

FY3/2024 1H Financial Results

November 10, 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. FY3/2023 1H Results (YoY Comparison)

- Isuzu faces a challenging environment with market conditions deteriorating mainly in emerging countries and being hit by negative impacts from fluctuation of material costs etc. Despite these challenges, Isuzu was able to increase profit thanks to positive effects from the weakening of Japanese yen, favorable aftersales business, and promotion of price realization.
- Marked highest sales amount and profits ever for the 1st half period.
- CV unit sales for emerging countries decreased reflecting the falling demand. On the other hand, CV unit sales for developed countries grew as parts procurement recovered.
- While LCV unit sales for Thailand decreased significantly due to harsh market conditions, LCV unit sales for export markets increased mainly in markets with considerable number of backlogs due to parts shortages.

2. FY2023 Full-Year Outlook

- Though unit sales of both CVs and LCVs are forced to make a downward revision due to deteriorating market conditions, price realization and cost reduction activities etc. are making favorable progresses. Together with material costs rise below our assumptions and further weakening of the Japanese yen, shall revise the full-year outlook upward.
- Operating income is forecasted to sum up to 280.0 billion yen, up 20.0 billion yen from our previous outlook.

Refer to page 25 for explanation of the following words:

CV (Commercial Vehicle)=Trucks & Buses

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

3. Shareholder Returns

- Comprehensively considering the financial condition, cash flows, expected future revenues, and other factors, shall repurchase shares up to 50.0 billion yen within this fiscal year. Isuzu aims to enhance shareholder returns and to improve capital efficiency.
(All shares acquired shall be cancelled.)
- Dividends for the full-year shall be revised upward by 6 yen from the previous outlook to 86 yen per share, based on the current mid-term business plan's 3-year average payout ratio target of 40%.
- Total shareholder return ratio for the 3-year period of the current mid-term business plan period is expected to reach 51%.
- We shall continue to strive to achieve the ROE target for this fiscal year of 12.5% by increasing profit.

4. Business Restructuring

- IJTT Co., Ltd., a consolidated subsidiary, will commence a new collaboration with SPARX Group Co., Ltd and Japan Monozukuri Mirai Investment Limited Partnership aiming to not only deepen existing business, but to also expand into new business areas.
- While IJTT continues to be a key supplier of Isuzu, IJTT will aim to further enhance its corporate value.
- As a result of the shares transfer, IJTT will cease to be a consolidated company within this fiscal year and will be accounted by using the equity method.
- Expects to record an extraordinary loss of approximately 6.0 billion around March 2024.

Overview: FY3/2024 1H Consolidated Results

Global Unit Sales (K-units)		1H FY3/2024	1H FY3/2023	Changes	
CV Total	CV-Japan	38	27	11	40%
	CV-Overseas	122	148	-26	-17%
		160	175	-15	-8%
LCV Total	LCV-Thailand	61	104	-43	-42%
	LCV-Export	115	104	11	10%
		176	208	-32	-16%
Total		336	383	-47	-12%

Financial Results (Bil. Yen)

Sales	1,638.0	1,493.3	144.7	10%
Operating Income	143.2	112.2	31.0	28%
Ordinary Income	158.0	125.5	32.5	26%
Net Income	88.1	73.0	15.1	21%

Overview: FY3/2024 Full-Year Outlook

Global Unit Sales (K-units)		FY3/2024 Revised Plan	FY3/2024 Previous Plan	Changes		(Reference) FY3/2023
CV Total	CV-Japan	84	90	-6	-6%	67
	CV-Overseas	255	275	-20	-7%	287
		339	365	-26	-7%	354
LCV Total	LCV-Thailand	129	149	-20	-13%	202
	LCV-Export	241	241	0	0%	215
		370	390	-20	-5%	417
Total		709	755	-46	-6%	771

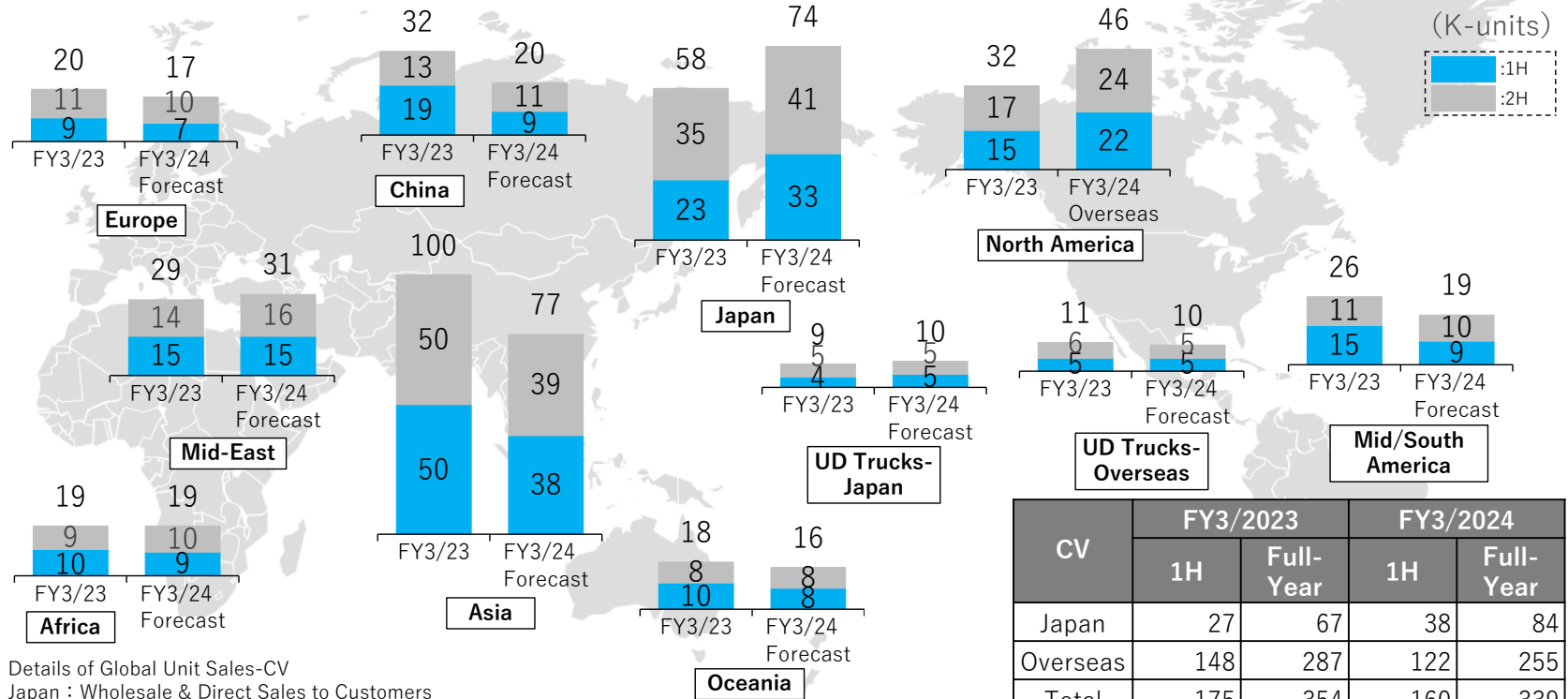
Financial Forecast (Bil. Yen)

Sales	3,400.0	3,300.0	100.0	3%	3,195.5
Operating Income	280.0	260.0	20.0	8%	253.5
Ordinary Income	300.0	275.0	25.0	9%	269.9
Net Income	165.0	155.0	10.0	6%	151.7
Dividends	86 Yen	80 Yen	6 Yen		79 Yen

2. FY3/2024 1H Financial Summary and Full-year Outlook

Global Unit Sales (CV) -1

■ 1H Unit Sales: Unit sales grows in Japan and North America as parts shortages has eased. Unit sales decreases in emerging countries, especially in Asia and Mid/South America, as rise in interest rates and inflation impacts the market.



Details of Global Unit Sales-CV

Japan : Wholesale & Direct Sales to Customers

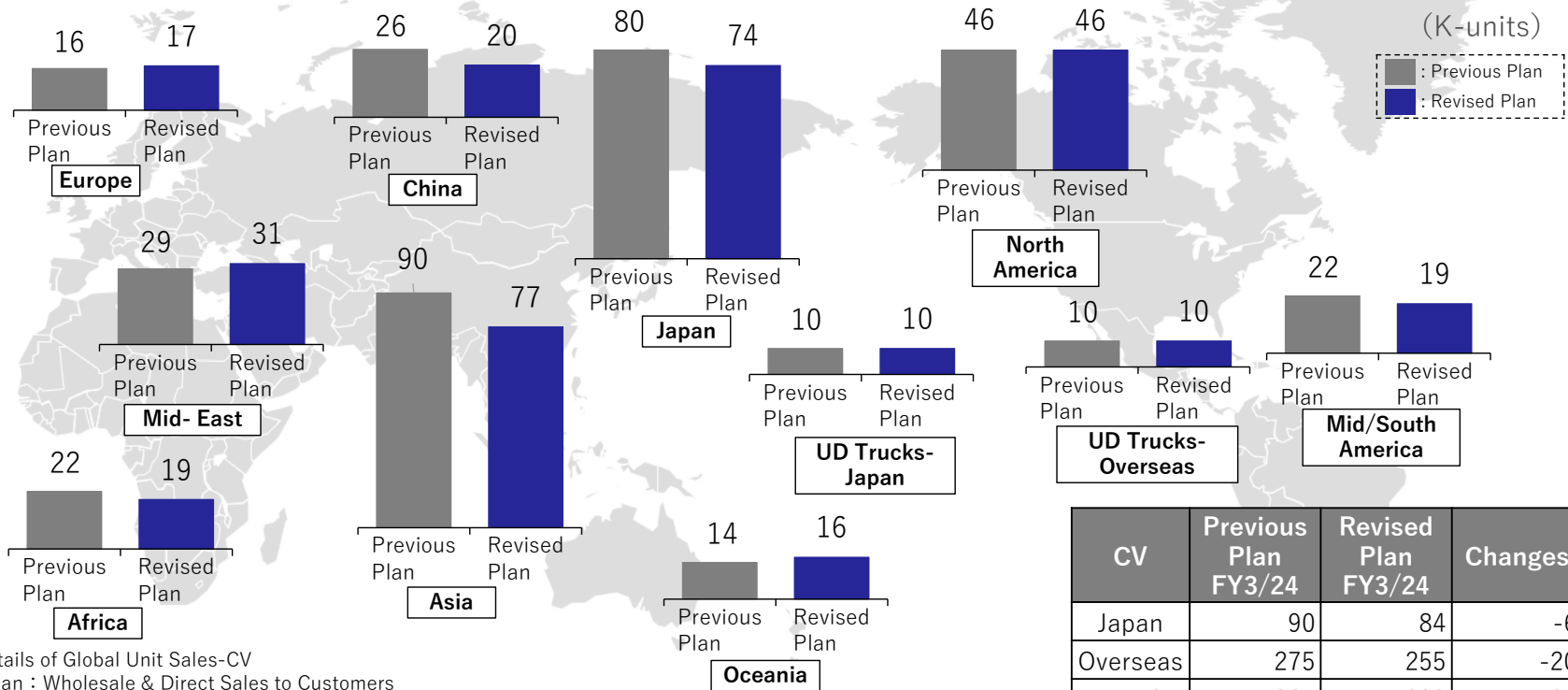
North America / Australia: Wholesale of Local Distributors

Other Regions: Shipment from Japan.

Global Unit Sales (CV) -2

Comparison of Previous and Revised Full-Year Outlook

■ Revised outlook downward due to longer lead time to sales in Japan and falling demand in emerging countries mainly in Asia resulting from interest hike and inflation.



CV	Previous Plan FY3/24	Revised Plan FY3/24	Changes
Japan	90	84	-6
Overseas	275	255	-20
Total	365	339	-26

Details of Global Unit Sales-CV

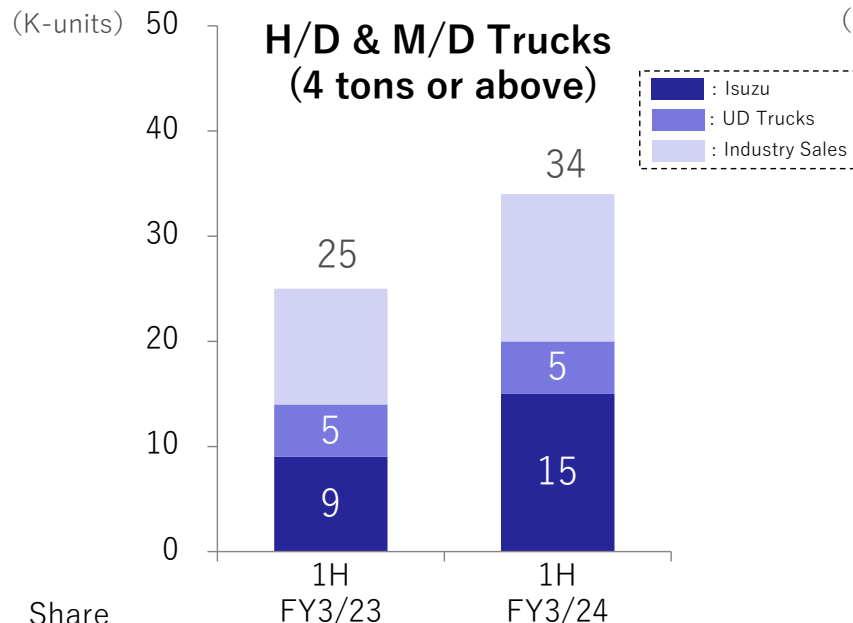
Japan : Wholesale & Direct Sales to Customers

North America / Australia: Wholesale of Local Distributors

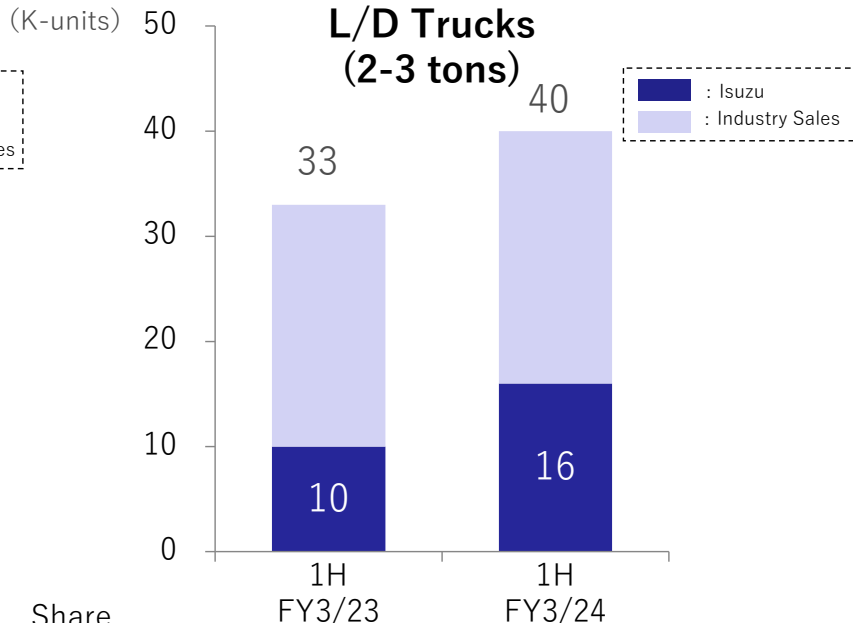
9 Other Regions: Shipment from Japan

Japan Industry Sales and Isuzu Share (April-Sept.)

- **Industry Sales:** Recovery from production constraints continues for both Isuzu and other OEMs. Thus, industry sales regained in both H/D & M/D truck segment and L/D truck segment.
- **Share:** As recovery production constraints continues, share rose in both H/D & M/D truck segment and L/D truck segment.



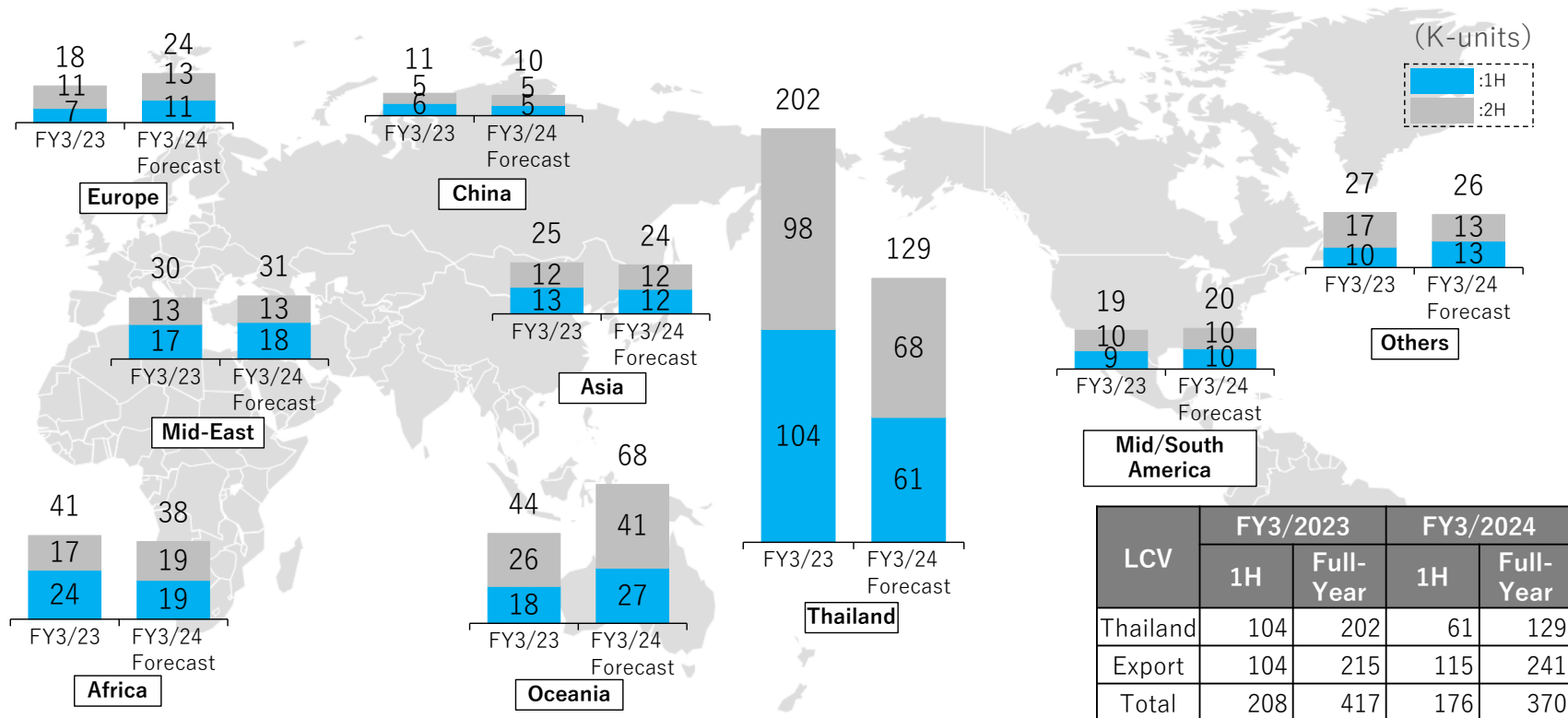
Isuzu	37%	43%
UD Trucks	18%	14%



Isuzu	31%	40%
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Global Unit Sales (LCV) -1

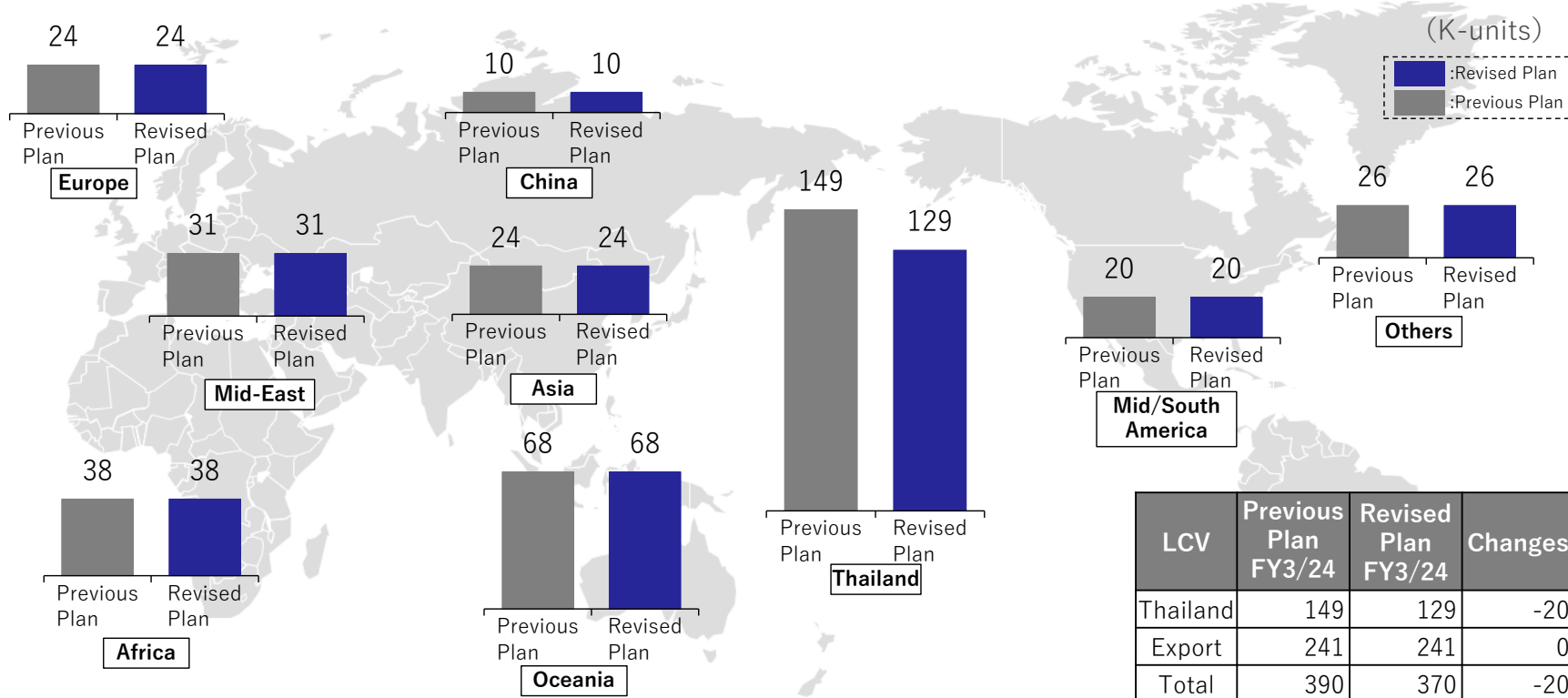
■ 1H Unit Sales: Substantial decline in Thailand due to harsh market conditions. Unit sales increased mainly in markets with many backlogs resulting from previous year's parts shortages.



Global Unit Sales (LCV) -2

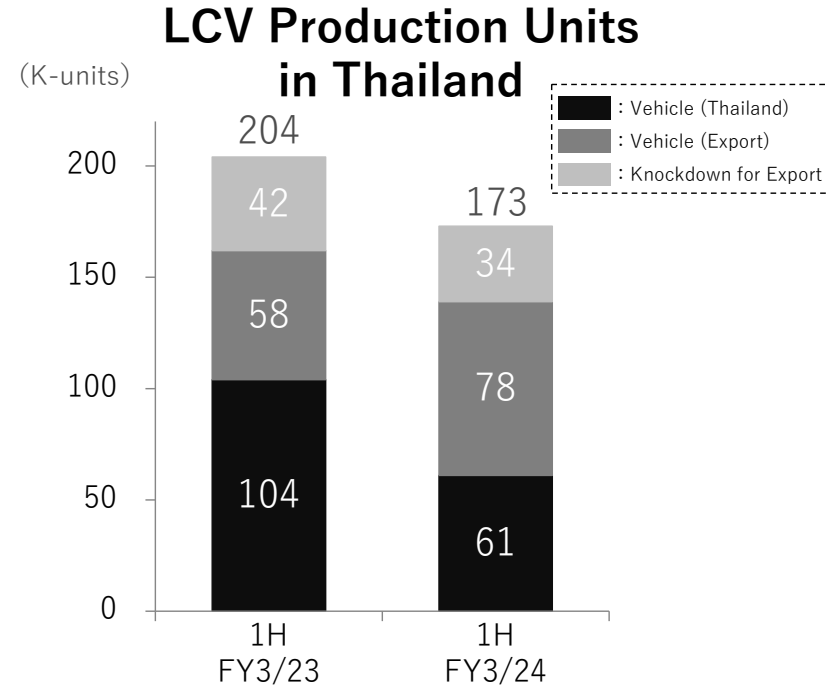
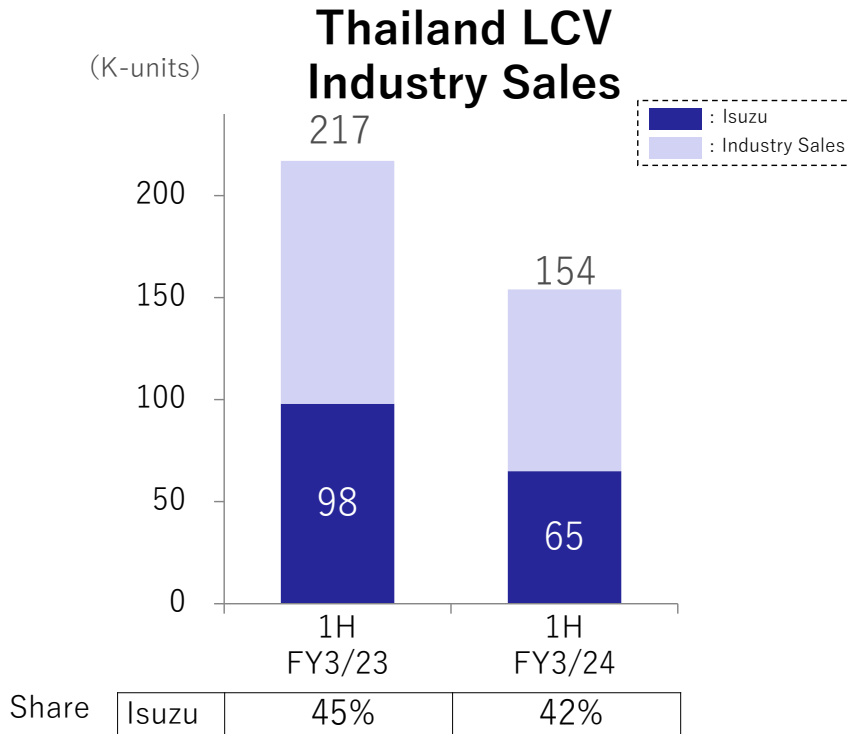
(Comparison of Previous and Revised Full-Year Outlook)

■ Lowered outlook for Thailand as no market recovery is foreseen. No revisions to units for export markets as we see no changes in market conditions.



Thailand LCV Industry Sales & Share / LCV Production Units

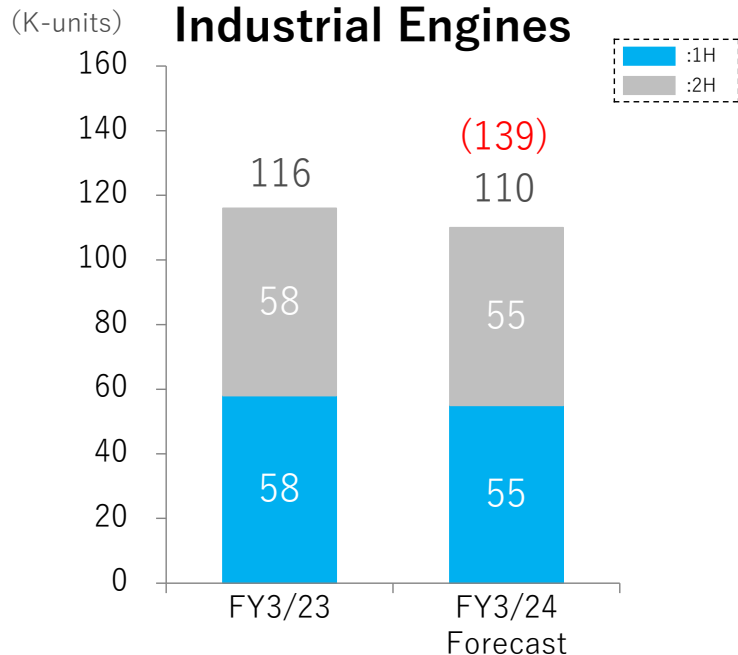
- Drastic slump in industry sales reflecting the stagnating demand. Maintained high shares.
- Production units decreased from FY3/23 as units of vehicles for the Thai market has fallen.



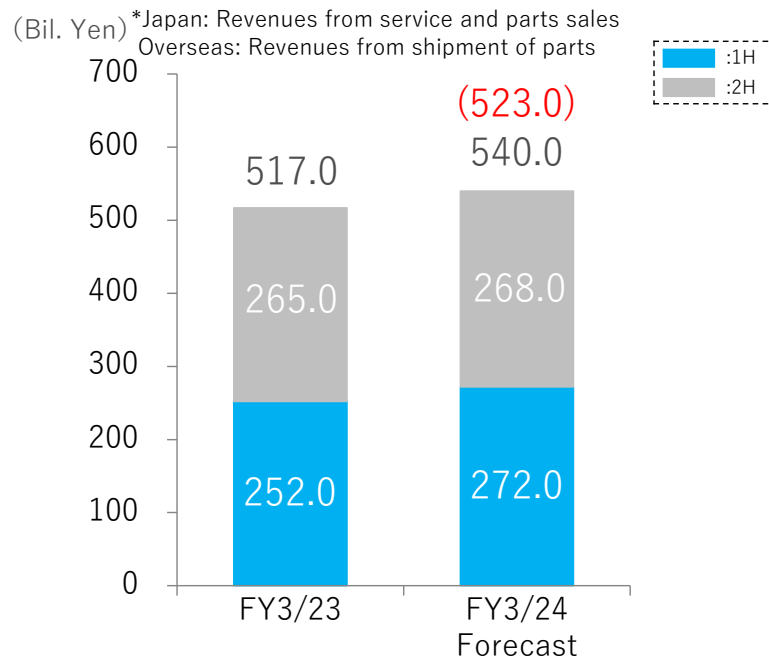
Industrial Engine Global Shipment/Revenue from Aftersales Business

- Industrial Engines: In consideration of the falling construction machinery demand in China, shall revise the forecast downward to the same level as the previous fiscal year.
- Aftersales Business: Shall revise the forecast upward thanks to the robust demand mainly in Japan.

Global Shipment of Industrial Engines



Aftersales Business

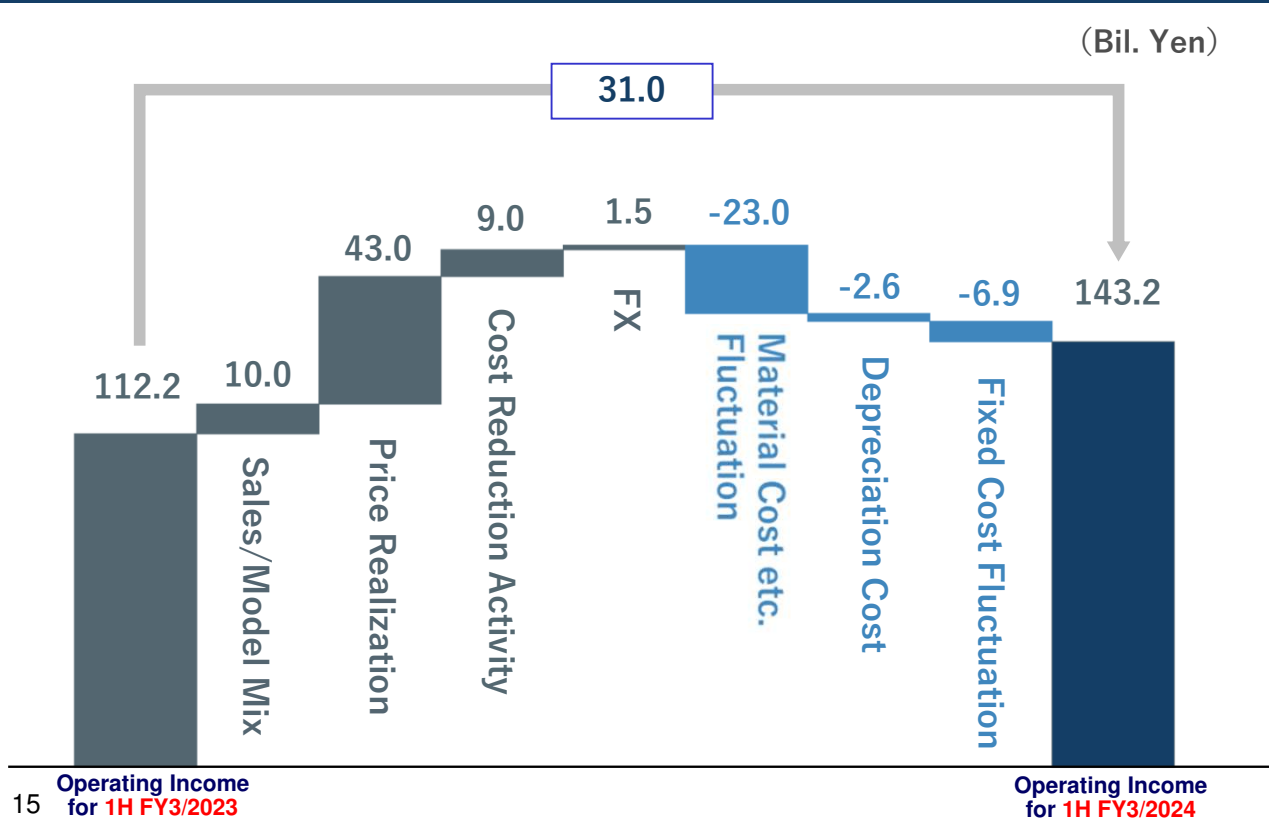


Note: Numbers shown in red indicate outlook of the previous plan.

1H FY3/2023 vs. 1H FY3/2024 Fluctuations

- Consolidated operating income : analysis of change -

- Thanks to improvements in destinations and model mix, favorable aftersales revenues, promotion of price realization and cost reduction activities, profit grew amidst lower unit sales.



FX Rates	FY3/2023	FY3/2024
USD/JPY	134.2	141.1
AUD/JPY	93.6	93.2
EUR/JPY	138.8	153.5
THB/JPY	3.79	4.05

Breakdowns	FY3/24
Sales/Model Mix	10.0
CV-Japan	17.0
CV-Overseas	-7.0
LCV	-5.0
Others	5.0
FX	1.5
USD	3.5
AUD	-0.1
EUR	-2.8
THB & Other Currencies	0.9
Material Cost etc. Fluctuation	-23.0
Material Cost	-29.5
Logistic Fees	8.0
Electricity & Gas etc.	-1.5
Fixed Cost Fluctuation	-6.9
R&D	-1.1
Labor Cost	-4.5
Others	-1.3

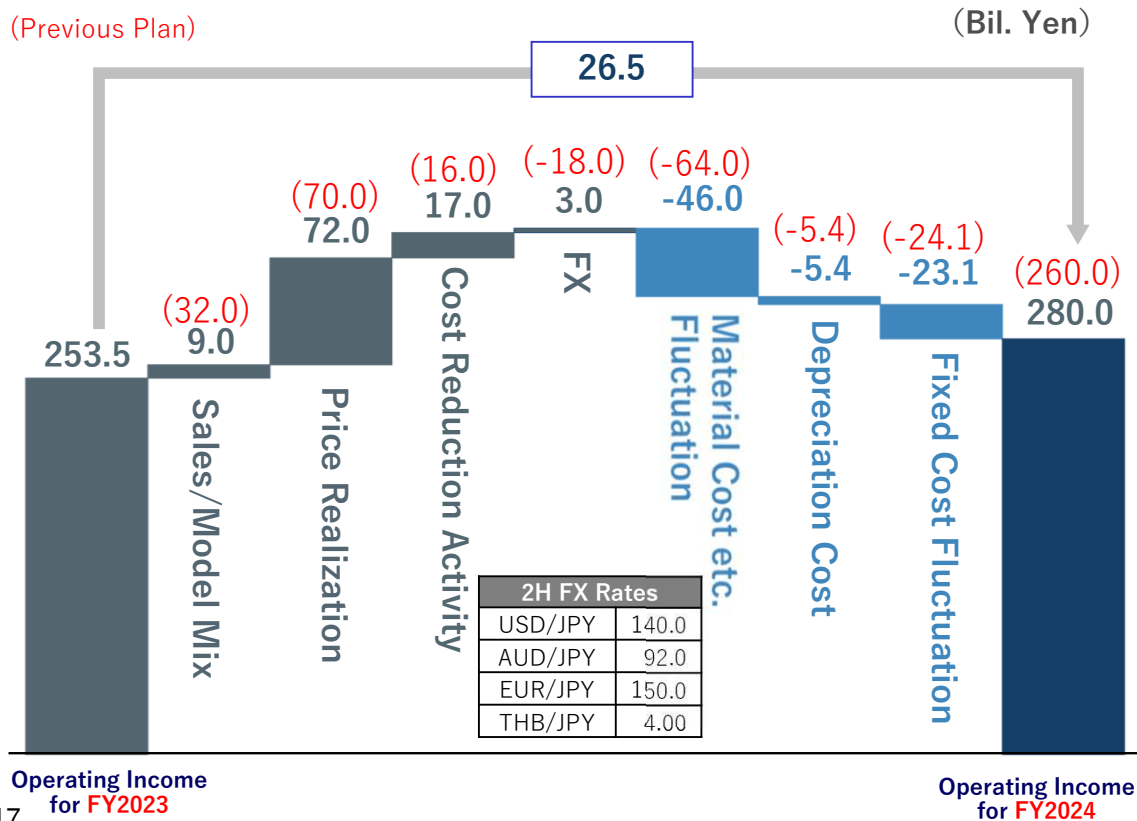
FY3/2024 1st Half Consolidated Results - Year-on-year Comparison -

(Bil. Yen)	1H FY3/2024	1H FY3/2023	Changes	
Sales	1,638.0	1,493.3	144.7	10%
Operating Income	143.2	112.2	31.0	28%
Ordinary Income	158.0	125.5	32.5	26%
*Net Income	88.1	73.0	15.1	21%

	FY3/24 1H	FY3/23 1H		FY3/24 1H	FY3/23 1H
Operating Income	143.2	112.2	Ordinary Income	158.0	125.5
Share of profit of entities accounted for using equity method	4.9	3.4	Gain/Loss on sales of investment securities, Loss on disposal of non-current assets, etc.	0.1	0.5
Foreign exchange gains/losses	3.3	4.4	Loss related to the Russian business	-2.2	-
Others	6.6	5.5	Income Taxes	-43.2	-32.7
Ordinary Income	158.0	125.5	Profit attributable to non-controlling interests	-24.6	-20.3
			*Net Income	88.1	73.0

FY2023 vs. FY2024 Fluctuations- Consolidated operating income : analysis of change - ISUZU

- With additional price realization, material costs fluctuating below our original assumptions, and the weak Japanese yen, profit shall increase from our previous outlook despite fewer unit sales. Shall review the FX rates to raise full-year outlook.



FX	FY3/23	FY3/24	Previous Plan
USD/JPY	135.5	140.5	130.0
AUD/JPY	92.6	92.6	90.0
EUR/JPY	140.9	151.7	140.0
EUR/JPY	3.84	4.03	3.80

Breakdowns	FY3/24	Previous Plan
Sales/Model Mix	9.0	32.0
CV-Japan	23.5	32.0
CV-Overseas	-8.0	-4.5
LCV	-9.5	-2.5
Others	3.0	7.0
FX	3.0	-18.0
USD	5.0	-8.0
AUD	0.0	-1.5
EUR	-4.0	0.5
THB & Other Currencies	2.0	-9.0
Material Cost etc. Fluctuation	-46.0	-64.0
Material Cost	-60.0	-67.0
Logistic Fees	17.0	10.0
Electricity & Gas etc.	-3.0	-7.0
Fixed Cost Fluctuation	-23.1	-24.1
R&D	-8.0	-6.0
Labor Cost	-10.0	-10.0
Others	-5.1	-8.1

FY2024 Full-year Outlook

- Consolidated, Year-on-year Comparison -

(Bil. Yen)

	FY3/2024	FY3/2023	Changes	
Sales	3,400.0	3,195.5	204.5	6%
Operating Income	280.0	253.5	26.5	10%
Ordinary Income	300.0	269.9	30.1	11%
*Net Income	165.0	151.7	13.3	9%

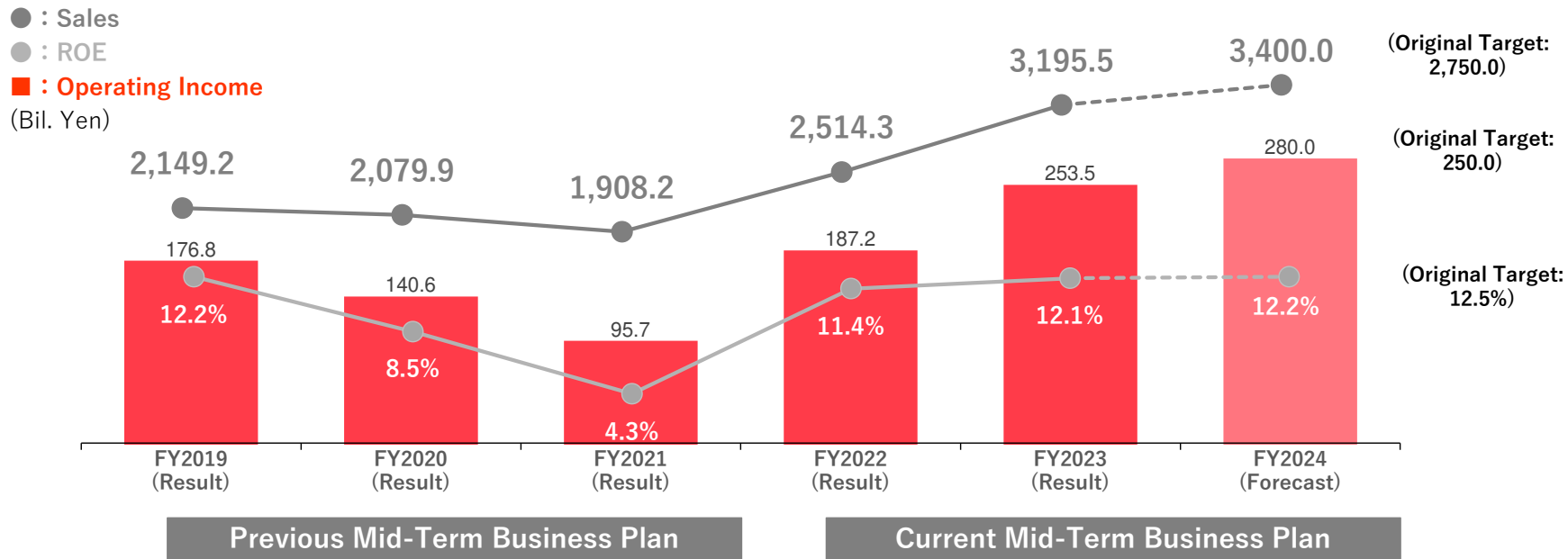
	FY3/24	FY3/23		FY3/24	FY3/23
Operating Income	280.0	253.5	Ordinary Income	300.0	269.9
Share of profit of entities accounted for using equity method	8.0	5.8	Gain/Loss on sales of investment securities, Loss on disposal of non-current assets, etc.	-1.8	1.6
Foreign exchange gains/losses	5.0	-2.4	Loss on business restructuring	-6.0	-
Others	7.0	13.0	Impairment Loss (excluding loss attributable to non-controlling interests)	-4.0	-
Ordinary Income	300.0	269.9	Loss related to the Russian business	-2.2	-1.7
			Income Taxes	-76.0	-73.2
			Profit attributable to non-controlling interests	-45.0	-44.9
			*Net Income	165.0	151.7

* Net income attributable to owners of parent

3. Progress of Mid-Term Business Plan

Financial Performance of Current Mid-Term Business Plan Period

- Business environment has changed drastically since the announcement of the current Mid-Term Business Plan in May 2021. While the Japanese yen has plummeted, material costs etc. has soared. Recent rise in interest rates and inflations has caused demand to shrink mainly in emerging countries.
- Shall aim to achieve the targets set in the Mid-Term Business Plan by promoting price realization and cost reduction activities.
- Shall continue to strive to accomplish the ROE target (FY3/24: 12.5%) by increasing profit.

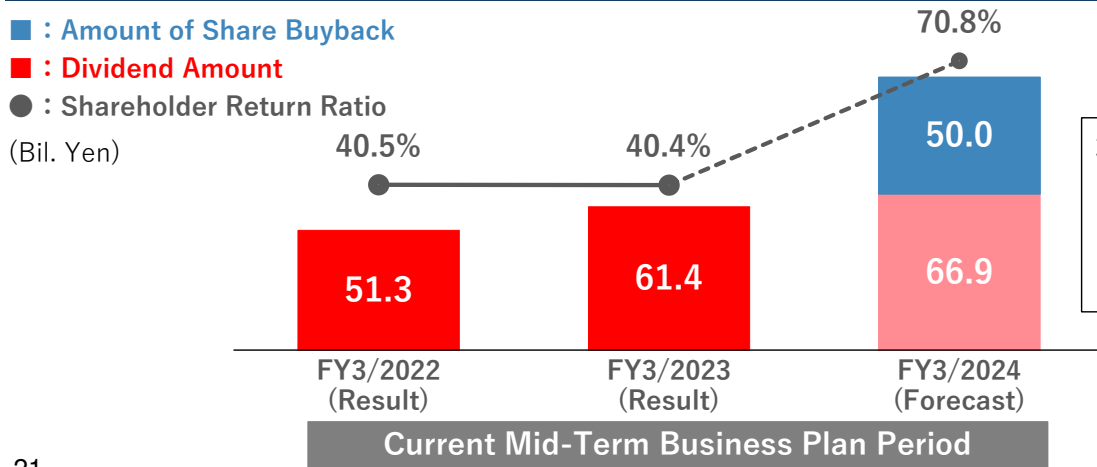


Shareholder Returns of the Current Mid-Term Business Plan

Basic Policy

After comprehensively considering to strike a balance between shareholder returns and internal cash reserves for securing funds for growth investments and maintaining financial soundness, shall returns profits to shareholders based on the profits earned in each fiscal year. Further, will repurchase shares in a flexible manner.

- Share Buyback: Targeting to improve capital efficiency, shall buyback share up to 50.0 bil yen. All shares repurchased are planned to be cancelled.
- Dividends: In accordance with the dividend payout ratio target of 40% set in the current mid-term business plan, dividends for the full-year will be increased by 6 yen, from 80 yen to 86 yen per share.
- Shareholder Return Ratio: By dividends and share buyback, will sum up to 51.8% for this current mid-term business plan period.



3 Year Total of Shareholder Returns

- Total Shareholder Returns: 229.6 Bil. Yen
- Dividend Payout Ratio: 40.5%
- Shareholder Return Ratio: 51.8%

(Appendix) Global Unit Sales and Financial Indicators

Unit Sales (K-units)	Current Mid-Term Business Plan			
	FY3/2022	FY3/2023	FY3/2024	
	Result	Result	Target	Outlook
CV-Japan	65	67	78	84
CV-Overseas	278	287	281	255
LCV	378	417	448	370
Industrial Engines	142	116	145	110

Units Sales of UD Trucks (included in above figures) (K-units)

CV-Japan	8	9	8	10
CV-Overseas	10	11	9	10

Investments & Financial Indicators (Bil. Yen)	FY3/2022	FY3/2023	FY3/2024	
	Result	Result	Target	Outlook
R&D	104.8	119.0	115.0	127.0
CAPEX	78.4	82.2	100.0	140.0

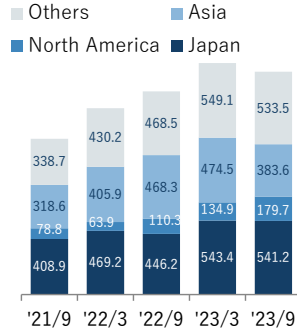
Interest-Bearing Liabilities (Excl. Lease Related)	317.4	241.1	260.0	250.0
Equity Ratio	42%	43%	48%	43%

Moving the World – for You

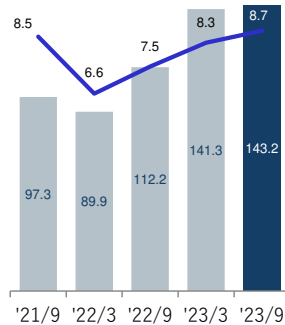
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(Appendix) Main Financial Index (6 months)

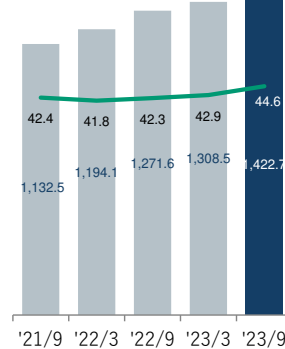
Consolidated Sales by Regions (Bil. Yen)



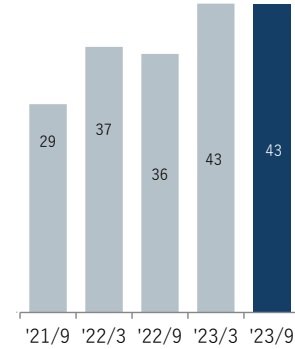
Operating Income (Bil. Yen/%)



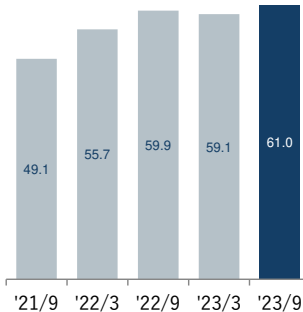
Shareholders' Equity (Bil. Yen/%)



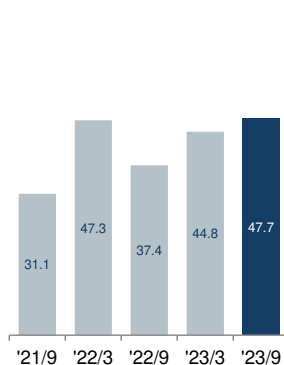
Dividends per Share (Yen)



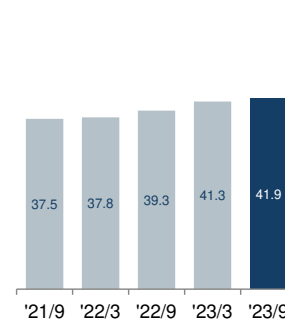
R&D Costs (Bil. Yen)



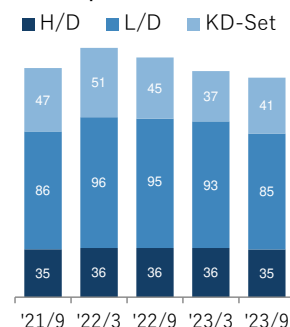
CAPEX (Bil. Yen)



Depreciation Costs (Bil. Yen)



Production Units in Japan (K-units)



NOTE: Includes units manufactured by UD Trucks.

(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



D-MAX pickup trucks

Major Product Lineups



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)

