

FY2024 Consolidated Financial Results (Japan GAAP)

(April 1, 2023 through December 31, 2023)

English Translation of the Original Japanese-Language Document



February 9, 2024

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
 Contact : Takayuki Aikawa, General Manager,
 Public Relations Department Tel. (045)299-9099
 Scheduled date for submission of quarterly financial statements : February 13, 2024
 Expected starting date for distribution of cash dividends : -
 The supplement materials of the quarterly financial results : Yes
 Holding of the quarterly financial results meeting : Yes

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Highlights (April 1, 2023 through December 31, 2023)

<1> Consolidated Financial Results

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2024 3rd Quarter	2,541,532	8.4	253,561	28.1	270,203	28.5	159,424	26.7
FY2023 3rd Quarter	2,343,984	31.4	197,885	33.2	210,313	31.6	125,851	20.2

[Note] Comprehensive Income
 FY2024 3rd Quarter 260,235 millions of yen 39.2%
 FY2023 3rd Quarter 186,954 millions of yen 30.3%

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2024 3rd Quarter	206.31	-
FY2023 3rd Quarter	162.35	-

<2> Consolidated Financial Position

	Total Assets	Net Assets	The Capital adequacy ratio
	millions of yen	millions of yen	%
FY2024 3rd Quarter	3,191,723	1,632,800	44.6
FY2023	3,046,777	1,510,232	42.9

[Note] Total Amount of Shareholders' Equity
 FY2024 3rd Quarter 1,424,643 millions of yen
 FY2023 1,308,506 millions of yen

2. Cash Dividends

	Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	yen	yen	yen	yen	yen
FY2023	-	36.00	-	43.00	79.00
FY2024	-	43.00	-	-	-
FY2024(Forecast)	-	-	-	43.00	86.00

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

3. Consolidated Financial Forecast for FY2024 (April 1, 2023 through March 31, 2024)

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent		Net Income per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
FY2024	3,400,000	6.4	280,000	10.4	300,000	11.2	165,000	8.7	214.02

[Note] Revision to Consolidated Financial Forecast for FY2024: None

Pursuant to a resolution at a meeting of the Board of Directors held on November 10, 2023, the Company acquired its treasury shares.

“Net income per share” in the consolidated business forecasts take into account the impact of the share acquisition as of January 31, 2024.

*Notes

<1> Changes in significant subsidiaries during this period : None

Newly consolidated : -

Excluded from the scope of consolidation : -

Note: This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this period.

<2> Adoption of specific accounting methods for presenting quarterly consolidated financial statements : None

<3> Changes in accounting policies, accounting estimates and retrospective restatement

Changes in accounting policies due to revisions of accounting standards : None

Changes in accounting policies due to factors other than revisions of accounting standards : None

Changes in accounting estimates : None

Retrospective restatement : None

<4> Number of shares issued (common stock)

Number of shares issued and outstanding	FY2024 3rd Quarter	777,442,069	Shares
at the end of the term (inclusive of treasury shares)	FY2023	777,442,069	Shares

Number of treasury shares at the end of the term	FY2024 3rd Quarter	19,891,981	Shares
	FY2023	2,264,274	Shares

Average number of shares issued	FY2024 3rd Quarter	772,750,931	Shares
	FY2023 3rd Quarter	775,178,265	Shares

Note: "Number of treasury shares at the end of the term" include stocks owned by the Company and by the fund whose beneficiaries are directors of the Company.

"Average number of shares issued" does not include stocks owned by the Company and by the fund whose beneficiaries are directors of the Company.

*Consolidated financial results (Japan GAAP) are not subject to audit procedures.

*Cautionary Statements with Respect to Forward-Looking Statements and Other Notes

•The financial forecast and other descriptions of the future presented in this document are based on currently available information and assumptions which are deemed reasonable at present. Consequently, the actual financial performance may vary significantly from the forecast due to various factors. For such assumptions and notes with respect to performance forecast, please refer to

"1. Qualitative Information Concerning Consolidated Financial Results for FY2024 Third Quarter

(3)Overview of Future Estimates such as Consolidated Financial Forecast".

•The Company has posted its financial results on its web site on February 9, 2024.

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

(1) Overview of Consolidated Financial Results

The total number of vehicles sold at home and abroad during the current fiscal year's first three quarters ended on December 31, 2023, decreased by 56,745 units (10.0%) compared with the same period last fiscal year to 510,551 units.

Vehicle unit sales in Japan rose by 7,672 units (19.7%) over the same period last fiscal year to 46,696 units, due to improvements in the parts shortages. On the other hand, regarding the number of vehicles sold abroad, due to the impact of inflation and rising interest rates, CV (commercial vehicles: truck and bus) decreased by 27,786 units (12.8%) year-on-year mainly in Asia to 188,951 units, and LCV (pick-up truck and its derivative vehicle) fell by 36,631 units (11.8%) mainly in Thailand to 274,904 units.

Sales of industrial engines rose by 2.6 billion yen (3.0%) year-on-year to 89.2 billion yen, and other sales grew by 18.1 billion yen (3.4%) year-on-year to 550.8 billion yen thanks to a growth in the lifecycle business.

Consequently, net sales rose by 197.5 billion yen (8.4%) over the same period last fiscal year to 2,541.5 billion yen, which comprised 815.2 billion yen posted for Japan, up 16.5% year-over-year, and 1,726.3 billion yen for the rest of the world, up 5.0% year-over-year.

On the profit and loss front, despite a worsened market condition mainly in emerging countries and a sharp rise in material costs and others, improvements were seen in initiatives for price realization, and destination markets & model mix, which resulted in operating income amounting to 253.6 billion yen, up 28.1% year-on-year, ordinary income reaching 270.2 billion yen, up 28.5% year-on-year, and net income attributable to shareholders of the parent company standing at 159.4 billion yen, up 26.7% year-on-year.

(2) Overview of Consolidated Financial Position

Total assets as of the end of the current fiscal year's third quarter rose by 144.9 billion yen from March 31, 2023 to 3,191.7 billion yen, mainly due to increases in inventories of 76.0 billion yen, investment securities of 33.3 billion yen, property, plant and equipment of 19.9 billion yen, notes and accounts receivable, and contract assets of 19.7 billion yen, and lease receivables and investments in lease of 15.9 billion yen, partially offset by decreases in cash and deposits of 20.8 billion yen and deferred tax assets of 15.0 billion yen.

Liabilities grew by 22.4 billion yen from March 31, 2023 to 1,558.9 billion yen, mainly because of an increase in interest-bearing liabilities of 51.4 billion yen, partially offset by a decrease in other current liabilities of 12.8 billion yen.

Net assets increased by 122.6 billion yen from March 31, 2023 to 1,632.8 billion yen, mainly due to 159.4 billion yen posted as the profit attributable to owners of the parent and an increase in foreign currency translation adjustment of 33.5 billion yen, partially offset by a decrease in retained earnings of 66.9 billion yen as a result of dividend payments.

The capital adequacy ratio stood at 44.6%, compared with 42.9% as of March 31, 2023.

Interest-bearing liabilities increased by 51.4 billion yen from March 31, 2023 to 564.5 billion yen.

(3) Overview of Future Estimates such as Consolidated Financial Forecast

There has been no change to the full-year consolidated financial forecast released on November 10, 2023.

* This forecast for the current fiscal year 2024 is calculated by the Company based on its rational judgement and information available at this moment of various markets around the world. The forecast also includes risks and uncertainties such as global economic and 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. Consolidated Quarterly Financial Statements and Major Notes

(1) Consolidated Quarterly Balance Sheets

	(millions of yen)	
	As of March 31, 2023	As of December 31, 2023
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	383,587	362,772
Notes and accounts receivable, and contract assets	398,630	418,358
Lease receivables and investments in leases	199,841	215,703
Merchandise and finished goods	392,278	485,903
Work in process	51,294	37,444
Raw materials and supplies	169,882	166,071
Other	109,108	110,905
Allowance for doubtful accounts	(2,366)	(2,493)
Total Current Assets	1,702,258	1,794,665
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings and structures, net	213,461	209,787
Machinery, equipment and vehicles, net	164,318	163,482
Land	371,367	392,593
Leased assets, net	5,794	5,384
Vehicles on operating leases, net	87,259	90,652
Construction in progress	43,361	37,198
Other, net	50,101	56,447
Total Property, Plant and Equipment	935,664	955,547
Intangible assets		
Goodwill	18,010	15,308
Other	56,667	72,394
Total Intangible Assets	74,678	87,702
Investments and other assets		
Investment securities	218,844	252,153
Long-term loans receivable	1,060	1,038
Retirement benefit asset	3,161	3,222
Deferred tax assets	61,956	46,945
Other	50,264	52,327
Allowance for doubtful accounts	(1,111)	(1,878)
Total Investments and Other Assets	334,176	353,808
Total Non-Current Assets	1,344,518	1,397,058
TOTAL ASSETS	3,046,777	3,191,723

(millions of yen)

	As of March 31, 2023	As of December 31, 2023
[LIABILITIES]		
CURRENT LIABILITIES		
Notes and accounts payable	496,833	484,465
Electronically recorded obligations - operating	66,856	78,383
Short-term borrowings	117,880	178,186
Commercial papers	-	8,000
Lease obligations	7,610	6,684
Income taxes payable	31,257	26,287
Accrued expenses	115,873	109,989
Provision for bonuses	26,824	13,380
Provision for bonuses for directors	289	69
Provision for product warranties	5,439	6,134
Deposits received	5,062	11,227
Other	94,905	82,058
Total Current Liabilities	968,832	1,004,866
NON-CURRENT LIABILITIES		
Bonds payable	80,000	80,000
Long-term borrowings	285,044	267,186
Lease obligations	22,609	24,476
Deferred tax liabilities	4,000	1,653
Deferred tax liabilities for land revaluation	42,135	42,135
Provision for maintenance costs	5,184	5,664
Provision for share-based remuneration for directors	887	1,101
Net defined benefit liability	94,423	94,169
Provision for product warranties	5,119	6,703
Long-term deposits received	2,539	2,557
Other	25,767	28,410
Total Non-Current Liabilities	567,712	554,057
TOTAL LIABILITIES	1,536,544	1,558,923
[NET ASSETS]		
SHAREHOLDERS' EQUITY		
Share capital	40,644	40,644
Capital surplus	42,048	43,303
Retained earnings	1,021,771	1,115,215
Treasury shares	(3,234)	(35,251)
Total Shareholders' Equity	1,101,230	1,163,911
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	42,530	61,895
Deferred gains or losses on hedges	204	825
Revaluation reserve for land	83,952	83,952
Foreign currency translation adjustment	79,190	112,643
Remeasurements of defined benefit plans	1,398	1,414
Total Accumulated Other Comprehensive Income	207,276	260,731
NON-CONTROLLING INTERESTS	201,725	208,156
TOTAL NET ASSETS	1,510,232	1,632,800
TOTAL LIABILITIES AND NET ASSETS	3,046,777	3,191,723

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

Consolidated Quarterly Statements of Income

(millions of yen)

For the first nine months ended	FY2023 3rd Quarter December 31, 2022	FY2024 3rd Quarter December 31, 2023
Net sales	2,343,984	2,541,532
Cost of sales	1,894,654	2,013,000
GROSS PROFIT	449,330	528,532
Selling, general and administrative expenses	251,445	274,970
OPERATING INCOME	197,885	253,561
Non-operating income		
Interest income	3,836	7,170
Dividend income	3,469	3,761
Share of profit of entities accounted for using equity method	4,273	7,373
Foreign exchange gains	—	1,057
Other	7,700	3,449
Total non-operating income	19,280	22,811
Non-operating expenses		
Interest expenses	1,684	3,027
Foreign exchange losses	2,493	—
Litigation settlement	33	38
Currency option cost	736	1,137
Other	1,904	1,966
Total non-operating expenses	6,851	6,169
ORDINARY INCOME	210,313	270,203
Extraordinary income		
Gain on sale of non-current assets	144	307
Gain on sale of investment securities	2,529	698
Total extraordinary income	2,673	1,005
Extraordinary losses		
Loss on disposal of non-current assets	833	1,070
Loss on sale of investment securities	13	22
Loss on sale of shares of subsidiaries	—	※2,216
Impairment loss	258	613
Loss on valuation of investment securities	152	—
Total extraordinary losses	1,257	3,922
PROFIT BEFORE INCOME TAXES	211,729	267,286
Income taxes	53,324	68,843
PROFIT	158,404	198,442
Profit attributable to non-controlling interests	32,553	39,017
Profit attributable to owners of the parent	125,851	159,424

Consolidated Quarterly Statements of Comprehensive Income

(millions of yen)

	FY2023 3rd Quarter December 31, 2022	FY2024 3rd Quarter December 31, 2023
For the first nine months ended		
Profit	158,404	198,442
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,781)	19,571
Deferred gains or losses on hedges	1,464	621
Foreign currency translation adjustment	32,423	35,699
Remeasurements of defined benefit plans, net of tax	632	4
Share of other comprehensive income of entities accounted for using equity method	9,810	5,895
Total other comprehensive income	28,549	61,793
Comprehensive income	186,954	260,235
Comprehensive income attributable to:		
owners of the parent	147,025	212,880
non-controlling interests	39,929	47,355

(3) Notes on Premise of a Going Concern

None

(4) Notes on consolidated statements of income

※ Loss on sale of shares of subsidiaries

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

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

(5) Segment Information

The Company and its consolidated subsidiaries are composed of a single business segment, primarily engaged in manufacture and sale of vehicles and its components, industrial engines. Therefore the disclosure of segment information is omitted.

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

None

(7) Additional Information

(Acquisition and cancellation of treasury stock)

The Company hereby makes the following announcement that the Board of Directors, at the meeting of the Board of Directors held on November 10, 2023, passed a resolution to acquire the Company's treasury stock in accordance with Article 156 of the Companies Act applicable pursuant to Article 165, Paragraph 3 of the said Act, and cancel the treasury stock pursuant to Article 178 of the said Act.

1. Purpose of the acquisition and cancellation of treasury stock

The Company has decided to acquire and cancel treasury stock to enhance shareholder returns and improve capital efficiency.

2. Content of matters related to the acquisition

- | | |
|--|---|
| (1) Type of shares to be acquired | : Common shares of the Company |
| (2) Total number of shares to be acquired | : Up to 35 million shares |
| (3) Total acquisition price of shares to be acquired | : Up to 50 billion yen |
| (4) Acquisition period | : From November 13, 2023 to March 31, 2024 |
| (5) Acquisition method | : Market purchases on the Tokyo Stock Exchange
(a) Purchase through the Tokyo Stock Exchange Trading Network Off-Auction Own share Repurchase Trading System (ToSTNeT-3)
(b) Market purchases based on a discretionary trading contract regarding acquisition of own shares |

3. Content of matters related to the cancellation

- | | |
|--|---|
| (1) Type of shares to be cancelled | : Common shares of the Company |
| (2) Total number of shares to be cancelled | : All treasury stock acquired through 2 above |
| (3) Planned date of cancellation | : April 26, 2024 |

4. Acquisition status as of the end of January 2024

(1) Type of shares to be acquired	: Common shares of the Company
(2) Total number of shares acquired shares	: 22,975,500 shares
(3) Total acquisition price of shares	: 42,609,981,050 yen
(4) Acquisition period	: From November 13, 2023 to January 31, 2024
(5) Acquisition method	: Market purchases on the Tokyo Stock Exchange

Note: The above-mentioned total number of acquired shares and total acquisition price of shares include the acquisition of 8,000,000 shares of the Company announced on November 13, 2023 and its acquisition price of 13,856,000,000 yen.

(Transfer of subsidiary stock)

At the Board of Directors' and Management Committee meetings held on November 10, 2023, the company, the Japan Monozukuri Mirai Investment Limited Partnership (hereafter the Japan Monozukuri Mirai Fund), of which SPARX Group Co., Ltd. (hereafter SPARX) is a general partner, ARTS-1 Co., Ltd. (hereafter the tender offeror), of which the Japan Monozukuri Mirai Fund owns all of the issued shares, and IJTT Co., Ltd. (hereafter IJTT) a consolidated subsidiary of the company resolved to approve and concluded the following contractual terms pertain to a transaction (hereafter the transaction) for making IJTT a wholly owned subsidiary by the tender offeror, etc.

Note that partial amendments were made to the section titled Important Subsequent Events in quarterly consolidated financial results for the second quarter ending March 2024 (The amendment is underlined).

1. The company shall make an agreement with the tender offeror not to tender all of its IJTT shares in a tender offer (hereafter the tender offer) for IJTT by the tender offeror.
2. The company shall enter into an agreement with the tender offeror and IJTT that, on condition that the tender offer is concluded, IJTT implements the consolidation of its common shares, voluntary sales of the sum of the fraction of common shares resulting from the share consolidation, and the acquisition of its treasury shares (hereafter the acquisition of treasury shares) so that the company and the tender offeror become the only shareholders of IJTT.
3. Furthermore, the company shall conduct the transaction by transferring all of its IJTT's common shares (hereafter the share transfer) in response to the acquisition of treasury shares, and reinvest in the tender offeror after the acquisition of treasury shares (the percentage of voting rights owned by the company after the reinvestment is 33.3%).
4. The company and the Japan Monozukuri Mirai Fund shall conclude a shareholder agreement that stipulates the operations of the tender offeror and IJTT after the reinvestment.

This tender offer was implemented from November 13, 2023, and concluded on January 15, 2024.

Upon completion of the transaction, a cash consideration equal to the share transfer is expected to be approximately 14.0 billion yen. In the event of the share transfer, IJTT will cease to be a consolidated subsidiary of the company. The company expects to record a loss of approximately 6.0 billion yen recognized in conjunction with the share transfer as a loss on the sale of the subsidiary's stock in the consolidated statements of income for the current fiscal year.

(8) Important Subsequent Events

None

3. Supplementary Information

(1) Sales Condition

< Consolidated sales results >

		FY2023 (Fiscal year ending December 31, 2022)		FY2024 (Fiscal year ending December 31, 2023)		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
HD/MD CV	Japan	20,752	219,877	24,843	281,484	4,091	61,606
	Overseas	48,375	306,072	42,439	310,792	(5,936)	4,720
		69,127	525,949	67,282	592,276	(1,845)	66,327
LD CV	Japan	18,272	70,512	21,853	98,119	3,581	27,606
	Overseas	168,362	391,598	146,512	460,682	(21,850)	69,084
		186,634	462,111	168,365	558,802	(18,269)	96,691
LCV	Overseas	311,535	736,734	274,904	750,539	(36,631)	13,805
		311,535	736,734	274,904	750,539	(36,631)	13,805
Total vehicles	Japan	39,024	290,390	46,696	379,603	7,672	89,213
	Overseas	528,272	1,434,404	463,855	1,522,014	(64,417)	87,609
		567,296	1,724,795	510,551	1,901,618	(56,745)	176,823
Industrial Engines	Japan	-	41,248	-	48,980	-	7,731
	Overseas	-	45,312	-	40,182	-	(5,130)
		-	86,561	-	89,162	-	2,601
Other	Japan	-	368,222	-	386,626	-	18,404
	Overseas	-	164,405	-	164,125	-	(280)
		-	532,628	-	550,751	-	18,123
Sales amount	Japan	-	699,861	-	815,210	-	115,349
	Overseas	-	1,644,123	-	1,726,321	-	82,198
		-	2,343,984	-	2,541,532	-	197,547

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

<Overseas Sales>

FY2023 (April 1, 2022 through December 31, 2022)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	180,609	723,413	740,099	1,644,123
2 Consolidated sales	-	-	-	2,343,984
3 Overseas sales per Consolidated sales	% 7.7	% 30.9	% 31.6	% 70.1

1. This segmentation is based on the geographical area.
2. Major countries or areas included
 - (1) North America---USA
 - (2) Asia---Thailand, China, Indonesia, Philippines
 - (3) Other---Saudi Arabia, Australia, Colombia, South Africa, Italy
3. Overseas sales are sales to all countries and areas excluding Japan
made by the parent company and consolidated subsidiaries.

FY2024 (April 1, 2023 through December 31, 2023)

	North America	Asia	Other	Total
1 Overseas sales	287,315	591,442	847,564	1,726,321
2 Consolidated sales	-	-	-	2,541,532
3 Overseas sales per Consolidated sales	% 11.3	% 23.3	% 33.3	% 67.9

1. This segmentation is based on the geographical area.
2. Major countries or areas included
 - (1) North America---USA
 - (2) Asia---Thailand, China, Indonesia, Philippines
 - (3) Other---Saudi Arabia, Australia, Colombia, South Africa, Italy
3. Overseas sales are sales to all countries and areas excluding Japan
made by the parent company and consolidated subsidiaries.