

FY2022 1H Financial Results

November 8, 2021
ISUZU MOTORS LIMITED

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1. Overview

**Director of the Board,
and Managing Executive Officer,
Corporate Strategy
Division Executive
Corporate Planning & Finance
Division Executive**

Shinsuke Minami

Overview -1

1. FY2022 1H Results

- Thanks to recovery in overseas markets, sales units exceeded the pre-COVID level.
- Record high sales and incomes for the 1st half.
- Delay in parts supply from the ASEAN region interrupted our production. Sales volumes fell short of our plans.
- With favorable FX rates and cost reduction activities, income resulted higher than our expectations.

2. FY2022 Full-Year Outlook

- Most overseas markets has recovered to the pre-COVID level.
- Overseas CV footprints demands highest level of units. Inventory shortage amplifies the situation.
- On the other hand, low part supplies continues. Outlook of the issue remain uncertain.
- Unable to meet sales request for both CVs and LCVs. Sales remain the same level from our original forecast.
- FX and further cost reductions makes up for the rise of raw materials and logistic fees.
- No revisions to our financial outlook.

Overview -2

3. Affects from Supply Chain Disruptions

	1st Half Results	2nd Half Outlook
Japan	<ul style="list-style-type: none"> • Spread of COVID-19 in Southeast Asia impedes sufficient supply of production parts from Vietnam. • Decreased production of light-duty trucks. 	<ul style="list-style-type: none"> • Coronavirus situation has resolved, thus supply of production parts made in Vietnam is projected to recover to its original level. • Lack of supply of semiconductors used in sensor components is forecasted. Thus, will be unable to meet the high demand.
Thailand	<ul style="list-style-type: none"> • Spread of COVID-19 in Southeast Asia interrupts supply of production parts manufactured in Malaysia. Parts uses semiconductors. • Struggled to secure enough factory personnel due to spread of the novel coronavirus in Thailand. • Decreased production of newly-modeled LCVs. 	<ul style="list-style-type: none"> • Coronavirus situation has resolved, thus supply of chips shows signs of improvement. • Uncertain whether we can secure enough quantity to make up the reduced production in the 1st half.

Overview: FY2022 1H Consolidated Results

Global Sales Units (K-units)		FY2022 1H	FY2021 1H	Changes		FY2020 1H
CV Total	CV-Japan	33	33	0	1%	45
	CV-Overseas	128	77	51	66%	106
	UD Trucks	8	-	8	-	-
		169	110	59	54%	151
LCV Total	LCV-Thailand	71	55	16	31%	70
	LCV-Export	92	50	42	82%	76
		163	105	58	55%	146
Total		332	215	117	54%	297

Financial Results (Bil. Yen)

Sales	1,145.1	792.9	352.2	44%	1,020.1
Operating Income	97.3	16.8	80.5	479%	71.4
Ordinary Income	106.6	17.0	89.6	529%	73.5
Net Income	71.1	-1.7	72.8	-	39.8

Overview: FY2022 Full-Year Outlook

Global Sales Units (K-units)		FY2022 Forecast	FY2022 Previous Plan	Changes	
CV Total	CV-Japan	69	77	-8	-11%
	CV-Overseas	263	246	17	7%
	UD Trucks	18	16	2	12%
	Total	350	339	11	8%
LCV Total	LCV-Thailand	167	179	-12	-7%
	LCV-Export	213	216	-3	-1%
Total	380	395	-15	-4%	
Total	730	734	-4	-1%	

FY2021	FY2020
70	81
190	208
-	-
260	289
151	163
144	148
295	311
555	600

Financial Forecast (Bil. Yen)

Sales	2,500.0	2,500.0	No Revisions to Sales, Incomes, and Dividends
Operating Income	170.0	170.0	
Ordinary Income	175.0	175.0	
Net Income	110.0	110.0	
Dividends	58 Yen	58 Yen	

1,908.2	2,079.9
95.7	140.6
104.3	150.9
42.7	81.2
30 Yen	38 Yen

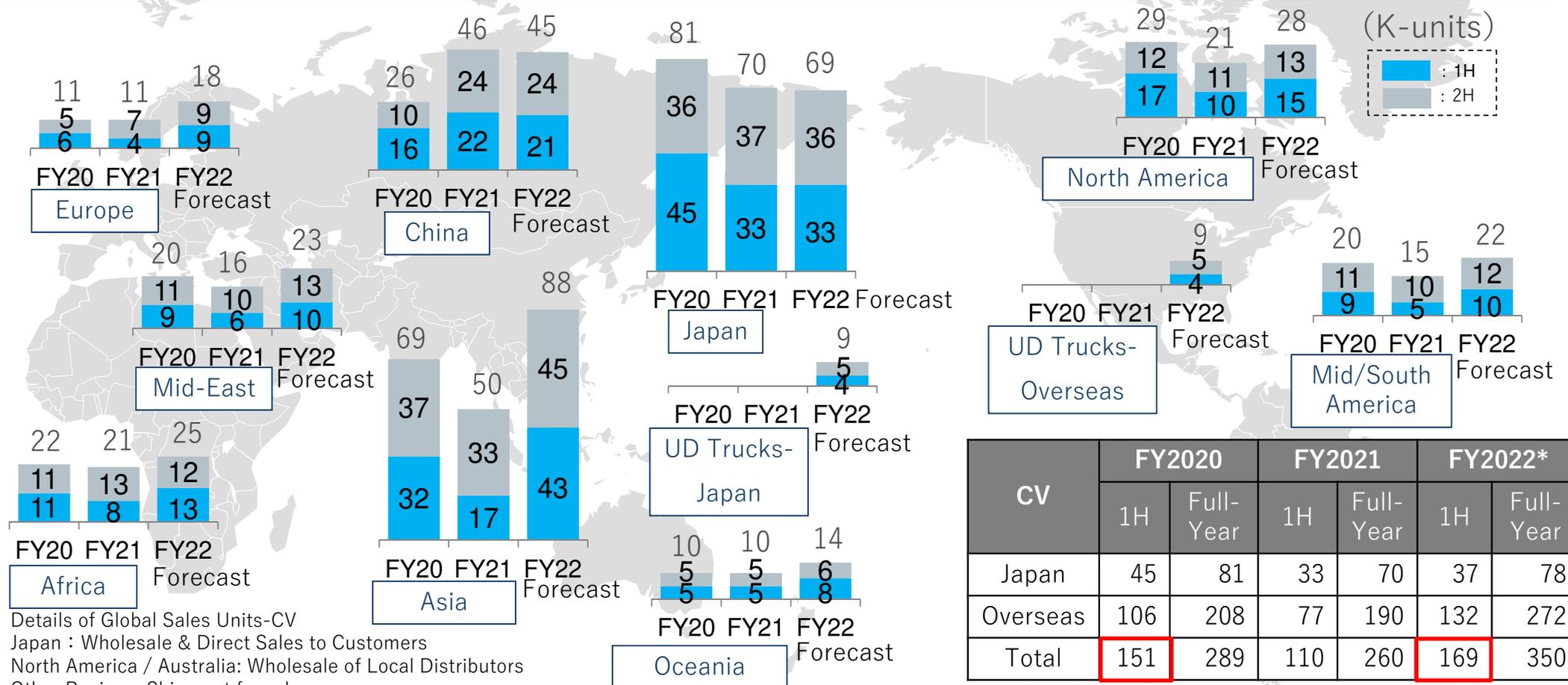
**Senior Executive Officer,
Deputy Division Executive,
Corporate Planning &
Finance Division
Group Chief Financial Officer**

Naoto Nakamata

2. FY2022 1H Financial Summary and Full-year Outlook

Global Sales Units (CV) -1

- Though parts supply was disrupted from August, sales units for 1st half exceeded pre-COVID sales units in most regions.
- Sales units in Japan remained less than FY2020 when the surge before the implementation of new exhaust regulations swelled the demand.



Details of Global Sales Units-CV

Japan : Wholesale & Direct Sales to Customers

North America / Australia: Wholesale of Local Distributors

Other Regions: Shipment from Japan

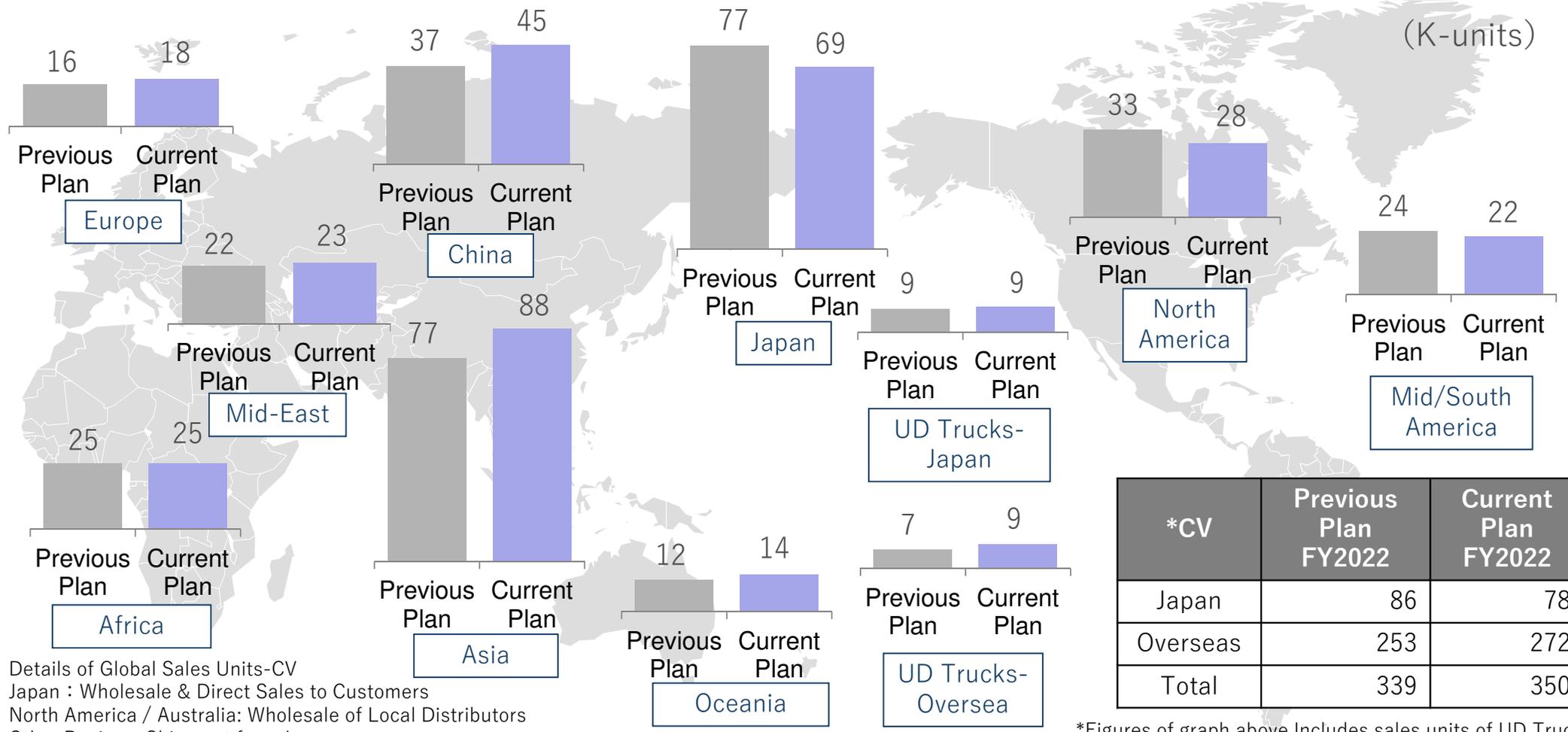
10 UD Trucks' April-June performance is reflected in the consolidated F/S.

*FY2022 figures of graph above Includes sales units of UD Trucks
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Global Sales Units (CV) -2 Comparison of Full-Year Outlook from those announced in May



■ Raised forecast of most regions. Lowered forecasts for Japan and North America as we are unable to reply to all of the demand.



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

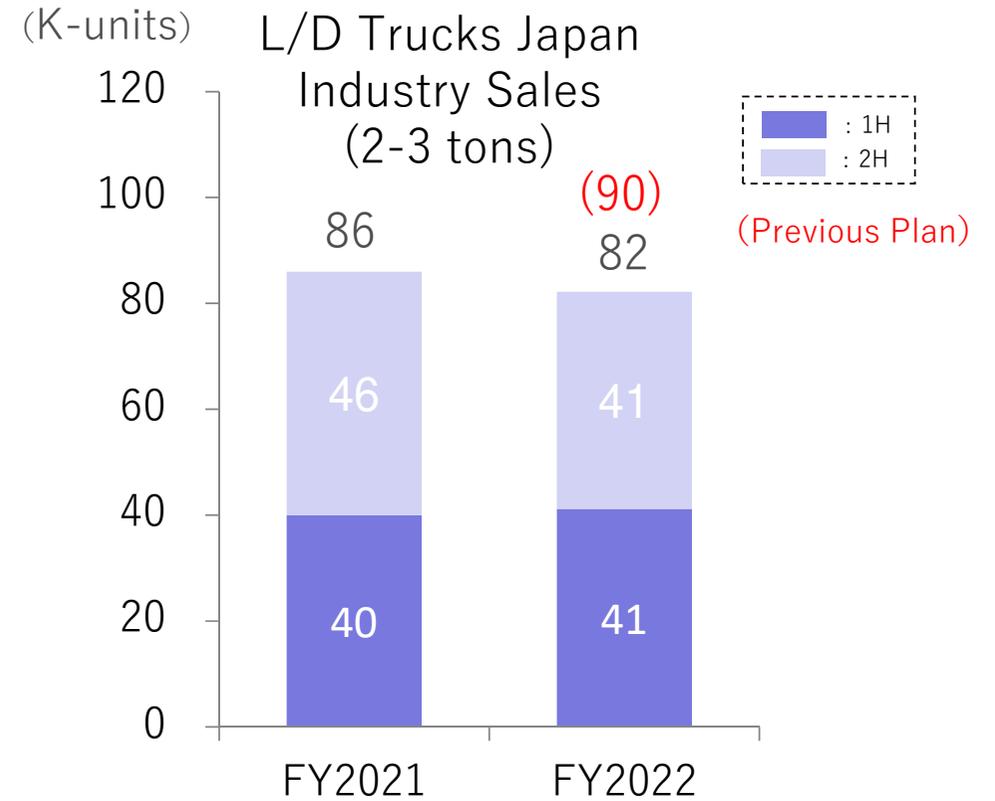
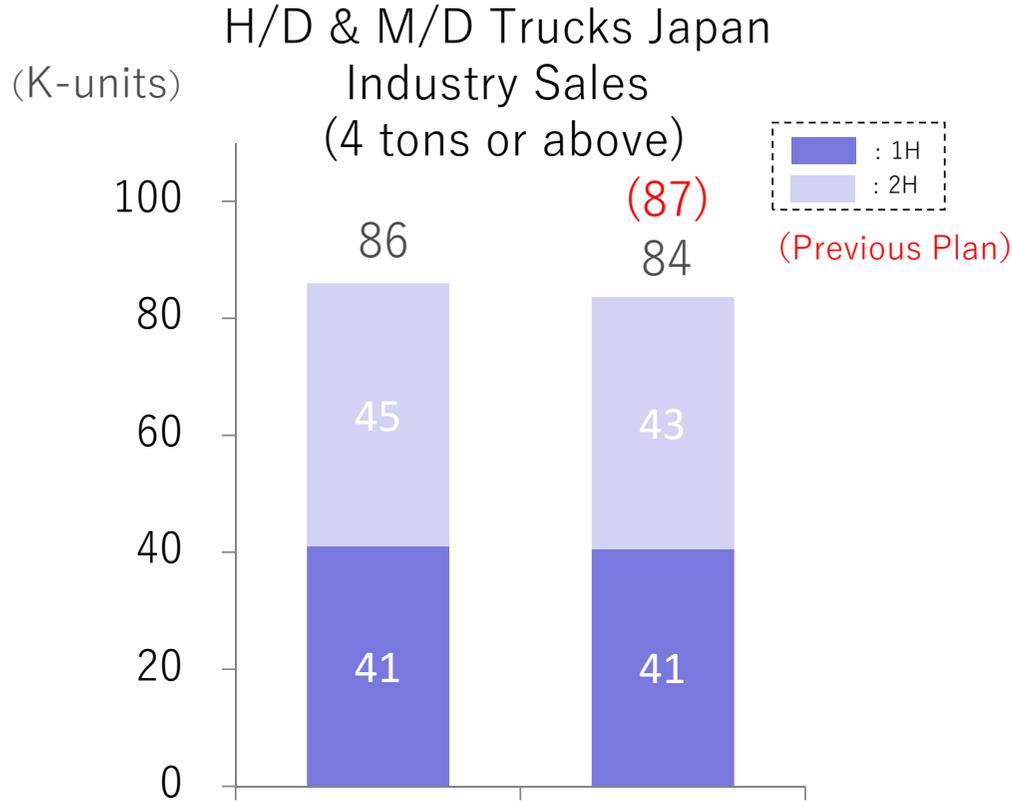
*CV	Previous Plan FY2022	Current Plan FY2022
Japan	86	78
Overseas	253	272
Total	339	350

*Figures of graph above Includes sales units of UD Trucks

Japan Industry Sales and Isuzu Share



■ Japan industry sales were about the same level as the previous year in the 1st half. Industry sales in the latter half is projected to fall taking account of the recent productions.



1H Shares

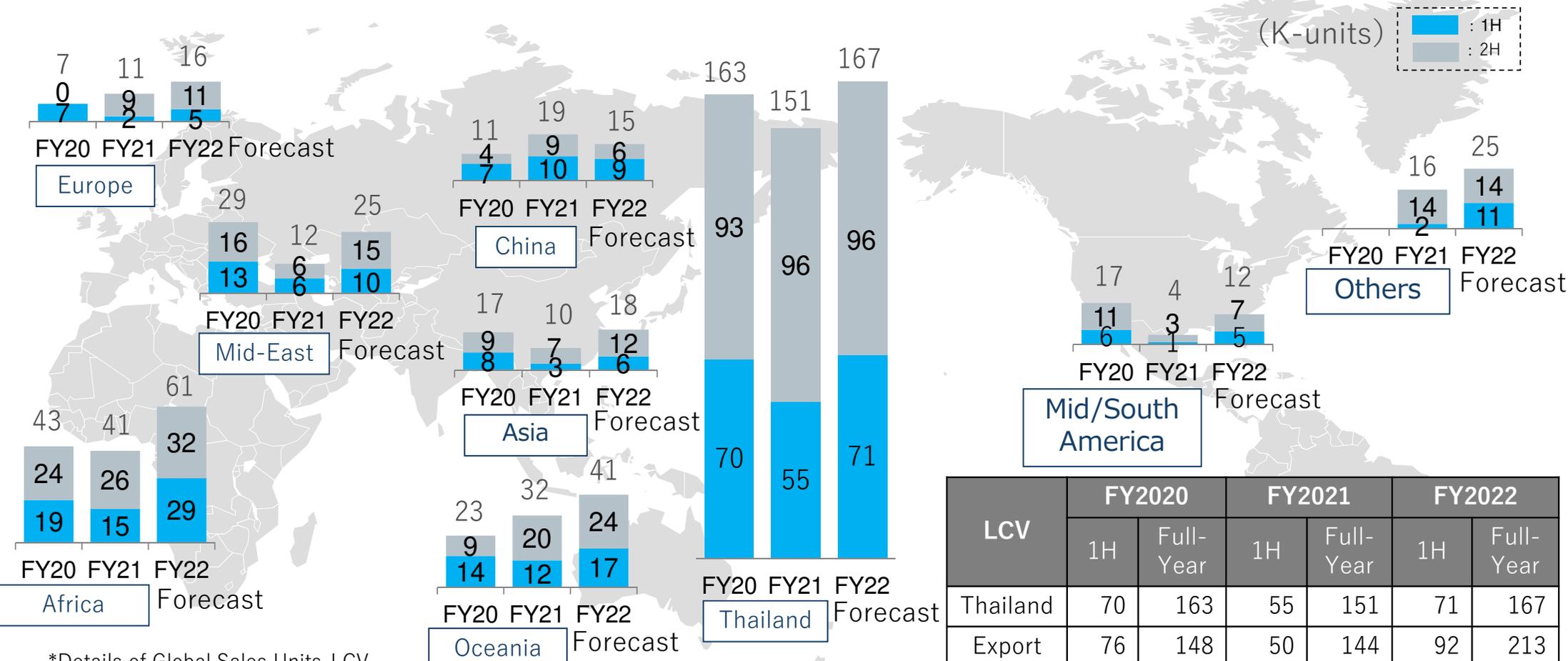
Category	FY2021	FY2022
Isuzu	33.8%	33.5%
UD Trucks	(10.3%)	10.6%

1H Shares

Category	FY2021	FY2022
Isuzu	41.3%	41.0%

Global Sales Units (LCV) -1

■ As we recorded 1st half sales exceeding the level before the pandemics, was affected by the semiconductor shortage.



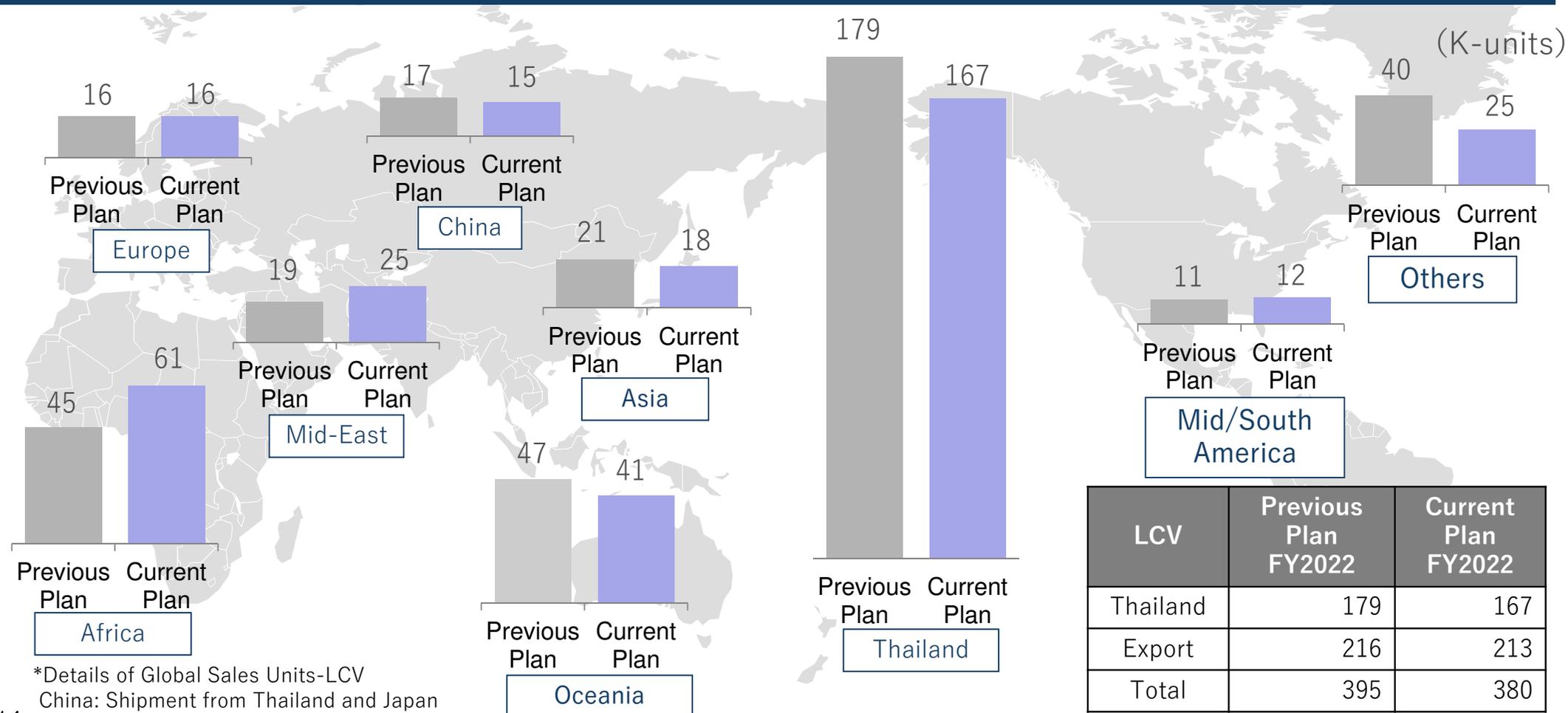
LCV	FY2020		FY2021		FY2022	
	1H	Full-Year	1H	Full-Year	1H	Full-Year
Thailand	70	163	55	151	71	167
Export	76	148	50	144	92	213
Total	146	311	105	295	163	380

*Details of Global Sales Units-LCV
 China: Shipment from Thailand and Japan
 Other Regions: Shipment from Thailand only

Global Sales Units (LCV) -2 Comparison of Full-Year Outlook in Comparison to those announced in May



■ Vehicle production suffered from chip shortage, thus revised the full-year outlook downward in most regions.



LCV	Previous Plan FY2022	Current Plan FY2022
Thailand	179	167
Export	216	213
Total	395	380

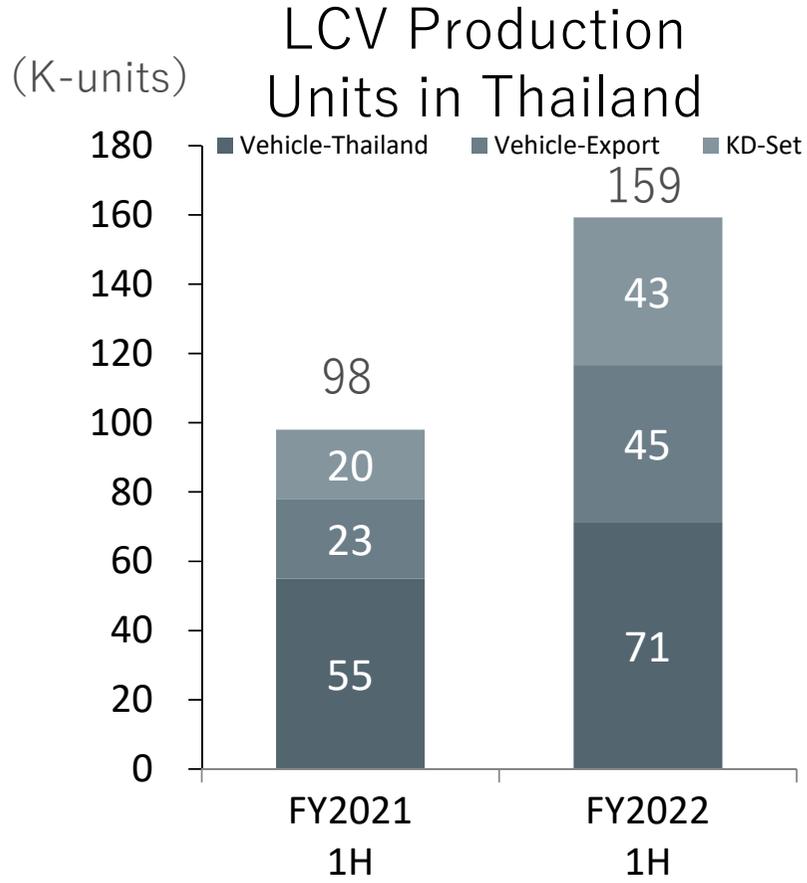
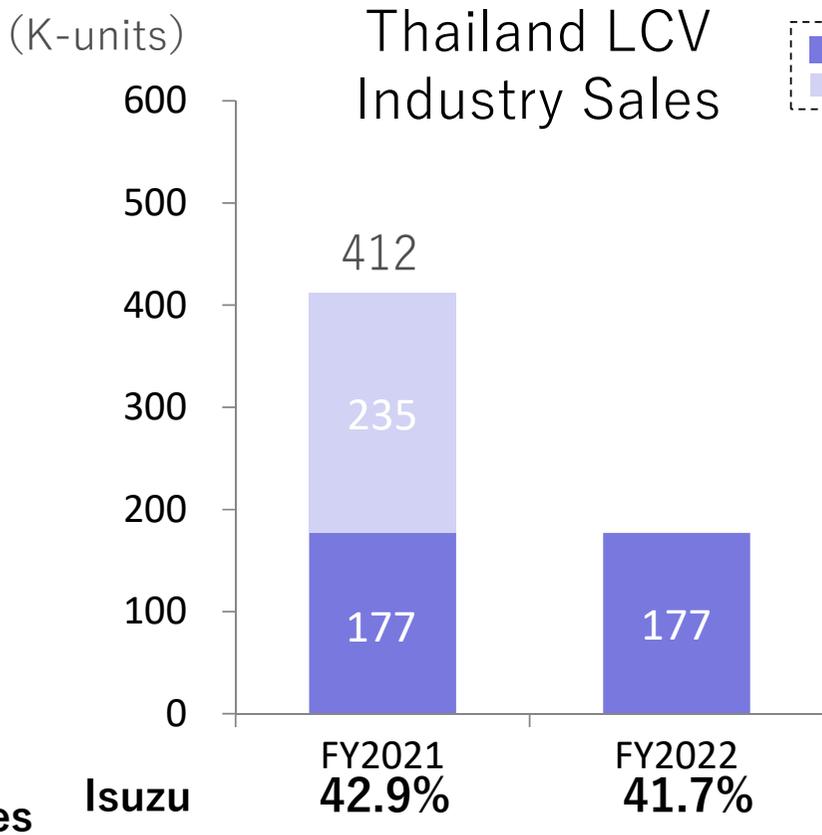
*Details of Global Sales Units-LCV

China: Shipment from Thailand and Japan

Other Regions: Shipment from Thailand only

Thailand LCV Industry Sales & Share /LCV Production Units (April-Sept.)

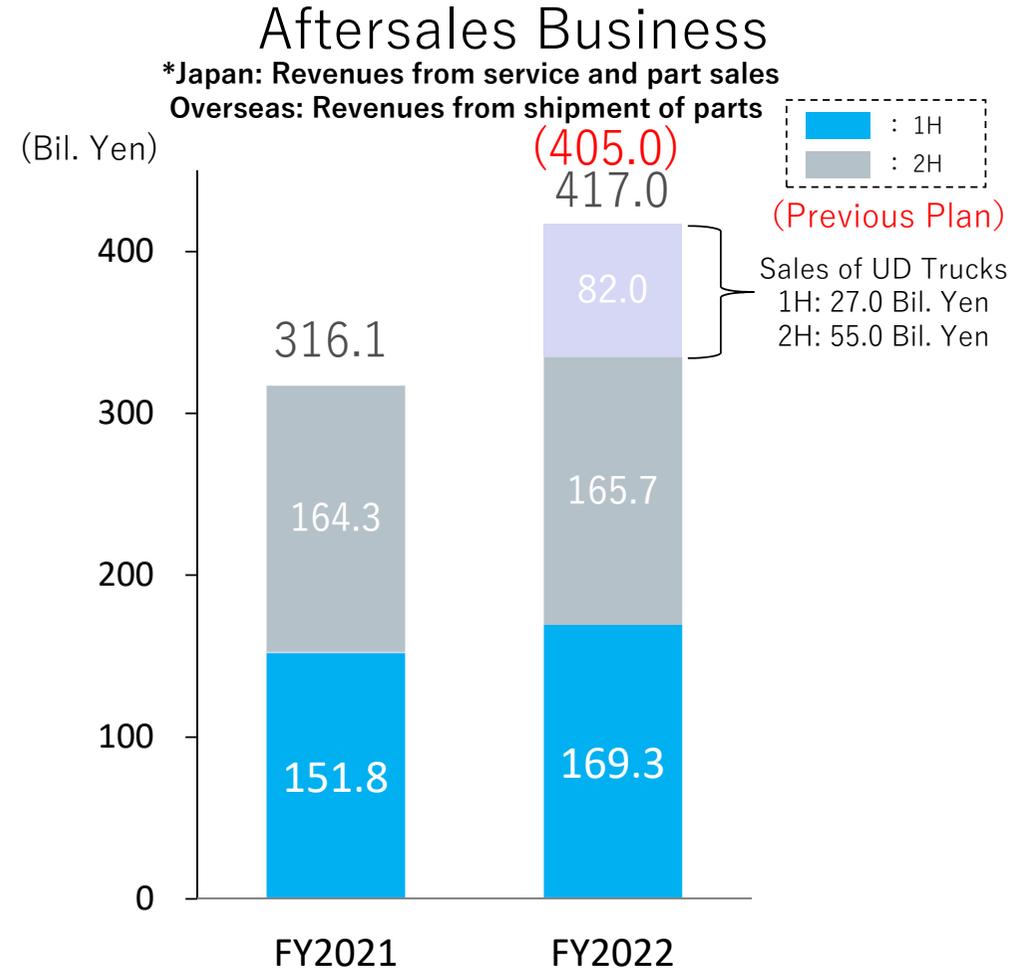
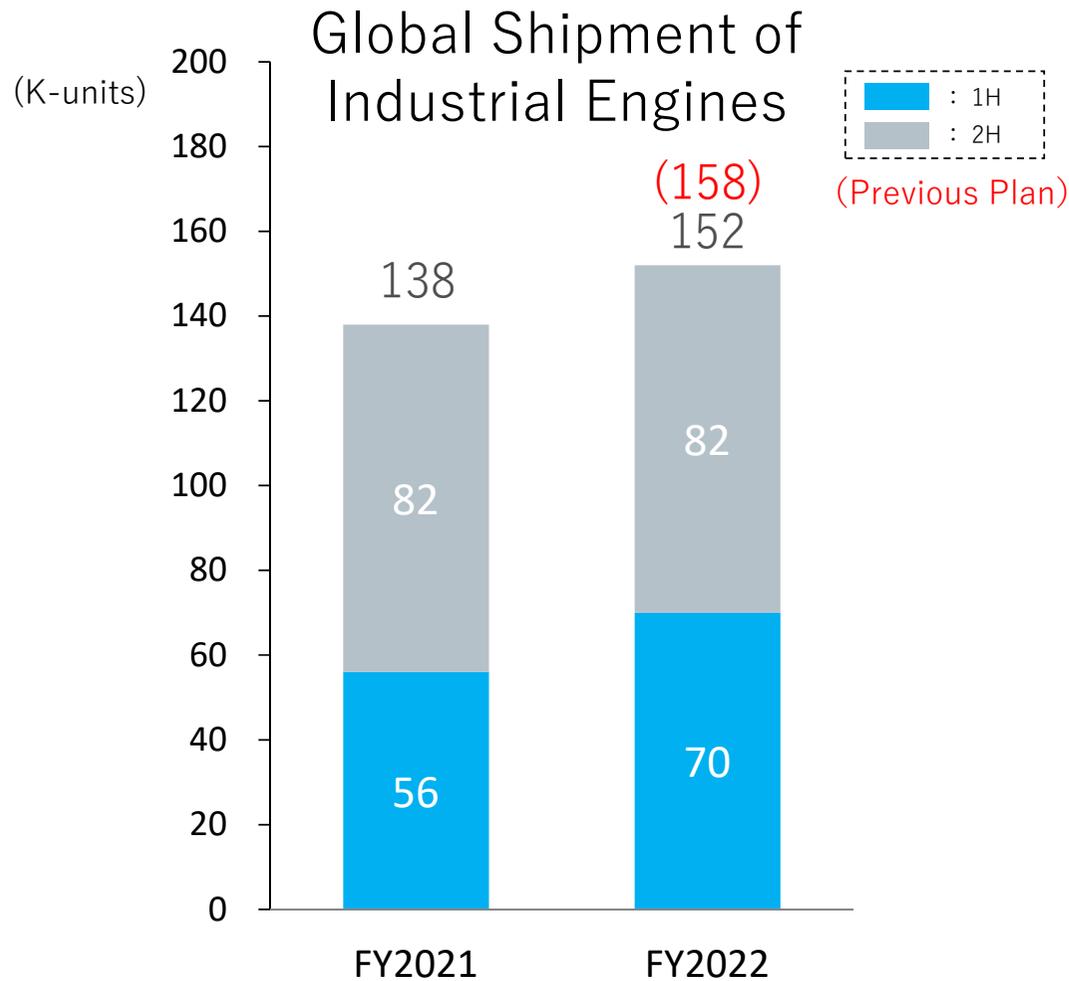
- Industry sales in Thailand showed a steady revival in April-August, but the resurgence of COVID-19 in August has turned down the future prospect. The outlook is unclear.
- Though forced to deal with chip shortages, production units showed a major rise from the previous year when the plant ceased operations.



Industrial Engine Global Shipment/Revenue from Aftersales Business



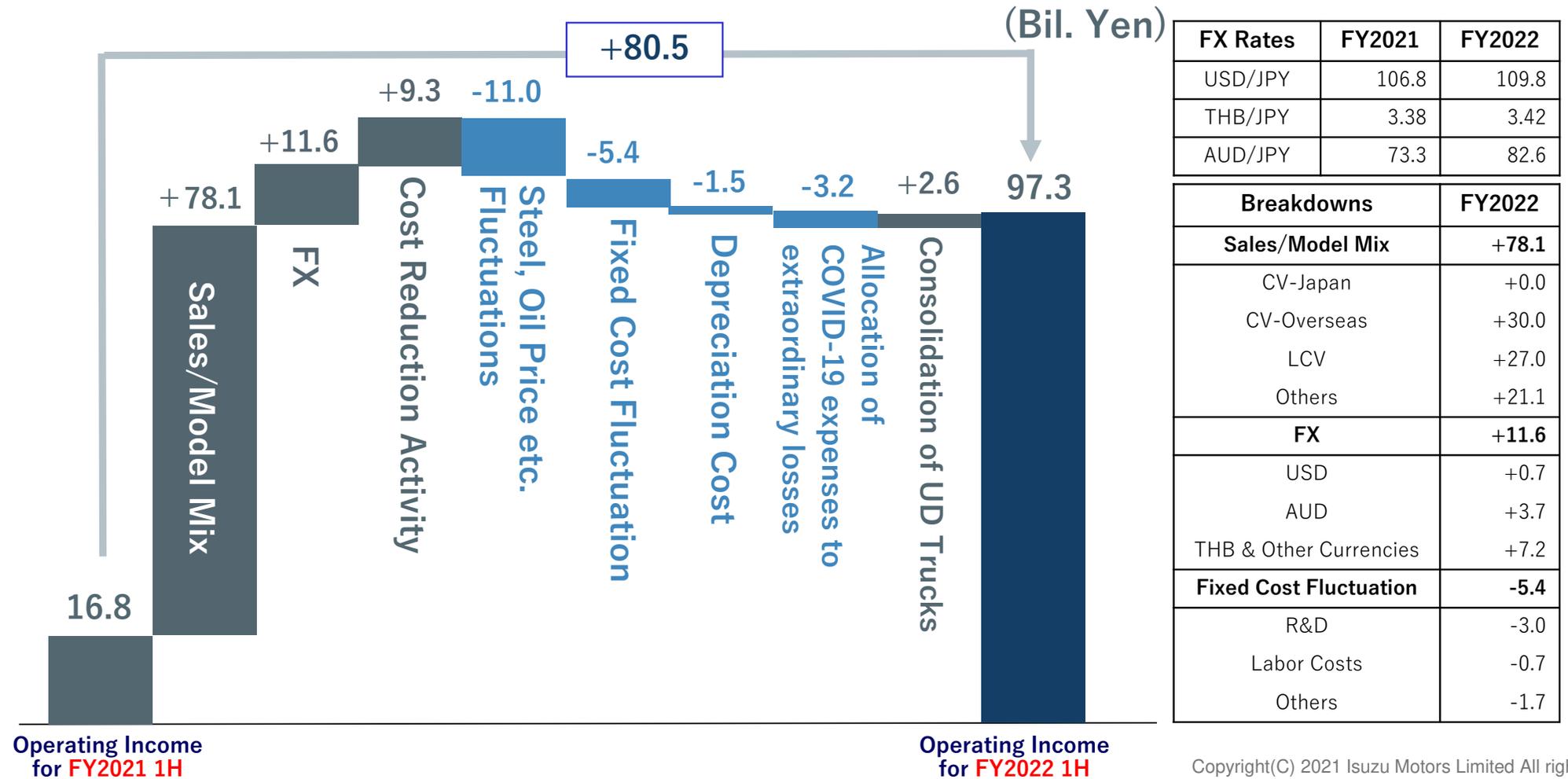
- Industrial Engines: Lowered the full-year outlook due to slowdown of the Chinese construction machinery demand.
- Aftersales Business: Changed the full-year outlook upward thanks to the growing parts sales outside Japan.



FY2021 1H vs. FY2022 1H Fluctuations

- Consolidated operating income : analysis of change -

- Though affected from chip shortages, part supply constraints, and surge in raw material prices, operating income showed a major rise thanks to increased sales units, FX, and cost reduction activities.
- Consolidated UD Trucks from 2nd quarter.



FY2022 1st Half Consolidated Results - Year-on-year Comparison -



(Bil. Yen)	FY2022 1H	FY2021 1H	Changes	
Sales	1,145.1	792.9	352.2	44%
Operating Income	97.3	16.8	80.5	479%
Ordinary Income	106.6	17.0	89.6	529%
*Net Income	71.1	-1.7	72.8	-

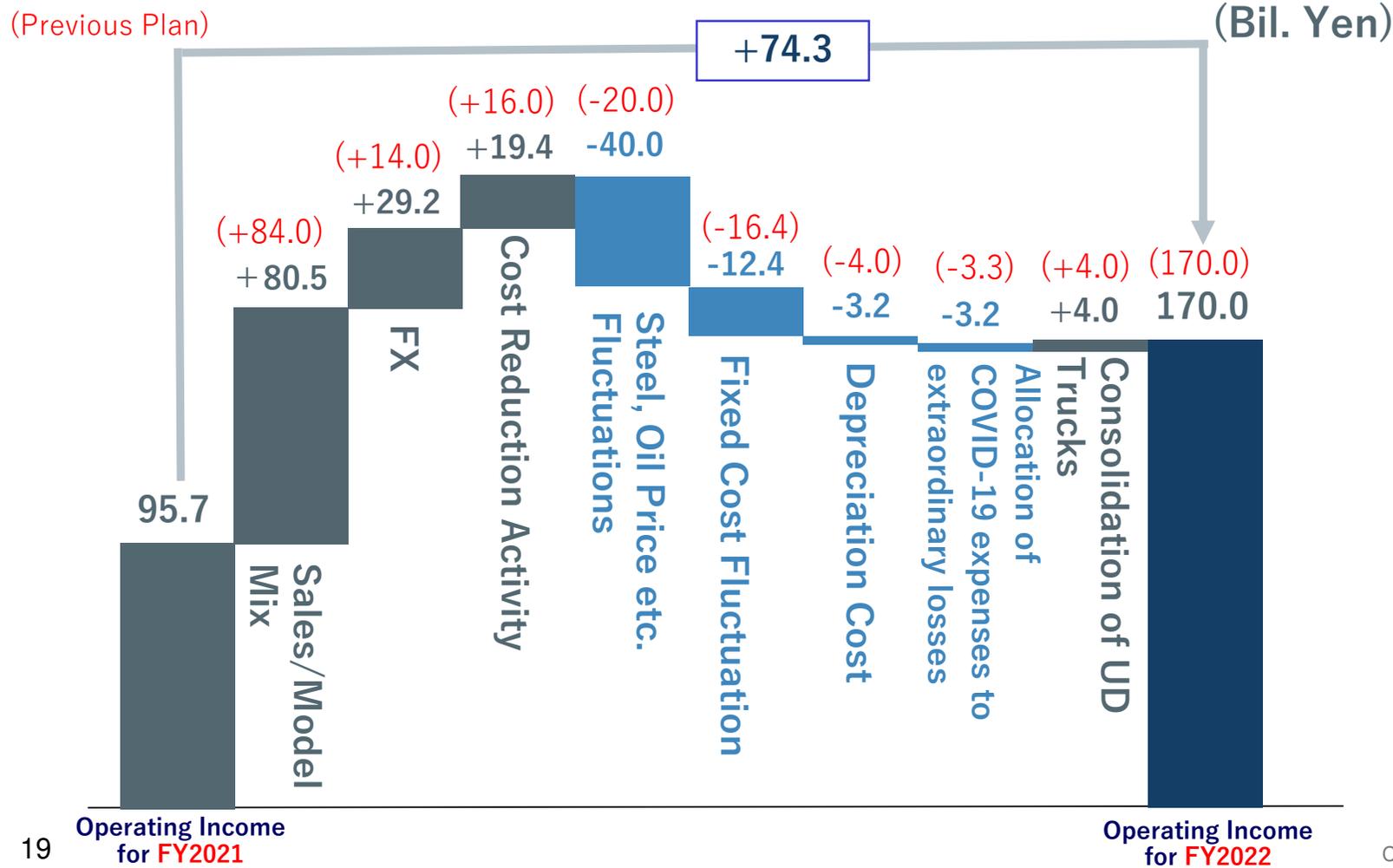
*Net Income	Ordinary Income	106.6
	Loss on disposal of non-current assets, etc.	-0.9
	Income Taxes	-21.1
	Profit attributable to non-controlling interests	-13.5
	*Net Income	71.1

* Net income attributable to owners of parent

FY2021 vs. FY2022 Fluctuations

- Consolidated operating income : analysis of change -

- In addition to semiconductor constraints, material costs and logistics fees has risen higher than our forecasts in May, but FX and cost reduction activities will offset the increase in costs. Shall make no revisions to our full-year forecast.



FX Rates	FY2021	FY2022
USD/JPY	106.0	109.9
THB/JPY	3.42	3.41
AUD/JPY	76.2	82.3

Breakdowns	FY2022
Sales/Model Mix	+80.5
CV-Japan	-7.0
CV-Overseas	+38.8
LCV	+30.0
Others	+18.7
FX	+29.2
USD	+4.1
AUD	+6.4
THB & Other Currencies	+18.7
Fixed Cost Fluctuation	-12.4
R&D	-8.0
Labor Costs	-2.5
Others	-1.9

FY2022 Full-Year Outlook - Year-on-year Comparison -

(Bil. Yen)	FY2022	FY2021	Changes	
Sales	2,500.0	1,908.2	591.8	31%
Operating Income	170.0	95.7	74.3	78%
Ordinary Income	175.0	104.3	70.7	68%
*Net Income	110.0	42.7	67.3	157%

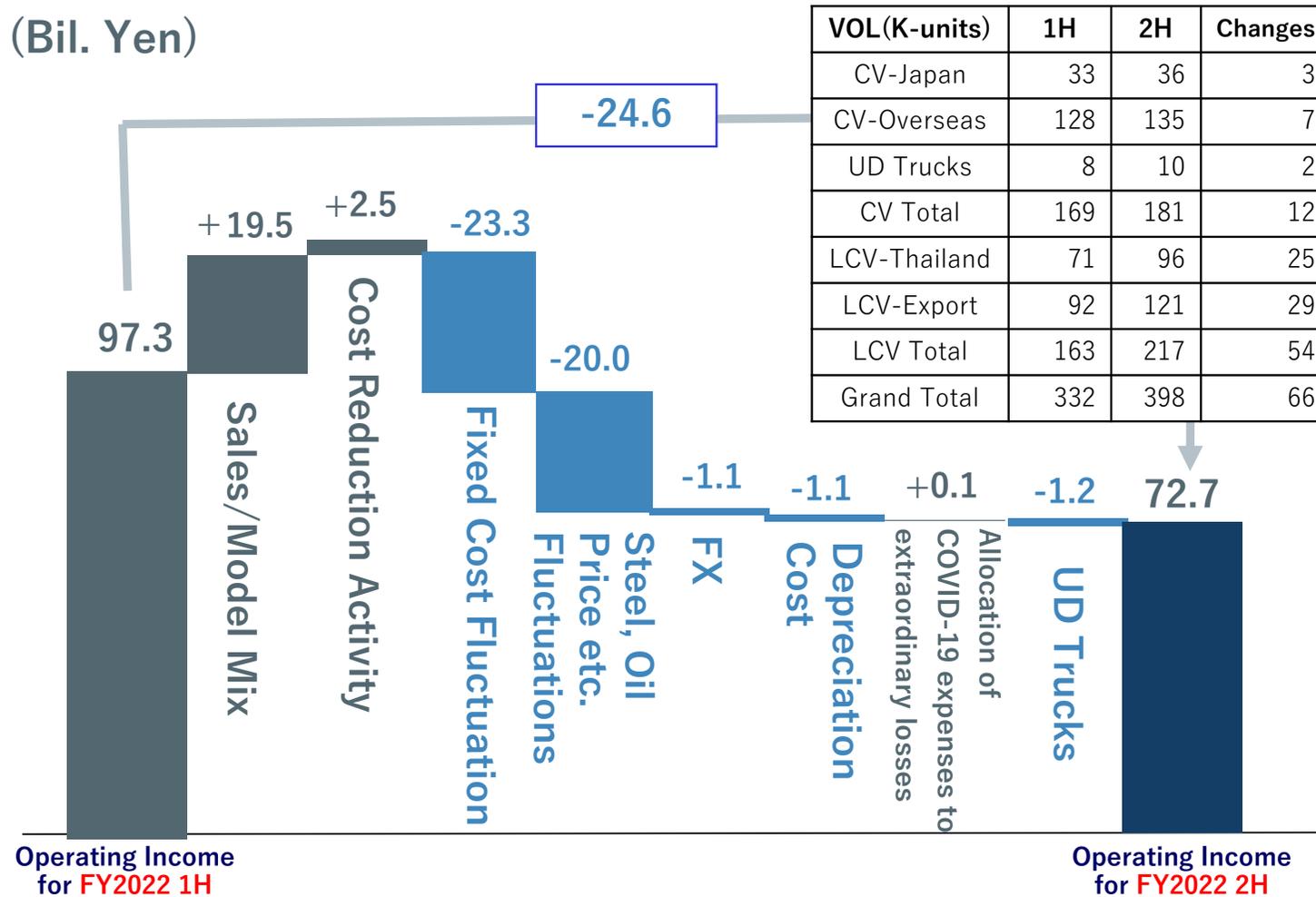
*Net Income	Ordinary Income	175.0
	Loss on disposal of non-current assets, etc.	-3.0
	Income Taxes	-38.0
	Profit attributable to non-controlling interests	-24.0
	*Net Income	110.0

* Net income attributable to owners of parent

(Reference) FY2022 1H vs. FY2022 2H Fluctuations
 - Consolidated operating income : analysis of change -

- Though LCV sales units shows a significant rise, minus affects from surging prices of raw materials is critical.
- In addition to the fact that R&D and other costs tends to be skewed in the 2nd half of the fiscal year, some of the costs expected to be incurred in the 1st half were delayed to the 2nd half.

(Bil. Yen)

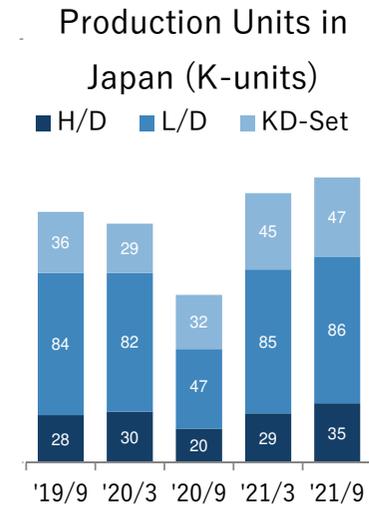
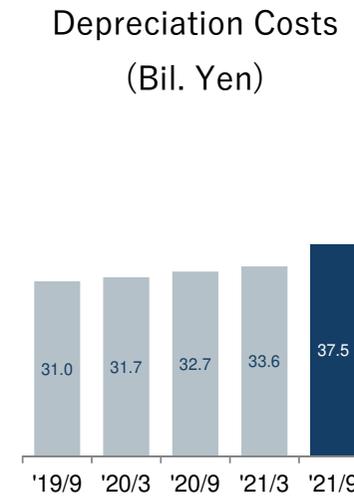
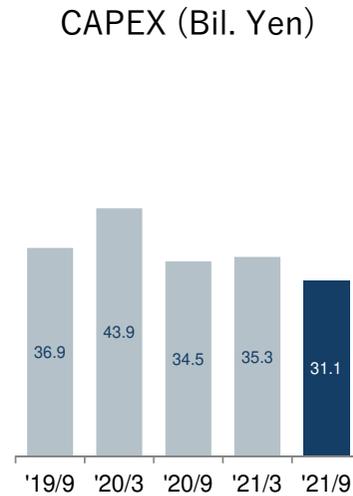
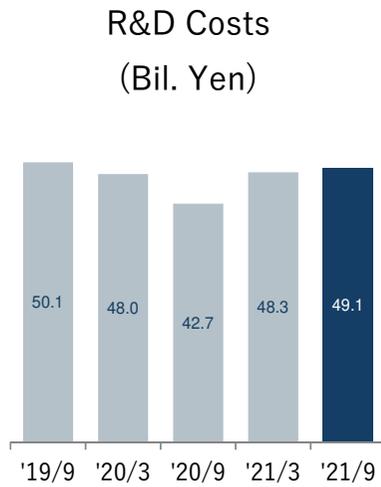
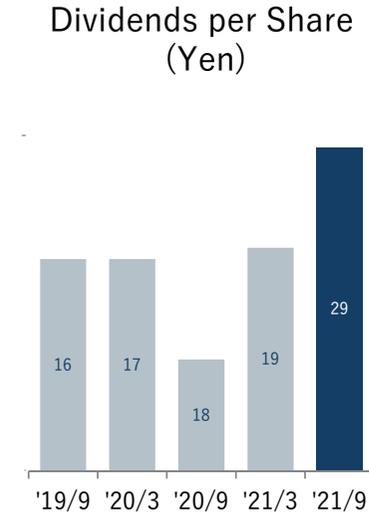
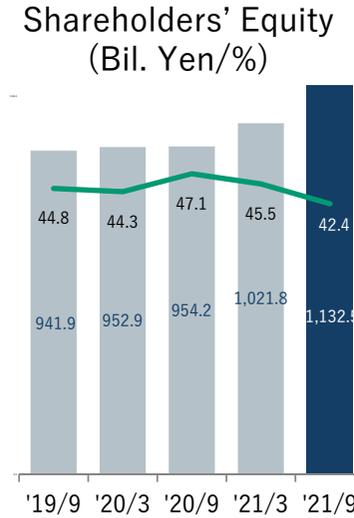
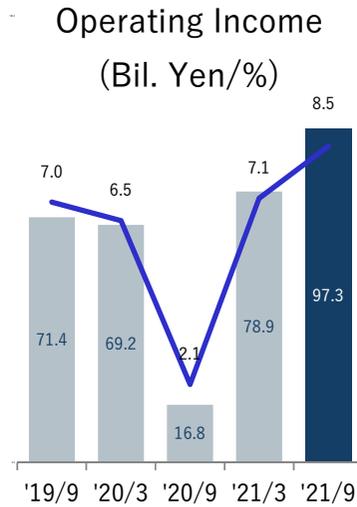
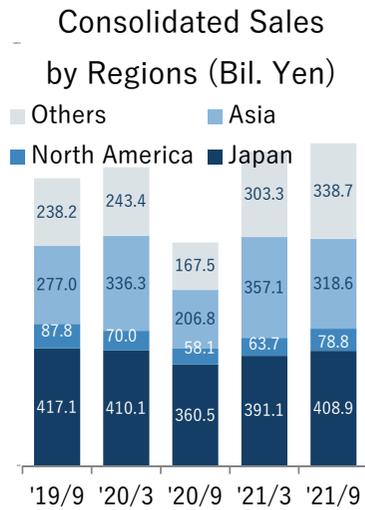


FX	FY22 1H	FY22 2H
USD/JPY	109.8	110.0
THB/JPY	3.42	3.40
AUD/JPY	82.6	82.0

Breakdowns	FY2022
Sales/Model Mix	+19.5
CV-Japan	+2.0
CV-Overseas	+1.5
LCV	+20.0
Others	-4.0
FX	-1.1
USD	+0.8
AUD	-0.6
THB & Other Currencies	-1.3
Fixed Cost Fluctuation	-23.3
R&D	-8.6
Labor Costs	-3.3
Others	-11.4

Trucks for life
ISUZU

(Appendix) Main Financial Index (6 months)



NOTE: '21/9 production units includes units manufactured by UD Trucks.