	5,492
Payment on long-term loans receivable	(333)	(351)
Collection of long-term loans receivable	312	340
Increase (decrease) in short-term loans receivable	(5)	168
Increase (decrease) in fixed deposits	5,188	(369)
Others	(446)	(3,172)
<b>Net Cash Used in Investing Activities</b>	<b>(92,659)</b>	<b>(93,413)</b>
<b>Cash Flows from Financing Activities</b>		
Increase (decrease) in short-term borrowings	7,408	(26,776)
Proceeds from long-term borrowings	59,000	43,300
Repayment on long-term borrowings	(37,289)	(84,873)
Proceeds from bonds issues	—	50,000
Proceeds from non-controlling shareholders	—	5,426
Repayment of lease obligations	(4,074)	(4,496)
Payment on acquisition of treasury stock	(5)	(4)
Payment on dividends made by parent company	(28,057)	(21,412)
Payment on dividends to non-controlling shareholders	(20,665)	(16,258)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,469)	(180)
<b>Net Cash Used in Financing Activities</b>	<b>(25,153)</b>	<b>(55,275)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(7,225)</b>	<b>8,465</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,336)</b>	<b>82,695</b>
<b>Cash and Cash Equivalents at Beginning of the Year</b>	<b>305,311</b>	<b>303,974</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>303,974</b>	<b>386,670</b>

## Financial Highlights

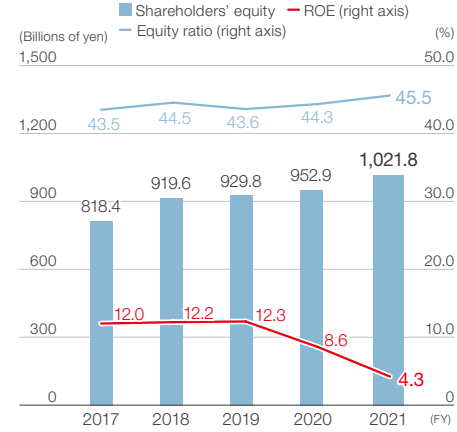
### Net Sales



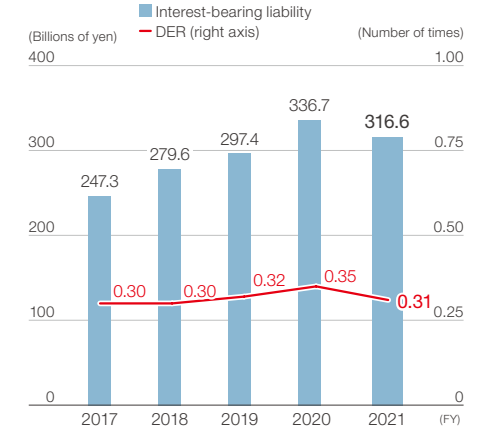
### Operating Income



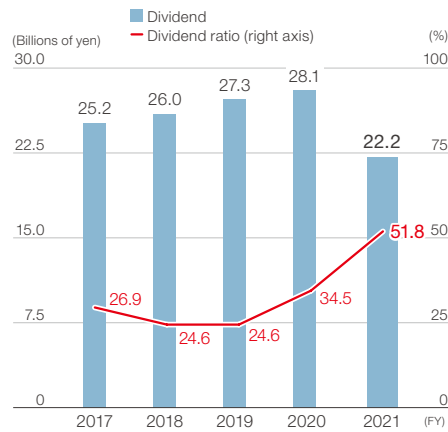
### Shareholders' Equity/ROE



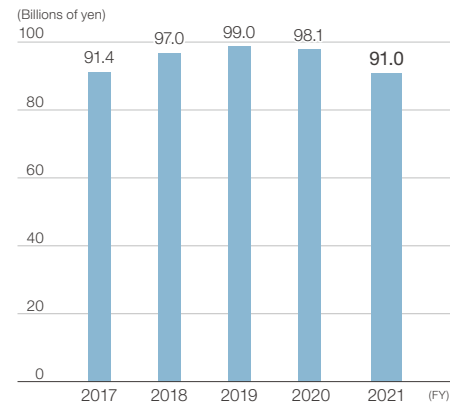
### Interest-Bearing Liabilities/DER



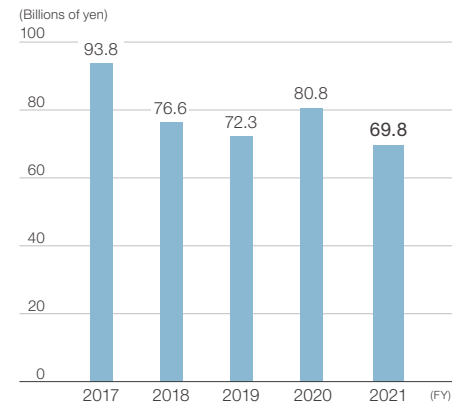
### Dividend



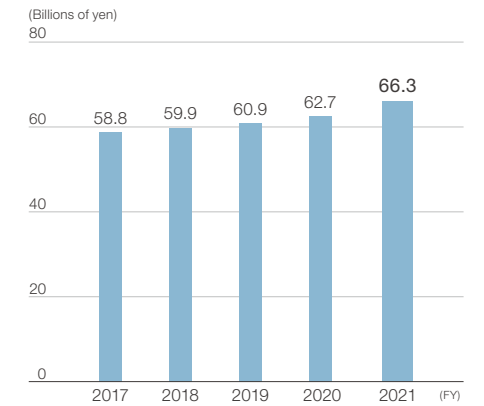
### R&D Expenses



### Facility Investment



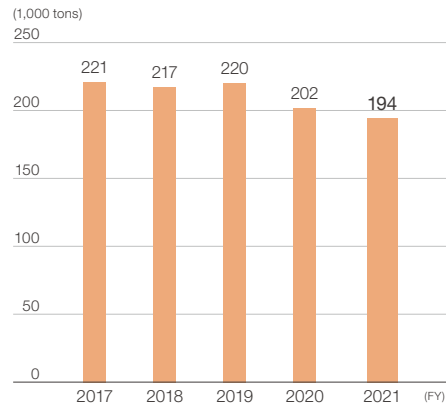
### Depreciation



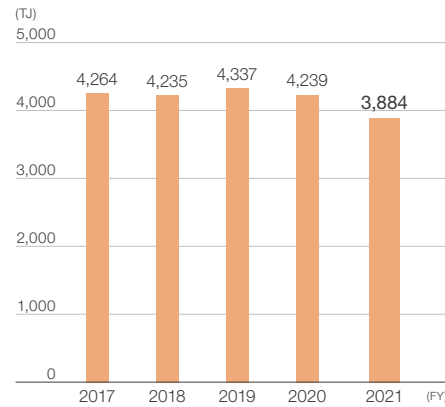
\*The data in the financial highlights cover the entire Isuzu Group.

# Non-Financial Highlights

## CO<sub>2</sub> Emissions from Energy Consumption

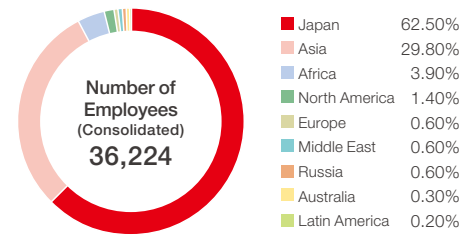


## Energy Consumption

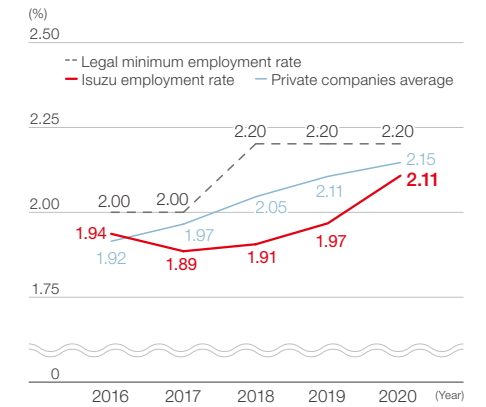


## Number of Employees by Regions

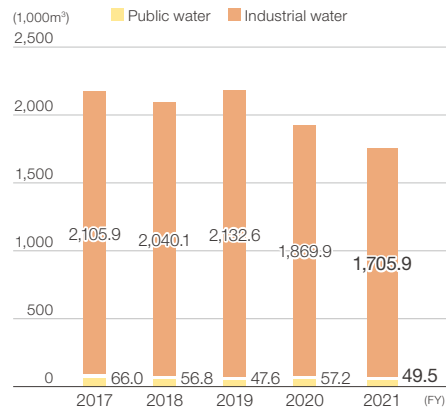
(As of March 31, 2021)



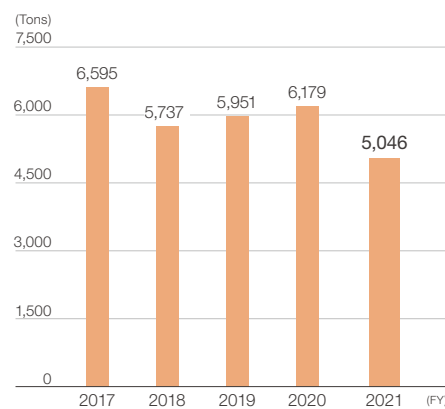
## Employment Ratio of People with Disabilities\*1



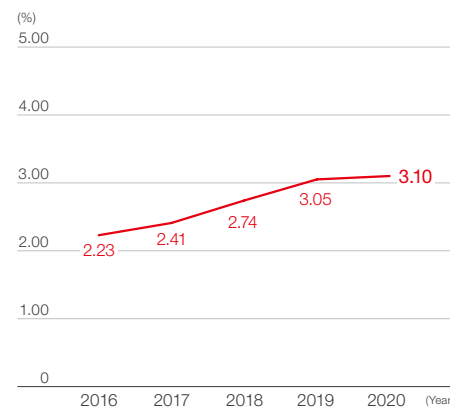
## Water Resource Consumption\*2



## Waste Emissions

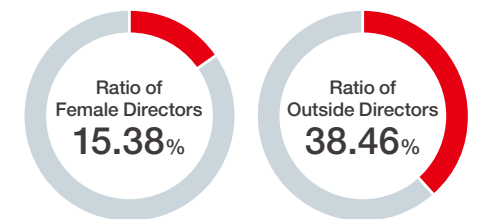


## Ratio of Female Managers\*1,3



## Composition of the Board of Directors

(As of June 25, 2021)



\*Data presented here are for Isuzu Motors Limited (non-consolidated), except for the "Number of Employees by Regions".

\*1 As of June/each year \*2 Headquarter not included \*3 Dispatched employees are not included