

FY2022 3Q Financial Results

February 10, 2022
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

1. FY2022 3Q Results

- Robust demand continues in overseas markets. On the other hand, struggles for parts procurement continues.
- Sales units of CV-Japan and LCV-Thailand saw a major decline due to lack of semiconductors.
- Shifted CV and LCV shipments to emerging countries. Thus, total sales units increased slightly from the previous year.
- In spite of fall in sales/model mix and fluctuation of raw materials and logistic fees, thanks to favorable FX and cost improvements, incomes stood almost in line with our plans.

2. FY2022 Full-Year Outlook

- Strong demand continues in markets outside Japan.
- Lack of semiconductors continues, affecting our shipments, particularly to Japan and North America. Increased transfer shipments to emerging countries to minimize the negative impact to the financial results.
- Parts supply was disrupted, affected by the spread of COVID-19.
- As to profits, FX, cost reductions, and further rationalization will cover up worsening sales/model mix and soaring material and logistic costs.
- No revisions to full-year forecast.

I am Minami, Division Executive of the Corporate Planning & Finance Division.

Firstly, I will talk about our business overview.

In the third quarter of the current fiscal year, while we received high level of orders from customers overseas, we continued to face difficulties in procuring parts as we did in the second quarter. In particular, unit sales of CVs in Japan and LCVs in Thailand were significantly lower than those of the previous year due to a semiconductor shortage. By shifting production of both CVs and LCVs to be shipped to emerging nations, total unit sales were in slightly higher than those of the previous year.

On the profit and loss front, despite deterioration in sales/model mix and a sharp rise in raw material and logistics costs, the earnings were almost in line with our plans, supported by favorable forex rates and cost reduction efforts.

As for the full year outlook, although demand is strong in overseas markets, the ongoing chip shortage is expected to have significant impact on shipments, particularly for Japanese and North American markets. Under such circumstances, we will minimize the negative impact to the overall production units by increasing the shipment volume reallocated to emerging nations.

As per the financial outlook, there shall be a fall in sales/model mix and much higher cost increases in raw materials and logistics than our assumptions made last November. We will cover the negative impact by further promoting cost reduction activities and cutting fixed costs. The full-year financial outlook remains unchanged from last November.

Overview -2

3. Affects from Supply Chain Disruptions

	3Q Results	4Q Outlook
Japan	<ul style="list-style-type: none"> Parts procurement from southeast Asia has normalized as the spread of COVID-19 has settled On the other hand, continuing semiconductor shortage greatly influences parts procurement Decreased production of trucks mainly for Japan and North America 	<ul style="list-style-type: none"> Uncertainty in procurement of semiconductors continues, is difficult to project when it shall normalize Parts procurement is disrupted with the of spread novel coronavirus Stopped operation of assembly lines of H/D, M/D, and L/D trucks for a total of 6 shifts
Thailand	<ul style="list-style-type: none"> COVID-19 impacts to operations of suppliers has largely subsided Chip shortage continues, thus forcing reduced production of newly-modeled LCV 	<ul style="list-style-type: none"> Affects from lack of semiconductors remain uncertain for some of the parts. As a whole, affects from chip shortage is on its way to be resolved Production units of vehicle in January accumulated to 30,000 units.

Let me explain the impact of supply chain disruptions.

Although production in Japan faced constraint in parts procurement from South East Asia last summer due to shutdowns deriving from the spread of COVID-19, the situation was restored to normal levels in the third quarter of the current fiscal year. Meanwhile, a semiconductor shortage has caused new part shortages leading to a decrease in production volume especially with CVs for Japanese and North American markets. This uncertain situation will likely continue into the fourth quarter, and decreased production for Japanese and North American markets will continue. Furthermore, disruption of parts procurements from suppliers in Japan due to the spread of COVID-19 led to suspending assembly lines of heavy-, medium-, and light-duty trucks for a total of six shifts. The impact will be absorbed and recovered by the end of the fiscal year.

In Thailand, the Covid-19 impact on supplier operations has mostly subsided in the third quarter of the current fiscal year, but a supply shortage continued for some semiconductor components. In the fourth quarter, chip supply is on its way to be completely resolved with the exception of certain parts. CBU production volume in January reached 30,000 units.

Overview: FY2022 3Q Consolidated Results

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Global Sales Units (K-units)		FY2022 3Q	FY2021 3Q	Changes		FY2020 3Q
CV Total	CV-Japan	11	16	-5	-28%	15
	CV-Overseas	69	49	20	42%	46
	UD Trucks	6	-	6	-	-
		86	65	21	34%	61
LCV Total	LCV-Thailand	44	53	-9	-17%	42
	LCV-Export	52	40	12	30%	34
		96	93	3	3%	76
Total		182	158	24	16%	137

Financial Results (Bil. Yen)

Sales	638.8	515.3	123.5	24%	498.2
Operating Income	51.3	46.2	5.1	11%	42.3
Ordinary Income	53.2	49.3	3.9	8%	43.8
Net Income	33.5	30.2	3.3	11%	27.6

In the third quarter of the fiscal year ending March 31, 2022, global unit sales reached 182,000 units, up 16% from the same period last year.

While unit sales in overseas CV and LCV export were higher than those of the same period last year, unit sales of CVs for the Japanese market and LCVs in Thailand were lower than those of the previous fiscal year.

Sales were 638.8 billion yen, operating income was 51.3 billion yen, ordinary income was 53.2 billion yen, and net income was 33.5 billion yen.

Overview: FY2022 Full-Year Outlook

Global Sales Units (K-units)		FY2022 Forecast	FY2022 Previous Plan	Changes		FY2021	FY2020
CV Total	CV-Japan	53	69	-16	-23%	70	81
	CV-Overseas	277	263	14	6%	190	208
	UD Trucks	18	18	±0	±0%	-	-
CV Total		348	350	-2	-1%	260	289
LCV Total	LCV-Thailand	163	167	-4	-2%	151	163
	LCV-Export	212	213	-1	-0%	144	148
LCV Total		375	380	-5	-1%	295	311
Total		723	730	-7	-1%	555	600

Financial Forecast (Bil. Yen)

Sales	2,500.0	2,500.0	No Revisions to Sales, Incomes, and Dividends	1,908.2	2,079.9
Operating Income	170.0	170.0		95.7	140.6
Ordinary Income	175.0	175.0		104.3	150.9
Net Income	110.0	110.0		42.7	81.2
Dividends	58 Yen	58 Yen		30 Yen	38 Yen

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As for the full year outlook in the fiscal year ending March 31, 2022, we revised the outlook of CV production units in Japan and LCV production units in Thailand based on the latest supply status, reflecting the semiconductor shortage and the impact of a supply chain disruption due to COVID-19.

While unit sales of CVs for the Japanese market and LCVs will be lower than the outlook announced last November, unit sales of CVs for overseas markets are expected to increase.

The fall in sales/model mix and increases in raw material and logistics costs are expected to exceed our November projection, but they will be offset by further reducing expenses and promoting cost reduction activities.

The full-year outlook remains the same at 2 trillion 500 billion yen in sales, 170.0 billion yen in operating income, 175.0 billion yen in ordinary income, and 110.0 billion yen in net income.

The full-year dividend forecast remains unchanged at 58 yen.

That concludes my presentation. The details will be presented by Mr. Nakamata. Thank you.

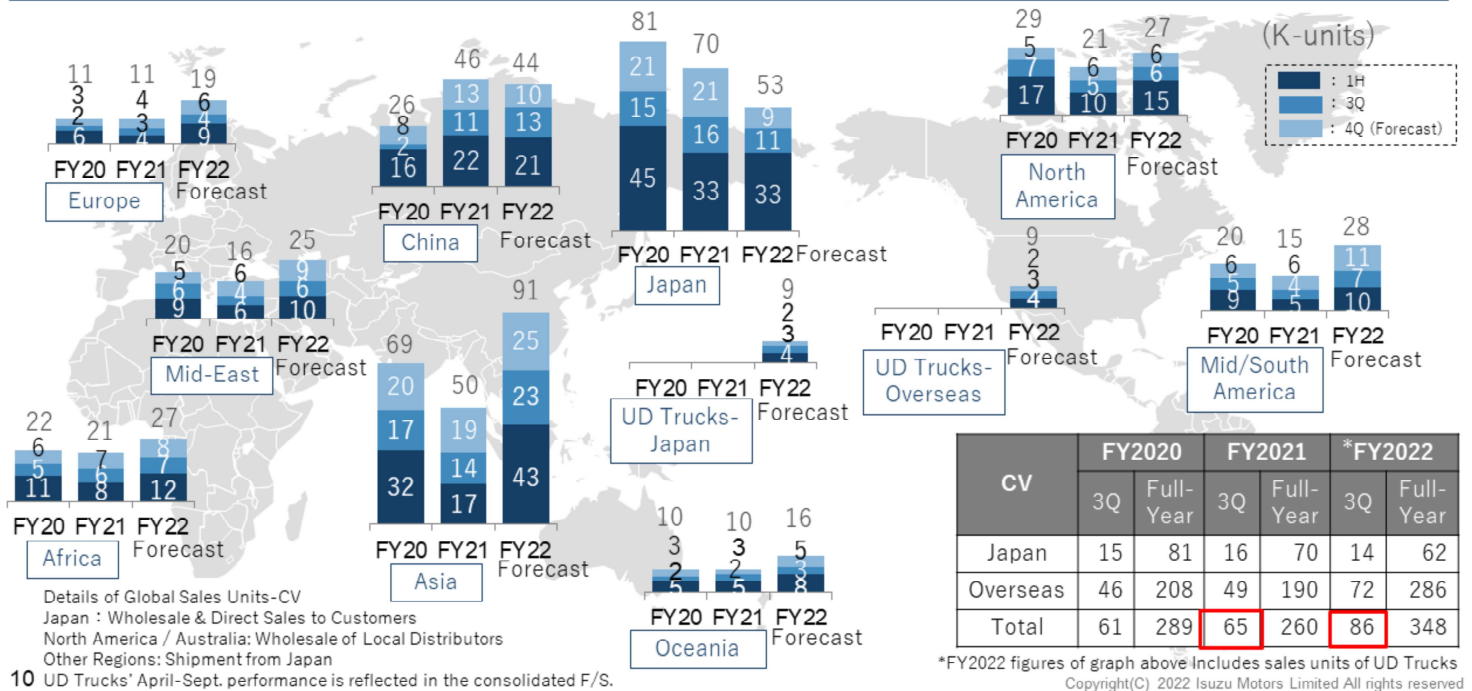
**Senior Executive Officer,
Deputy Division Executive,
Corporate Planning &
Finance Division
Group Chief Financial Officer**

Naoto Nakamata

2. FY2022 3Q Financial Summary and Full-year Outlook

Global Sales Units (CV) -1

■ 3Q sales units in Japan decreased from the previous year due to production restrictions. By transferring the fall to shipment to emerging countries, total sales units exceeded that of last year.



I am Nakamata, Deputy Division Executive of the Corporate Planning & Finance Division.

Let me explain the global unit sales of commercial vehicles.

The global CV unit sales in the third quarter, including UD Trucks, increased by 21,000 units from the previous fiscal year to 86,000 units.

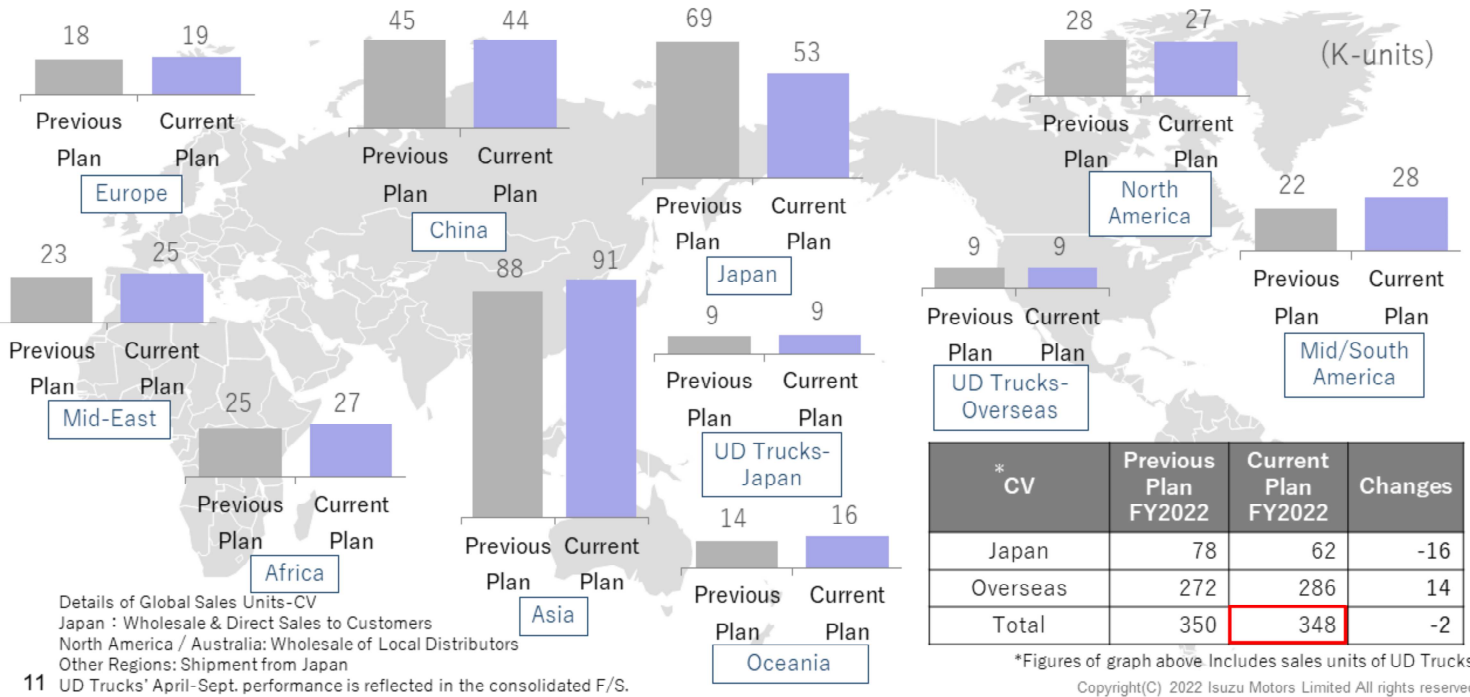
In Japan, unit sales decreased by 2,000 units to 14,000 units. Overseas unit sales were up by 23,000 units to 72,000 units.

Unit sales of UD Trucks from April to December are shown on this slide, but the consolidated financial statements in the third quarter reflect their performance between April and September.

Unit sales in Japan, seriously affected by production constraints, were lower than those of the same period last year despite shipments being made out of inventory. Meanwhile, demand in overseas markets remains strong, which is bringing us large orders. Overall unit sales increased thanks in part to the shift in production from CVs for the Japanese market to those with less production constraints for emerging markets.

Global Sales Units (CV) -2 Comparison of Full-Year Outlook from those announced in Nov. ISUZU

■ In light of the robust demand in overseas markets, covered the decrease in sales units in Japan by those in emerging countries. Forecasting same level of sales units as that announced in November.

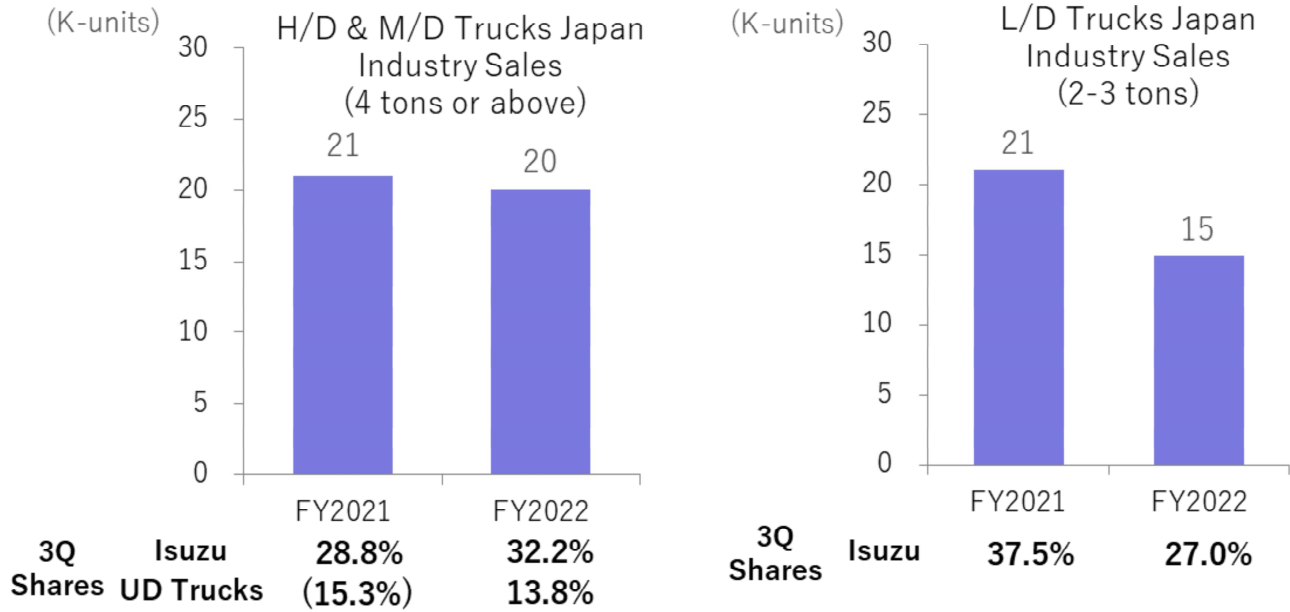


This slide compares the full-year outlook of global unit sales between the current plan and that announced last November.

The full-year outlook reflects the supply constraints of semiconductors and parts for production. A decrease in unit sales in Japan due to the severe impact of a semiconductor shortage will be covered by shifting production of CVs for emerging markets, through which the sales volume is expected to remain at the level announced last November.

Japan Industry Sales and Isuzu Share (Oct.-Dec.)

- 3Q industry sales fell short when compared of last year, both for H/D & M/D and L/D trucks. Forecast for the full-year remain uncertain.
- Significant fall in shares of L/D trucks, as Isuzu were unable to react to the demand due to limitations in production.



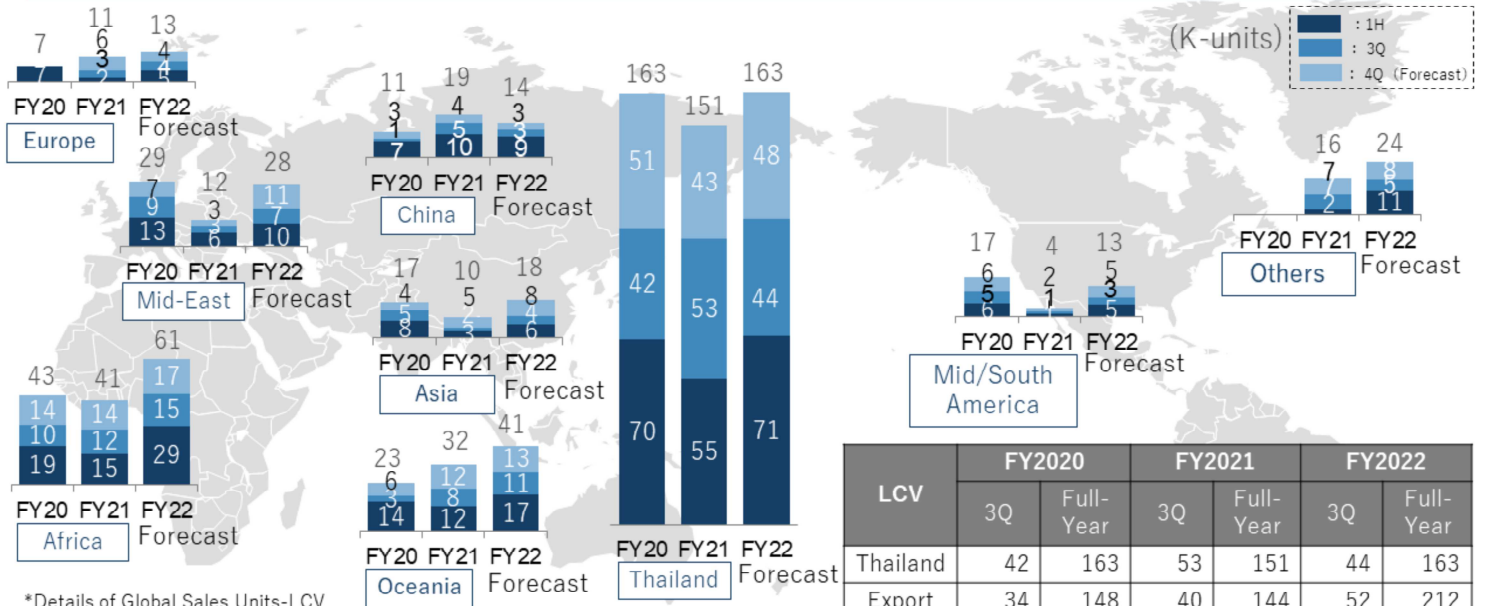
Turning to the truck industry in the Japanese market, the industry unit sales in the medium- and heavy-duty truck segment were 20,000 units, lower than those of the previous fiscal year affected by production constraints. On the other hand, the Isuzu market share in this segment reached 32.2%, surpassing that of last year. UD Trucks market share stood at 13.8%.

The industry unit sales in the light-duty truck segment amounted to 15,000 units, a significant decrease impacted by production constraints. The market share dropped significantly to 27.0% as we were unable to meet the demand due to production constraints.

The full-year outlook for the industry demand is undetermined for the segments of both medium- and heavy-duty trucks and light-duty trucks since the impact of a semiconductor shortage on production is uncertain.

Global Sales Units (LCV) -1

■ Total sales units in 3Q secured same level of sales units as the previous year. Old-model LCV made up for the newly-modeled LCV which suffered from chip shortage.



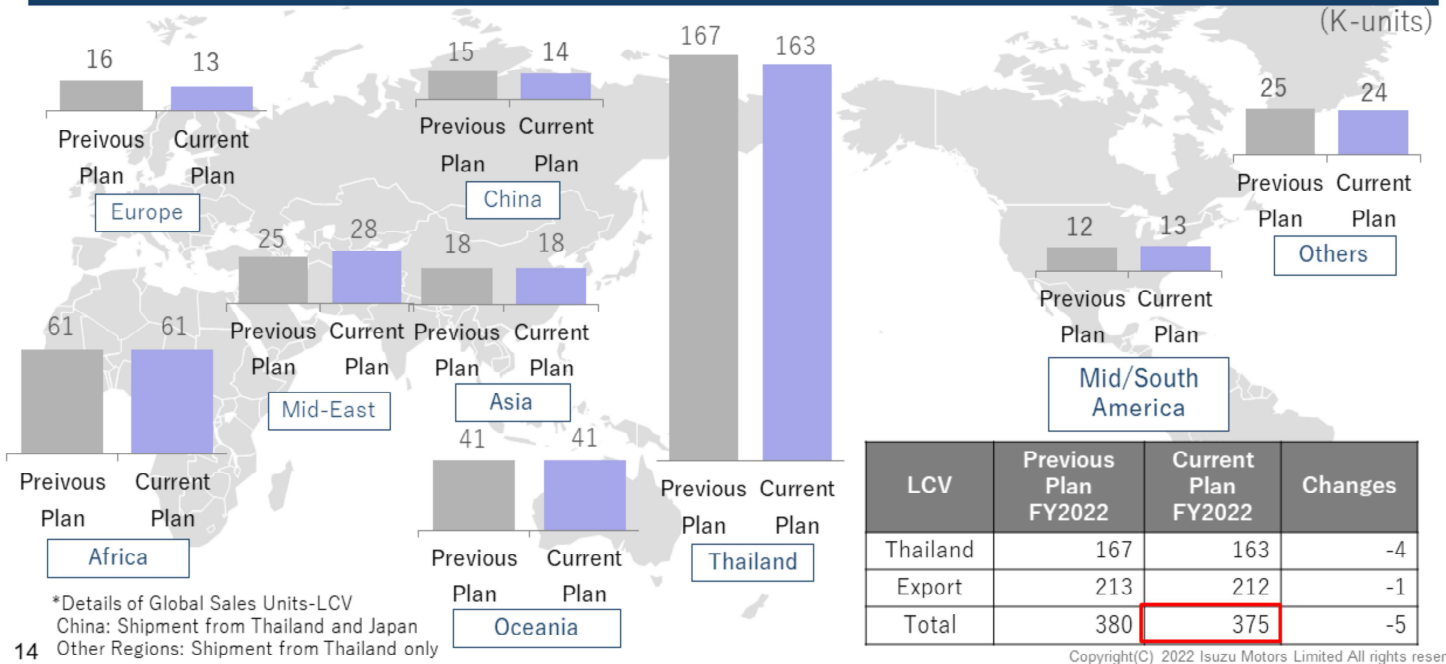
*Details of Global Sales Units-LCV
 China: Shipment from Thailand and Japan
 Other Regions: Shipment from Thailand only
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Next, I will discuss global sales units of LCVs.

Although production of the new model in Thailand was hampered by a semiconductor shortage, our third-quarter global LCV sales grew by 3,000 units year-over-year to 96,000 units, because we managed to recoup the production loss by production of the previous model. So as for a year-over-year comparison, the unit sales in Thailand decreased by 9,000 units to 44,000 units, while the unit sales in LCV export increased by 12,000 units to 52,000 units.

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

■ Demand is strong, a similar trend as CV. Rearranged the destination of LCV taking in account of the influence from lack of semiconductors.

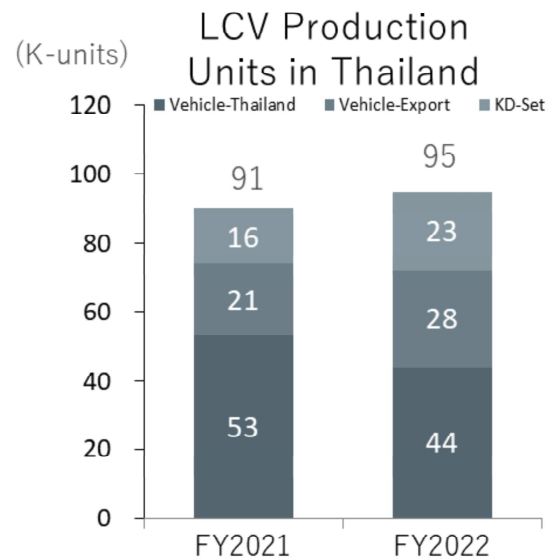
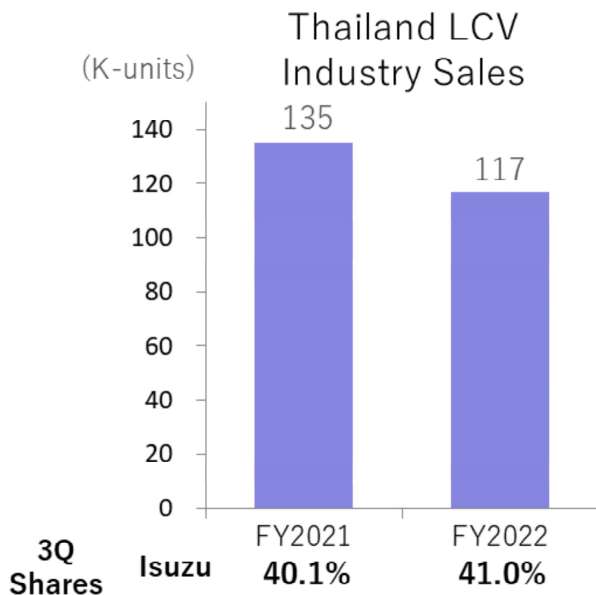


This slide shows the current outlook of LCV global sales in comparison to that announced last November.

As for the full year outlook, we have carefully allocated global shipments in response to semiconductor shortages. Overall, the full-year forecasts for Thailand and Exports were revised downward by 4,000 units and 1,000 units respectively compared to those previously announced.

Thailand LCV Industry Sales & Share /LCV Production Units (Oct.-Dec.) **ISUZU**

- Industry sales declined from previous in result of constraints in production.
- Production of newly-modeled LCV were distracted by lack of semiconductors. Production of KD-sets of old-model LCV for export made up the loss.



I will now focus specifically on Thailand.

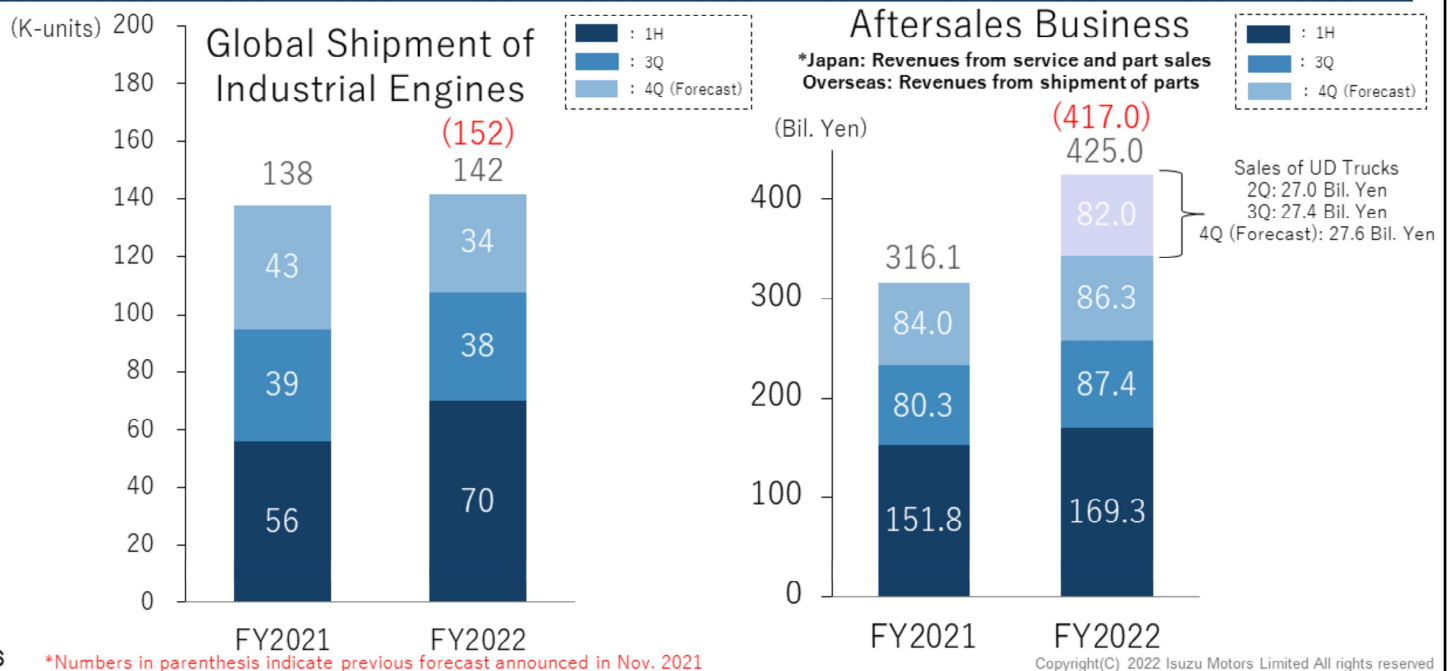
Industry LCV unit sales in Thailand in the 3rd quarter were down from the previous fiscal year to 116,000 units due to the supply chain adversely impacting manufacturing. We have maintained a high market share of over 40%. In light of the impact of the chip shortage on auto production, the outlook for industry demand is undetermined for the moment.

LCV production units were up by 4,000 units year-over year to 95,000 units as a result of shifting our production capacity to manufacture knock-down kits of the previous model for export so as to counteract chip shortages holding up the production of new LCVs.

Industrial Engine Global Shipment/Revenue from Aftersales Business

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- Industrial Engines: Lowered the full-year outlook due to slowdown of the Chinese construction machinery demand.
- Aftersales Business: Raised full-year outlook reflecting increased parts sales in overseas markets.



I will now turn to the global shipment volume of industrial engines and revenue from aftersales business.

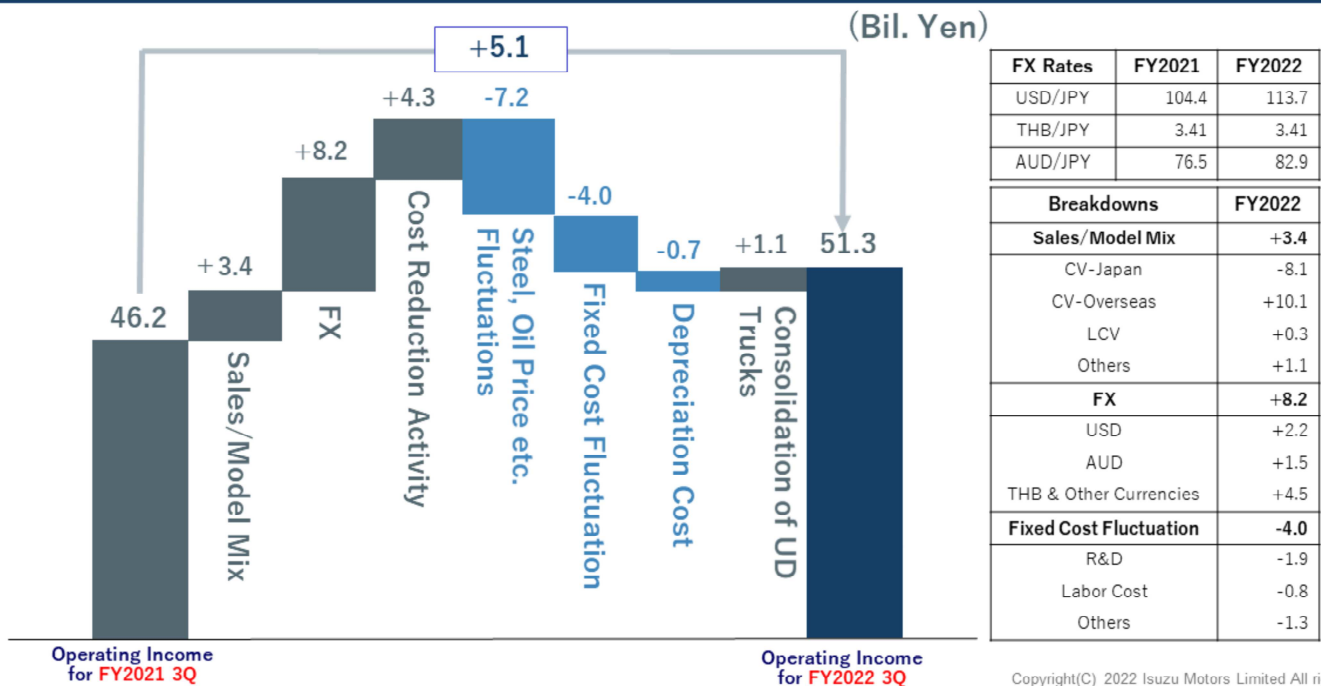
The industrial engine shipments decreased by 1,000 units year-over-year to 38,000 units. Meanwhile, we have lowered the full-year outlook from the previous forecast by 10,000 units to 142,000 units, since there are signs of a slowdown in demand for construction machinery in China.

Revenue from the Isuzu aftersales business in the 3rd quarter was up by 7.1 billion yen year-over-year to 87.4 billion yen. Parts sales to overseas dealers, in particular, pushed up revenue. It was also boosted by revenue of 27.4 billion yen raised by UD Trucks for the period between July and September.

We have revised the full-year outlook upward to reflect the increase in parts sales achieved overseas. As for UD Trucks, we forecast revenue of 82.0 billion yen for the period between April and December.

FY2021 3Q vs. FY2022 3Q Fluctuations
- Consolidated operating income : analysis of change -

■ While suffering from chip shortage and hiking raw material costs, increased operating income thanks to FX and achievements from cost reduction activities. Operating income resulted as per our plan.



Next, I will discuss the change analysis performed on operating income comparing the 3rd quarter of the fiscal year ending Mar. 31, 2022 with the same period last year.

The increase was mainly attributed to sales/model mix of 3.4 billion yen, foreign exchange of 8.2 billion yen and cost reduction activity of 4.3 billion yen. Also, UD Trucks, which is now a consolidated subsidiary, contributed 1.1 billion yen.

The decrease mainly came from economic fluctuations of minus 7.2 billion yen, fluctuation in fixed costs of minus 4.0 billion yen and depreciation costs of minus 0.7 billion yen,

Results were almost in line with our projections announced last November thanks to favorable foreign exchange rates and cost reduction activities, even though they were weakened by a deterioration in sales/model mix and rising material and logistics costs. The foreign exchange rate results are listed in the table on the slide.

FY2022 3Q Consolidated Results - Year-on-year Comparison -

(Bil. Yen)	FY2022 3Q	FY2021 3Q	Changes	
Sales	638.8	515.3	123.5	24%
Operating Income	51.3	46.2	5.1	11%
Ordinary Income	53.2	49.3	3.9	8%
*Net Income	33.5	30.2	3.3	11%

*Net Income	Ordinary Income	53.2
	Loss on disposal of non-current assets, etc.	0.1
	Income Taxes	-11.6
	Profit attributable to non-controlling interests	-8.2
	*Net Income	33.5

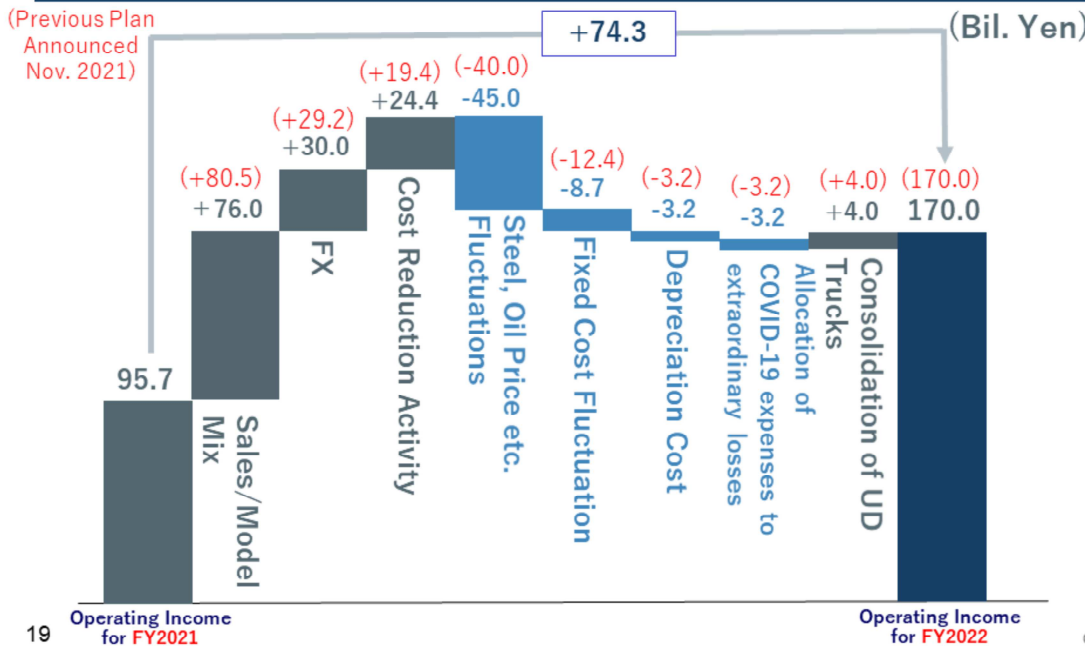
* Net income attributable to owners of parent

Here, I will explain the gap between ordinary income and net income.

Net income amounted to 33.5 billion yen after posting gain on sales of investment securities and subtracting loss on disposal of non-current assets, etc., income taxes and profit attributable to non-controlling interests from ordinary income of 53.2 billion yen.

FY2021 vs. FY2022 Fluctuations
- Consolidated operating income : analysis of change -

■ Will cover up the affects from constraints in chip supplies and sharp rise in raw material costs by further promotion of cost reduction activities and cut in fixed costs. Thus, shall make no changes to our full-year outlook.



FX Rates	FY2021	FY2022
USD/JPY	106.0	110.8
THB/JPY	3.42	3.41
AUD/JPY	76.2	82.5

Breakdowns	FY2022
Sales/Model Mix	+76.0
CV-Japan	-22.0
CV-Overseas	+49.8
LCV	+28.0
Others	+20.2
FX	+30.0
USD	+4.8
AUD	+6.3
THB & Other Currencies	+18.9
Fixed Cost Fluctuation	-8.7
R&D	-8.0
Labor Costs	-2.5
Others	+1.8

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Next, I will discuss the change analysis performed on operating income forecast for the fiscal year ending March 31, 2022 compared with the previous fiscal year.

The majority of increases is expected to come from sales/model mix of 76.0 billion yen, foreign exchange rates of 30.0 billion yen, cost reduction activities of 24.4 billion yen and contribution of 4.0 billion yen from UD Trucks, which is now a consolidated subsidiary.

The majority of decreases is predicted to come from economic fluctuations such as rising prices of raw materials and logistics of minus 45.0 billion yen, fluctuation in fixed costs of minus 8.7 billion yen, depreciation costs of minus 3.2 billion yen and COVID-19 expenses allocated as extraordinary losses in the previous fiscal year of minus 3.2 billion yen.

Although we foresee a weaker sales/model mix and the costs of materials and logistics to further increase than our November projection, we will implement additional cost-cutting measures and cost reduction initiatives to make up for the decrease in operating income.

Our operating profit forecast of 170.0 billion yen remains unchanged at this time.

The forecast for foreign exchange rates is listed in the table on the slide.

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	158%

*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

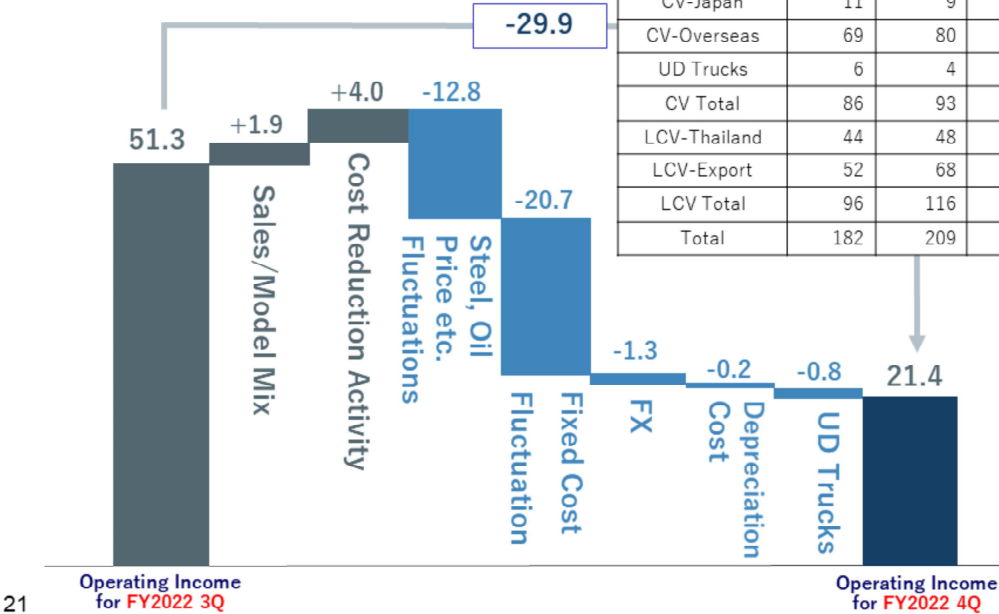
* Net income attributable to owners of parent

As to our full-year outlook for the fiscal year ending March 31, 2022, we forecast our net income for this fiscal year to be 110.0 billion yen which is based on ordinary income of 175.0 billion yen from which the following are deducted: Loss on disposal of non-current assets, etc. of minus 3.0 billion yen, income taxes of minus 38.0 billion yen and profit attributable to non-controlling interests of minus 24.0 billion yen.

(Reference) FY2022 3Q vs. FY2022 4Q Fluctuations
 - Consolidated operating income : analysis of change -

■ While sales units of CV-Overseas and LCVs are forecasted to increase, sales units of CV-Japan shall fall. Affects from soaring prices of raw materials and logistic fees and increases in fixed costs shall be concentrated in 4Q.

(Bil. Yen)



VOL (K-units)	3Q	4Q	Changes
CV-Japan	11	9	-2
CV-Overseas	69	80	+11
UD Trucks	6	4	-2
CV Total	86	93	+7
LCV-Thailand	44	48	+4
LCV-Export	52	68	+16
LCV Total	96	116	+20
Total	182	209	+27

FX Rates	3Q	4Q
USD/JPY	113.7	110.0
THB/JPY	3.41	3.40
AUD/JPY	82.9	82.0

Breakdowns	FY2022
Sales/Model Mix	+1.9
CV-Japan	-5.0
CV-Overseas	+2.5
LCV	+4.5
Others	-0.1
FX	-1.3
USD	-0.7
AUD	±0
THB & Other Currencies	-0.6
Fixed Cost Fluctuation	-20.7
R&D	-6.4
Labor Costs	-0.6
Others	-13.7

Last but not least, I will discuss the change analysis performed on operating income comparing the 3rd quarter of the fiscal year ending Mar. 31, 2022 with the 4th quarter of the same fiscal year.

An increase in shipment volume particularly in our LCV business will bring about positive sales/model mix effects on our business. However, we will be substantially impacted by negative economic fluctuations. In addition, costs such as R&D tend to be concentrated in the 4th quarter. Therefore, we expect the operating income of the 4th quarter to decrease by 29.9 billion yen when compared with the 3rd quarter to 21.4 billion yen.

This is all from me. Thank you very much.

Trucks for life
ISUZU

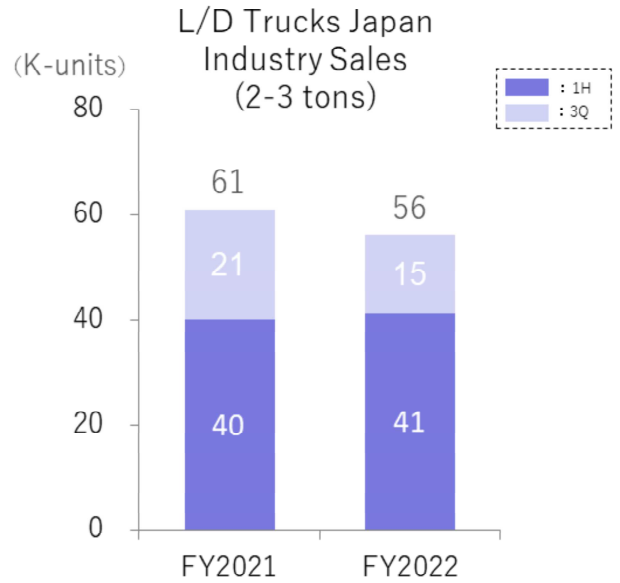
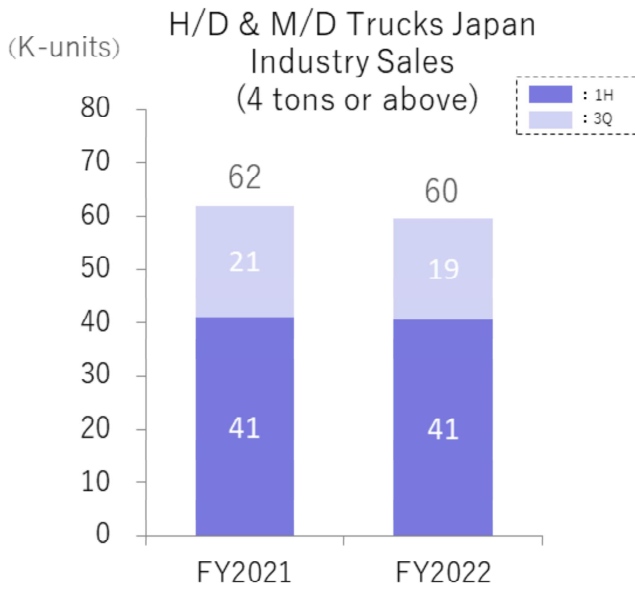
Overview: FY2022 Cumulative 3Q Consolidated Results

Global Sales Units (K-units)		FY2022 1-3Q	FY2021 1-3Q	Changes		'20/3 1-3Q
CV Total	CV-Japan	45	49	-4	-8%	60
	CV-Overseas	197	126	71	57%	152
	UD Trucks	13	-	13	-	-
CV Total		255	175	81	46%	212
LCV Total	LCV-Thailand	116	108	8	7%	112
	LCV-Export	144	91	53	59%	110
LCV Total		260	199	61	31%	222
Total		515	374	141	38%	434

Financial Results (Bil. Yen)

Sales	1,783.8	1,308.2	475.6	36%	1,518.3
Operating Income	148.6	63.0	85.6	136%	113.7
Ordinary Income	159.9	66.3	93.6	141%	117.3
Net Income	104.7	28.5	76.2	268%	67.4

Japan Industry Sales and Isuzu Share (Cumulative 9 months)

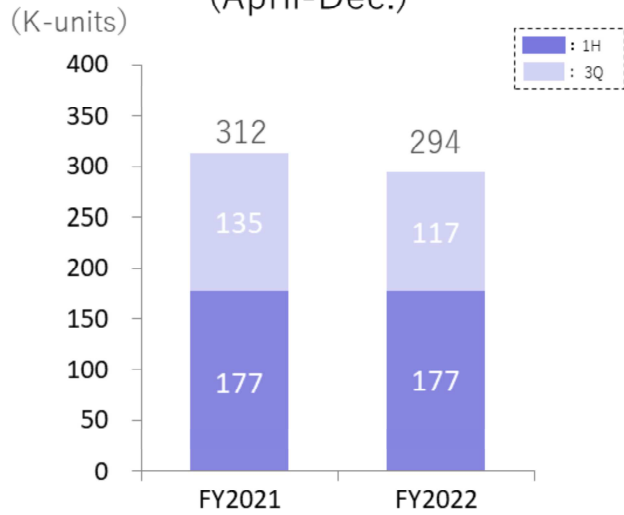


1-3Q Shares Isuzu UD Trucks **32.1%** **(12.0%)** **33.1%** **11.6%**

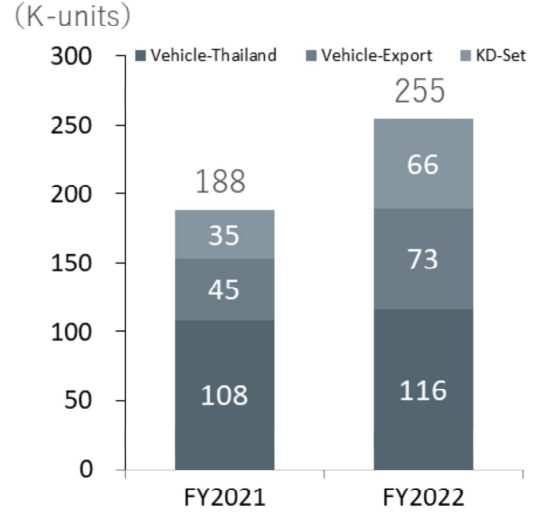
1-3Q Shares Isuzu **40.0%** **37.3%**

Thailand LCV Industry Sales & Share /LCV Production Units (Cumulative 9 months)

Thailand LCV Industry Sales
(April-Dec.)



LCV Production Units in Thailand
(April-Dec.)



**1-3Q
Share**

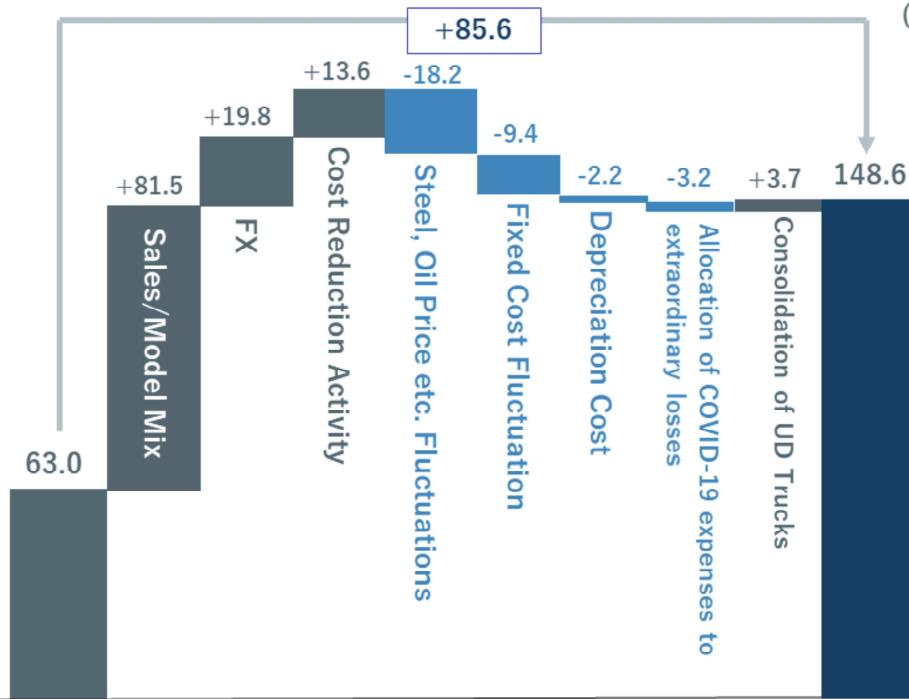
Isuzu

41.2%

41.4%

FY2021 3Q vs. FY2022 3Q Fluctuations (Cumulative 9 months)
- Consolidated operating income : analysis of change -

(Bil. Yen)



FX Rates	FY2021	FY2022
USD/JPY	106.0	111.1
THB/JPY	3.39	3.41
AUD/JPY	74.4	82.7

Breakdowns	FY2022
Sales/ Model Mix	+81.5
CV-Japan	-8.1
CV-Overseas	+40.1
LCV	+27.3
Others	+22.2
FX	+19.8
USD	+2.9
AUD	+5.2
THB & Other Currencies	+11.7
Fixed Cost Fluctuation	-9.4
R&D	-4.9
Labor Costs	-1.5
Others	-3.0

26 Operating Income for FY2021 1-3Q

Operating Income for FY2022 1-3Q