

These documents have been translated from the Japanese original documents for reference purposes only. In the event of any discrepancy between these translated documents and the Japanese original, the original shall prevail. The financial statements included in the following translation have been prepared in accordance with Japanese GAAP.

**MATERIALS FOR THE 123RD ANNUAL GENERAL
MEETING OF SHAREHOLDERS
(MATTERS NOT TO BE STATED IN THE WRITTEN
DOCUMENTS REQUESTED TO BE DELIVERED
BASED ON THE LAWS AND REGULATIONS AND
THE ARTICLES OF INCORPORATION AMONG THE
MATTERS TO BE ELECTRONICALLY PROVIDED)**

**MATTERS CONCERNING DIRECTORS OF THE BOARD OF THE
COMPANY**

- (1) OUTLINE OF THE CONTENTS OF THE LIABILITY LIMITATION
AGREEMENT**
- (2) OUTLINE OF THE DIRECTORS AND OFFICERS LIABILITY INSURANCE
CONTRACT**

MATTERS CONCERNING THE INDEPENDENT AUDITOR

**SYSTEMS FOR ENSURING THE PROPRIETY OF OPERATIONS
AND STATUS OF OPERATIONS OF THE SYSTEMS**

**CONSOLIDATED STATEMENT IN FLUCTUATION IN SHAREHOLDER'S
EQUITY**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT IN FLUCTUATION IN SHAREHOLDER'S EQUITY

NOTES ON THE FINANCIAL STATEMENTS

(April 1, 2024 to March 31, 2025)

June 5, 2025

ISUZU MOTORS LIMITED

Matters concerning the Directors of the Board of the Company

(1) Outline of the contents of the liability limitation agreement

The Company has entered into agreements with six Outside Directors of the Board that limit the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the said Act, based on the provision of Article 427, Paragraph 1 of the said Act.

(2) Outline of directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance (D&O insurance) contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The scope of the insured under the D&O insurance includes Directors of the Board, Audit & Supervisory Board Members, and Executive Officers of the Company and its subsidiaries, as well as Directors of the Board, Audit & Supervisory Board Members, and Executive Officers of certain affiliates. The insured persons do not pay the insurance premium. The policy covers expenses and damage payments to be borne by the insured persons arising from third party litigation during the insurance period due to an act committed by the insured persons in their capacity as such.

Matters concerning the Independent Auditor

(1) Name of the Independent Auditor: Ernst & Young ShinNihon LLC

(2) Fee and Other Amounts Payable to the Independent Auditor:

	Amount Payable (JPY million)
Independent Auditor's fee payable by the Company for the current business term	226
Total cash and other financial profits payable by the Company and its subsidiaries to the Independent Auditor	514

NOTES: 1. Amounts have been rounded down to the nearest one million yen.

2. The Audit and Supervisory Committee agreed to the fee and other amounts payable to the Independent Auditor after careful consideration of the details of the audit plan, time taken by the audit, personnel allocation plan, performance of duties in past business years, and rationale for the calculation of fees, in accordance with the "Practical Guidelines for Cooperation with Independent Auditor" of the Japan Audit & Supervisory Board Members Association.
3. The Company and the Independent Auditor have signed an Audit Contract. This contract, however, does not make a clear distinction between the auditing fees stipulated in the Companies Act and those defined in the Financial Instruments and Exchange Act. These fees cannot be practically separated. The above fee, therefore, is the aggregate amount of these fees.
4. Ernst & Young ShinNihon LLC serves as the Independent Auditor for significant subsidiaries of the Company in Japan, and significant overseas subsidiaries of the Company are subject to the audit of Ernst & Young or Deloitte Touche Tohmatsu.

(3) Non-audit Duties of the Independent Auditor

The Company commissions assurance services and various consulting services, etc. to Ernst & Young ShinNihon LLC, and pays remuneration accordingly.

(4) Policy regarding Decision to Dismiss or Not Reappoint Independent Auditors

- 1) If anything occurs to negatively impact the qualifications or independence of the Independent Auditor, leading the Audit and Supervisory Committee to believe that the Independent Auditor is unlikely to properly perform an audit, the Audit and Supervisory Committee will determine the contents of the proposal about dismissing or not reappointing the Independent Auditor as the proposal submitted to the General Meeting of Shareholders.
- 2) If the Audit and Supervisory Committee unanimously agrees, it will dismiss the Independent Auditor when it confirms that the Independent Auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act and the proper performance of an audit by the Independent Auditor is seriously impaired.

SYSTEMS FOR ENSURING THE PROPRIETY OF OPERATIONS **AND STATUS OF OPERATIONS OF THE SYSTEMS**

“Basic policies regarding the development of systems for ensuring the propriety of operations” which was resolved by the Board of Directors Meeting in accordance with the Companies Act and the Regulation for Enforcement of the Companies Act and “general descriptions of the status of operations of systems” which was confirmed by the Board of Directors Meeting are as follows:

The Company has constructed and maintains a system to ensure the propriety of its operations by adopting the following basic policies:

1) System for ensuring that Directors of the Board and employees execute their duties in compliance with the laws and regulations and the Articles of Incorporation

<General description of contents of resolution>

- The Company places utmost importance on thorough compliance. The Company defines "compliance" to mean that all Directors of the Board and employees comply with the laws, and behave in line with high ethical standards to gain the trust of society.
- To secure thorough compliance, we will make sure that all Directors of the Board and employees are familiar with and fully understand the "Basic Policy Measures Relating to Compliance" and the "Code of Conduct Relating to Compliance."
- The Compliance Committee including outside experts provides the Company with objective advice, supervision, and assessments regarding its compliance promotion system and activities. The Risk Management Department manages and promotes compliance activities which are developed across the Company through the "Quality and Compliance Promotion Meeting" that is attended by representatives from each division. Additionally, compliance-related internal auditing functions are secured via auditing by the Corporate Audit Dept.
- By independently, fairly, and objectively assessing the status of management activities related to "compliance," "risk management structure," and "corporate governance," and issuing directives and requests for improvement, the Corporate Audit Dept. conducts internal audits with the goal of helping the Company gain recognition and trust from society and achieve its management objectives.
- The Company has independent Outside Directors of the Board to bring more objectivity, neutrality, and transparency to the Board of Directors in their function as supervisors of our business operations.
- The Company rejects any relationships with antisocial forces or groups, and will respond to them resolutely and refuse their unreasonable demands in the future.
- The Company has established three points of contact for consultation available at the office level, division level, and Companywide level as the points of contact for internal reporting and consultation on compliance-related matters. In addition, the Company has set up the meyasubako (external point of contact) sited at an outside law firm as a countermeasure for cases where it is difficult to consult or resolve an issue through the internal points of contact for some reason.

<General description of the status of operations of systems>

- The "Compliance Committee" was reorganized in November 2024 into a new, more effective structure under the monitoring of the Chairman CEO, with the President COO as chairman, each Division Head in charge of important laws and regulations as members, and Audit & Supervisory Board Members as observers. Receiving instructions and advice from the committee on the promotion of compliance activities and the development of compliance systems, the Company strives to ensure thorough compliance.
- To increase the effectiveness of internal compliance activities, the Company distributes compliance guidebooks to Directors of the Board, Audit & Supervisory Board Members, and employees, and ensures that they are familiar with and fully understand policies and standards while reviewing the contents from time to time.
- Also, the Company periodically holds the "Quality and Compliance Promotion Meeting" among members, who are elected from each division to promote compliance, internally develop compliance-related measures and monitor the activities of each division.
- As part of the compliance risk mitigation activities, the Company identifies critical risks based on the results of the risk assessment and develops corresponding countermeasures.
- For effectively operating the points of contact for reporting and consultation, the Company regularly re-promotes and makes these reporting and consultant services known throughout the Company, and ensures appropriate responses to any reports or consultations including thorough protection of whistleblowers.
- The Company promptly and appropriately addresses issues that are reported to the meyasubako (helpline) sited at an outside law firm.
- The Company conducts employee surveys concerning compliance and uses the results to improve and review our compliance activities.
- To eliminate relationships with antisocial forces or groups, the Company incorporates a clause concerning the elimination of antisocial forces in all written agreements with domestic corporations.

2) System for maintaining and managing information relating to Directors' performance of their duties

<General description of contents of resolution>

- Minutes of the Board of Directors Meetings and other information relating to the Directors of the Board's performance of their duties are appropriately maintained and managed by different departments in accordance with laws and regulations, the "Board of Directors Regulation," and the Company's other bylaws, designating what information is handled by which department. The Chief Executive for Confidential Information Management manages confidential information appropriately in accordance with laws and regulations and the "Rules for Handling Confidential Information." In addition, it becomes available for viewing at the request of the Audit and Supervisory Committee.
- The "Information Security Management Meeting" composed of the Group CRMO and division representatives evaluates the implementation status of measures for managing information and information security at each division, putting into place an appropriate information management system and reports on its status to the Board of Directors when needed to implement thorough information management in accordance with the "Group Information Security Policy."
- The Company has established the "Rules for Handling Collaboration Information" to prevent situations that could damage the trust between the Company and our collaboration partners. These rules are designated to ensure that employees rigorously prevent the leakage of collaborative partners' confidential information from the Company to any outside parties, including other collaborative partners, and prevent the unauthorized use and incorporation into R&D with other collaborative partners.

<General description of the status of operations of systems>

- The Company appropriately maintains and manages the minutes of Board of Directors Meetings in accordance with laws and regulations, and the "Board of Directors Regulation." Other information relating to the performance of duties by Directors of the Board is appropriately maintained and managed by designated departments in accordance with the Company's bylaws, such as "Rules for Handling Confidential Information."
- To properly manage personal and confidential information, for information security, the Company's bylaws on information security and the information security management system were drafted under the Group CRMO; Directors of the Board and employees are provided training on such systems and bylaws.
- Each division prepared and maintained divisional business rules based on the relevant rules, promoted education and operation, and confirmed the management status once a year.
- Also, each division implemented measures for information security, and the results of implementation are confirmed quarterly by the "Information Security Management Meeting" that consists of the Group CRMO and representatives from each division.
- In order to prevent confusion or leakage of confidential information obtained from each collaborative partner upon simultaneously proceeding with a project in collaboration with multiple partners and in order to have the intended officers and employees thoroughly comply with the "Collaborative Information Handling Rules," training is promptly given to them through e-learning each time (as needed).

3) Rules and other systems for managing loss risk

<General description of contents of resolution>

- In accordance with the "Rules for Risk Management," based on three lines of defense, each Division Head as a risk owner at the first line implements risk preventive measures and responds to emerging incidents related to the Group companies through business operations. The Group CRMO and Risk Management Department at the second line develop the Group's overall risk management structure, and manage and supervise the first line's risk responses. Additionally, the Corporate Audit Department at the third line, which is independent from divisions and the Group CRMO, decides rationality of risk management structure and systems.
- The Group CRMO regularly reports the status of risk management to the Representative Director and the Board of Directors and follows their instructions when given. The Group CRMO reports to the Representative Director and the Board of Directors on the status of risk management from time to time when deemed necessary.
- The Group CRMO convenes the "Risk Management Confirmation Meeting" on a regular basis to follow up the progress of preventive initiatives for risks, identify the risks that are manifested, and review countermeasures and risk recognition on an ongoing basis. The status of risk management is followed up and assessed by the Board of Directors Meetings on a regular basis. In major crises that significantly impact management, the Group CRMO oversees such risk managements, determines, and implements proper crisis responses (including implementation systems) to minimize the impact and reduce damage to corporate value.

<General description of the status of operations of systems>

- We established and promote the implementation of the plan for "preventive initiatives," based on the risk management rules under the risk management framework with the Group CRMO based on the three lines of defense framework, which is the first line of defense designed primarily to deal with critical risks.
- As the second line of defense, the Group CRMO regularly hosts the Risk Management Confirmation Meeting, where the Group CRMO engages in an effort to identify incidents while verifying the activity status of the "preventive initiatives" planned by the first line of defense.
- As the third line of defense, the Corporate Audit Department, which is independent from divisions and the Group CRMO, decides rationality of risk management structure and systems.
- Although there have not been any incidents in the current fiscal year regarding critical risks such as changes in the economic situation, product quality management, and occupational safety that immediately and significantly impacted the business operation, we will continue to pay close attention.
- As for the incidents recognized as important, a response framework with the members designated by the Group CRMO was constructed, information was shared, and issues were resolved through inter-divisional collaboration accordingly.
- The Group CRMO reports regularly at the Board of Directors Meetings and the Management Meeting on the activities of the "preventive initiatives" plan and the response status of incidents.

4) System for assuring Directors of the Board's efficient execution of their duties

<General description of contents of resolution>

- Decision-making of all or some important business operations will be delegated to Directors of the Board in accordance with Article 399-13, Paragraph 6 of the Companies Act and Article 25 of the Articles of Incorporation. Directors who have been delegated as such by the Board of Directors will make decisions on important business operations and abide by the "Approval Standards and Rules" and other rules.
- In addition to establishing a Business Plan, etc. that is the basic policy regarding business and serves as a guideline to decisions made by a Director of the Board regarding business operations, the Board of Directors will monitor whether the Director of the Board makes decisions in line with such policies.
- The Company employs the Executive Officer System to help the Directors of the Board perform their duties properly, and appoints a Group CxO (Chief Officer for each field).

<General description of the status of operations of systems>

- Important business execution decisions are delegated from the Board of Directors to Directors. In addition, authority is properly transferred to the Management Meeting and its subordinate bodies based on the Approval Standards and Rules and other rules to efficiently carry out business activity.
- The Board of Directors confirms the status of business operations by Directors through reporting at Board of Directors Meetings held, in principle, once per month as well as on a necessary basis, whereby the Board of Directors Meeting confirms that Directors make decisions in line with basic policies regarding business operations.
- Each Executive Officer and CxO (Chief Officer for each field) selected by the Board of Directors Meeting executes operations delegated by the Board of Directors Meeting appropriately and efficiently.

5) System for ensuring the propriety of operations of the Corporate Group consisting of the Company and its subsidiaries

<General description of contents of resolution>

- With the objective of enhancing public trust in the Company and the Group based on our policy of serving society in meaningful ways, the Company has established "ISUZU ID" as its corporate philosophy and the "Group Basic Compliance Initiative." The Company takes proper measures to ensure that all Directors of the Board, Audit & Supervisory Board Members and employees of the Group act in accordance with these standards.
- The Company has asked the Group companies to develop their own compliance systems suited to their respective circumstances and to fully implement said systems, and has additionally asked to develop appropriate risk management structure and response to risks.
- The Company has established "Group Company Management Rules" and "Detailed Rules for Group Company Management," and taken steps to strengthen systems for ensuring the propriety of the Group company operations.
- Company Management continually monitors the activities of the Group companies' managements, receives reports on the status of compliance and risk management and systems for ensuring business efficiency at the Group companies, and requests improvements if the Company determines that they are necessary.
- Internal audits of Group companies are conducted according to the Company's "Internal Auditing Manual," and necessary notifications, requests, and reports are made to the departments in charge of business management of the Group companies. However, the results of internal audits are depended upon for Group companies with an auditing function.
- The Company adopts a system to ensure the reliability of financial reports made under the Financial Instruments and Exchange Act.

<General description of the status of operations of systems>

- We ensure that the Company and the Group companies thoroughly comply with "ISUZU ID," our corporate philosophy, the "Basic Policy Measures Relating to Compliance," and the "Group Basic Compliance Initiative."
- As activities to enhance compliance for Group companies, the Company convened in principle on a monthly basis the Group Company Compliance Promotion Meeting, whose members were from domestic Group companies and were responsible for compliance. Also, in order to homogenize the level of activity in the entire Group, the contents of the activities are shared by exchanging information between companies to increase the level of compliance in the entire Group.
- With a view to promoting occupational safety at the Company and the Group, we established the Safety Promotion Special Committee chaired by the President and Director COO, which set out the guidelines/policies and dissemination measures as well as educational measures relating to the safety promotion activities.
- As part of risk management activities for the Group companies, the Company takes measures to enhance risk management for the Group as a whole by promoting the development of risk management structures and the implementation of the risk management process.
- Once a year, Company Management solicits the opinions of managers of each Group company about the state of the management in their company, and also receives reports on the state of compliance and risk management and systems for improving business efficiency at Group companies.
- To enhance the effectiveness of internal controls over financial reports in accordance with the practice standards of the Financial Services Agency, the Company develops company-wide internal controls and operational process controls and evaluates how these controls are performed. As a result from this evaluation, the Company determined that internal controls regarding the financial standing and reporting of the Company were effective as of the last day of the current business term.

6) Matters regarding employees who assist Audit and Supervisory Committee Members in their duties when Audit and Supervisory Committee Members request the assignment of such employees

<General description of contents of resolution>

- At the request of Audit and Supervisory Committee Members, the Company has set up a department called the "Audit and Supervisory Committee Member Support Group," and has assigned employees to assist the Audit and Supervisory Committee Members with their duties.

<General description of the status of operations of systems>

- The Company has set up the Audit and Supervisory Committee Group and assigned employees to assist. They assist the Audit and Supervisory Committee with their duties to ensure the effectiveness of audits, while carrying out administrative duties pertaining to audits by the Audit and Supervisory Committee as well as the affairs of the secretariat of the Audit and Supervisory Committee and the Management Audit Meeting.

7) Maintaining the independence of employees who assist Audit and Supervisory Committee Members from Directors of the Board and enhancing the effectiveness of instructions to employees

<General description of contents of resolution>

- The Company ensures that employees who assist Audit and Supervisory Committee Members with their duties are independent from the Directors (excluding Directors who are Audit and Supervisory Committee Members) and that instructions to such employees are effective. In order to achieve this, such employees are placed under the direct control and supervision of the Audit and Supervisory Committee and the Company obtains the prior consent of the Audit and Supervisory Committee when changing, assessing, rewarding, or punishing them.

<General description of the status of operations of systems>

- The Company has established "Audit and Supervisory Committee Support Staff Regulations" to ensure independence from Directors (excluding Directors who are Audit and Supervisory Committee Members) who are also members of the Audit and Supervisory Committee Group.
- The Company listens to the Audit and Supervisory Committee's opinions in advance and assigns, changes, and assesses dedicated employees who belong to the Audit and Supervisory Committee Group with the consent of the Audit and Supervisory Committee.

8) System for encouraging Directors of the Board, employees, and others of the Company and its subsidiaries to report to Audit and Supervisory Committee Members

<General description of contents of resolution>

- The Company adopts a system in which Directors (excluding Directors who are Audit and Supervisory Committee Members) and Executive Officers and those of equivalent rank and employees of the Company and the Group companies report to the Audit and Supervisory Committee on the status of business operations, the status of the Company's and the Group companies' management, and any other matters that need to be reported as agreed by the Company and Audit and Supervisory Committee, to disclose or report necessary and sufficient information whenever requested by the Audit and Supervisory Committee.
- The Company cooperates with a liaison conference held on a regular basis to enhance and strengthen audits of the entire Group through mutual collaboration among Audit and Supervisory Committee Members of the Company and Audit & Supervisory Board Members of the Group as necessary.

<General description of the status of operations of systems>

- Requests concerning the audit plan for the current business term formulated by the Audit and Supervisory Committee and for ensuring the effectiveness of the Audit and Supervisory Committee's audit were reported to the Board of Directors' Meeting. Directors (excluding Directors who are Audit and Supervisory Committee Members) were asked for their understanding and cooperation with the Audit and Supervisory Committee's audit. At the meeting, it was decided to regularly or temporarily make reports on necessary matters as agreed with the Audit and Supervisory Committee under the system for reporting to the Audit and Supervisory Committee. Additionally, minutes of meetings and materials for which regular interviews or access is required were presented in a specific manner. The Audit and Supervisory Committee carried out these activities smoothly in conjunction with their regular audits.
- The Company has asked Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees to comply with requests from the Audit and Supervisory Committee for explanations and reports. They promptly explain and report information whenever requested by Audit and Supervisory Committee Members.
- Isuzu Group Standing Audit and Supervisory Committee Members Liaison Conferences, whose members are the Standing Audit and Supervisory Committee Members of specific domestic Group companies and Standing Audit and Supervisory Committee Members of the Company, are periodically held, at which members share and exchange information on procedures for audits of the Isuzu Group by the Audit and Supervisory Committee and Audit & Supervisory Board Members.

9) System for ensuring that those who make a report to Audit and Supervisory Committee Members are not treated unfairly for making such a report

<General description of contents of resolution>

- The Company prohibits any discriminatory treatment of those who have made a report to the Audit and Supervisory Committee Members in accordance with the preceding Paragraph, and ensures that all Directors of the Board, Audit and Supervisory Committee Members and employees of the Company and Group companies are familiar with and fully understand the above.

<General description of the status of operations of systems>

- The Company has ensured that all Directors of the Board, Audit and Supervisory Committee Members, and employees were familiar with and fully understood that it is prohibited to treat those who make a report to Audit and Supervisory Committee Members unfairly for doing so. There were no cases of anyone being treated unfairly on such grounds.

10) Policy for advance payment or reimbursement of expenses relating to Audit and Supervisory Committee Members' execution of duties and other handling of expenses or obligations arising from the execution of such duties

<General description of contents of resolution>

- If a Director who is Audit and Supervisory Committee Member requests the Company to make an advance payment of expenses, reimburse expenses, or fulfill obligations related to the execution of his/her duties, the Company promptly deals with such expenses or obligations in accordance with laws and regulations.
- The Company will annually allot an appropriate budget to pay expenses arising from the execution of duties by Directors who are Audit and Supervisory Committee Members and other costs.

<General description of the status of operations of systems>

- The Company pays expenses arising from the execution of duties of Directors who are Audit and Supervisory Committee Members promptly after they were incurred.
- A system was developed so that Directors who are Audit and Supervisory Committee Members may ask the Company to pay expenses if they exceed a previously allocated budget on an emergency or a temporary basis.

11) Other systems for ensuring effective audits by Audit and Supervisory Committee Members

<General description of contents of resolution>

- The Company will ensure that the Corporate Audit Dept. has a direct reporting line to the Audit and Supervisory Committee in addition to a reporting line to the Chairman and Director CEO.
- The Company will obtain the prior consent of the Audit and Supervisory Committee regarding personnel transfers of corporate officers who rank above the General Manager of Corporate Audit Dept. in the chain of command.
- The Company ensures opportunities for Directors who are Audit and Supervisory Committee Members to attend Management Meetings.
- In addition, with the aim of establishing systems to help Audit and Supervisory Committee Members audit effectively, the Company holds regular discussions with Audit and Supervisory Committee Members and takes necessary steps to meet their requests.

<General description of the status of operations of systems>

- The Corporate Audit Dept. appropriately reports the status of its activities to the Chairman and Director CEO and Audit and Supervisory Committee in accordance with the basic policy of the "Internal Control System."
- The Audit and Supervisory Committee periodically had meetings with the Chairman and Director CEO to enhance the effectiveness of audits by the Audit and Supervisory Committee. At the meetings, they reported their auditing activities and heard the Chairman and Director CEO opinions on the management policy and management challenges. They also solicited the Directors' (excluding Directors who are Audit and Supervisory Committee Members) opinions regarding the performance of their duties, and actively expressed their opinions from the perspectives of the Audit and Supervisory Committee. In addition, Standing Audit and Supervisory Committee Members attended important meetings, such as the Management Meeting, as necessary, to confirm the status of performance of duties.
- A three-way (Audit and Supervisory Committee, Independent Auditor and Corporate Audit Dept.) liaison conference on the audit of internal controls was periodically held, during which information and opinions were exchanged on the audit plan and the status of its implementation, and reports were received on the results of internal audits and when necessary, the results of audits by Independent Auditors with the aim of strengthening collaboration.

The basic policies were partially revised by a resolution of the Board of Directors Meeting held on March 27, 2025. (Effective date: April 1, 2025)

The details of the revised policies are as follows. (Changes are underlined)

“Basic policies regarding the development of systems for ensuring the propriety of operations” which was resolved by the Board of Directors Meeting in accordance with the Companies Act and the Regulation for Enforcement of the Companies Act and “general descriptions of the status of operations of systems” which was confirmed by the Board of Directors Meeting are as follows:

The Company has constructed and maintains a system to ensure the propriety of its operations by adopting the following basic policies:

In response to the occurrence of serious violations of laws and regulations, such as type approval test fraud, in the automotive industry to which the Isuzu Group belongs, the Company positions the prevention and elimination of violations of laws and regulations, which must never be committed in business operations, as the most important management issue, and the Board of Directors adopted the following resolution in March 2025 regarding reviews of the basic policies of the internal control system and establishment of a system for ensuring the propriety of operations to reaffirm the commitment of the management, including Directors, to lead by example in resolving issues.

Guided by “ISUZU ID,” its corporate philosophy, the Company fosters a sound and open corporate culture throughout the Isuzu Group to resolve social issues in unison with each and every employee of the Group taking a broader perspective and sharing the same values.

In addition, in order to establish a system to support compliance, the Company will strengthen the system that controls irregularities in business processes and encourage improvements, and continue to make constant improvements while striving to develop a human resource base and foster human resources able to put these into practice.

1) System for ensuring that Directors of the Board and employees execute their duties in compliance with the laws and regulations and the Articles of Incorporation

- The Company places utmost importance on thorough compliance. The Company defines “compliance” to mean that all Directors of the Board and employees comply with the laws, and behave in line with high ethical standards to gain the trust of society and places the highest priority on thorough compliance, regardless of costs, schedules, or any other circumstances related to the performance of duties. Management, including Directors, leads by example and makes continuous efforts for thorough compliance.
- To secure thorough compliance, we will make sure that all Directors of the Board and employees are familiar with and fully understand the “Basic Policy Measures Relating to Compliance” and the “Code of Conduct Relating to Compliance.”
- The “Compliance Committee,” chaired by the President COO and comprising each Division Head in charge of important laws and regulations, meets regularly to formulate effective measures to prevent and eliminate violations of various laws and regulations, and to provide instructions and advice to each division and the Risk Management Department regarding the promotion of compliance activities and the development of compliance systems.
- The Risk Management Department manages and promotes compliance activities based on instructions and advice from the Compliance Committee, and these are developed across the Company through the “Quality and Compliance Promotion Meeting” that is attended by representatives from each division. Additionally, compliance-related internal auditing functions are secured via auditing by the Corporate Audit Dept.
- By independently, fairly, and objectively assessing the status of management activities related to “compliance,” “risk management structure,” and “corporate governance,” and issuing directives and requests for improvement, the Corporate Audit Dept. conducts internal audits with the goal of helping the Company gain recognition and trust from society and achieve its management objectives.
- The Company has independent Outside Directors of the Board to bring more objectivity, neutrality, and transparency to the Board of Directors in their function as supervisors of our business operations.
- The Company rejects any relationships with antisocial forces or groups, and will respond to them resolutely and refuse their unreasonable demands in the future.
- The Company has established three points of contact for consultation available at the office level, division level, and Companywide level as the points of contact for internal reporting and consultation on compliance-related matters. In addition, the Company has set up the meyasubako (external point of contact) sited at an outside law firm as a countermeasure for cases where it is difficult to consult or resolve an issue through the internal points of contact for some reason. In addition, the Company strives to ensure the thorough protection of whistleblowers by preventing any discrimination against those who report any wrongdoing to these points of contact, and by ensuring the psychological safety of whistleblowers, enabling them to feel safe reporting compliance problems, concerns, and violations.

2) System for maintaining and managing information relating to Directors’ performance of their duties

- Minutes of the Board of Directors Meetings and other information relating to the Directors of the Board’s performance of their duties are appropriately maintained and managed by different departments in accordance with laws and regulations, the “Board of Directors Regulation,” and the Company’s other bylaws, designating what information is handled by which department. The Chief Executive for Confidential Information Management manages confidential information appropriately in accordance with laws and regulations and the “Rules for Handling Confidential Information.” In addition, it is made available for viewing at the request of the Audit and Supervisory Committee.
- The “Information Security Management Meeting” composed of the CRMO and division representatives evaluates the implementation status of measures for managing information and information security at each division, putting into place an appropriate information management system and reports on its status to the Board of Directors when needed to implement thorough information management in accordance with the “Group Information Security Policy.”
- The Company has established the “Rules for Handling Collaboration Information” to prevent situations that could damage the trust between the Company and our collaboration partners. These rules are designated to ensure that employees rigorously prevent the leakage of collaborative partners’ confidential information from the Company to any outside parties, including other collaborative partners, and prevent the unauthorized use and incorporation into R&D with other collaborative partners.

3) Rules and other systems for managing loss risk

- In accordance with the “Rules for Risk Management,” based on three lines of defense, each Division Head as a risk owner at the first line implements risk preventive measures and responds to emerging incidents related to the Group companies through business operations. The CRMO and Risk Management Department at the second line develop the Group’s overall risk management structure, and manage and supervise the first line’s risk responses. Additionally, the Corporate Audit Department at the third line, which is independent from divisions and the CRMO, decides rationality of risk management structure and systems.
- The CRMO regularly reports the status of risk management to the Representative Director and the Board of Directors and follows their instructions when given. The CRMO reports to the Representative Director and the Board of Directors on the status of risk management from time to time when deemed necessary.
- The CRMO convenes the “Risk Management Confirmation Meeting” on a regular basis to set up preventive initiatives for risks, follow up the progress of these initiatives, and identify the risks that are manifested upon identifying risks surrounding each of the Company’s businesses, taking into account the situation of other companies’ fraudulent activities and others, and to review countermeasures and risk recognition on an ongoing basis. The status of risk management is followed up and assessed by the Board of Directors Meetings on a regular basis. In major crises that significantly impact management, the CRMO oversees such risk managements, determines, and implements proper crisis responses (including implementation systems) to minimize the impact and reduce damage to corporate value.

4) System for assuring Directors of the Board’s efficient execution of their duties

- Decision-making of all or some important business operations will be delegated to Directors of the Board in accordance with Article 399-13, Paragraph 6 of the Companies Act and Article 25 of the Articles of Incorporation. Directors who have been delegated as such by the Board of Directors will make decisions on important business operations and abide by the “Approval Standards and Rules” and other rules.
- In addition to establishing a Business Plan, etc. that is the basic policy regarding business and serves as a guideline to decisions made by a Director of the Board regarding business operations, the Board of Directors will monitor whether the Director of the Board makes decisions in line with such policies.
- The Company employs the Executive Officer System to help the Directors of the Board perform their duties properly, and appoints a CxO (Chief Officer for each field).

5) System for ensuring the propriety of operations of the Corporate Group consisting of the Company and its subsidiaries

- With the objective of enhancing public trust in the Company and the Group based on our policy of serving society in meaningful ways, the Company has established “ISUZU ID” as its corporate philosophy and the “Group Basic Compliance Initiative.” The Company takes proper measures to ensure that all Directors of the Board, Audit & Supervisory Board Members and employees of the Group act in accordance with these standards.
- The Company has asked the Group companies to develop their own compliance systems suited to their respective circumstances and to fully implement said systems, and has additionally asked to develop appropriate risk management structure and response to risks.
- The Company has established “Group Company Management Rules” and “Detailed Rules for Group Company Management,” and taken steps to strengthen systems for ensuring the propriety of the Group company operations.
- Company Management continually monitors the activities of the Group companies’ managements, receives reports on the status of compliance and risk management and systems for ensuring business efficiency at the Group companies, and requests improvements if the Company determines that they are necessary.
- Internal audits of Group companies are conducted according to the Company’s “Internal Auditing Manual,” and necessary notifications, requests, and reports are made to the departments in charge of business management of the Group companies. However, the results of internal audits are depended upon for Group companies with an auditing function.
- The Company adopts a system to ensure the reliability of financial reports made under the Financial Instruments and Exchange Act.

6) Matters regarding employees who assist Audit and Supervisory Committee Members in their duties when Audit and Supervisory Committee Members request the assignment of such employees

- At the request of Audit and Supervisory Committee Members, the Company has set up a department called the “Audit and Supervisory Committee Member Support Group,” and has assigned employees to assist the Audit and Supervisory Committee Members with their duties.

<p>7) Maintaining the independence of employees who assist Audit and Supervisory Committee Members from Director of the Board and enhancing the effectiveness of instructions to employees</p> <ul style="list-style-type: none"> - The Company ensures that employees who assist Audit and Supervisory Committee Members with their duties are independent from the Directors (excluding Directors who are Audit and Supervisory Committee Members) and that instructions to such employees are effective. In order to achieve this, such employees are placed under the direct control and supervision of the Audit and Supervisory Committee and the Company obtains the prior consent of the Audit and Supervisory Committee when changing, assessing, rewarding, or punishing them.
<p>8) System for encouraging Directors of the Board, employees, and others of the Company and its subsidiaries to report to Audit and Supervisory Committee Members</p> <ul style="list-style-type: none"> - The Company adopts a system in which Directors (excluding Directors who are Audit and Supervisory Committee Members) and Executive Officers and those of equivalent rank and employees of the Company and the Group companies report to the Audit and Supervisory Committee on the status of business operations, the status of the Company's and the Group companies' management, and any other matters that need to be reported as agreed by the Company and Audit and Supervisory Committee, to disclose or report necessary and sufficient information whenever requested by the Audit and Supervisory Committee. - The Company cooperates with a liaison conference held on a regular basis to enhance and strengthen audits of the entire Group through mutual collaboration among Audit and Supervisory Committee Members of the Company and Audit & Supervisory Board Members of the Group as necessary.
<p>9) System for ensuring that those who make a report to Audit and Supervisory Committee Members are not treated unfairly for making such a report</p> <ul style="list-style-type: none"> - The Company prohibits any discriminatory treatment of those who have made a report to the Audit and Supervisory Committee Members in accordance with the preceding Paragraph, and ensures that all Directors of the Board, Audit and Supervisory Committee Members and employees of the Company and Group companies are familiar with and fully understand the above.
<p>10) Policy for advance payment or reimbursement of expenses relating to Audit and Supervisory Committee Members' execution of duties and other handling of expenses or obligations arising from the execution of such duties</p> <ul style="list-style-type: none"> - If a Director who is Audit and Supervisory Committee Member requests the Company to make an advance payment of expenses, reimburse expenses, or fulfill obligations related to the execution of his/her duties, the Company promptly deals with such expenses or obligations in accordance with laws and regulations. - The Company will annually allot an appropriate budget to pay expenses arising from the execution of duties by Directors who are Audit and Supervisory Committee Members and other costs.
<p>11) Other systems for ensuring effective audits by Audit and Supervisory Committee Members</p> <ul style="list-style-type: none"> - The Company will ensure that the Corporate Audit Dept. has a direct reporting line to the Audit and Supervisory Committee in addition to a reporting line to the Chairman and Director CEO. - The Company will obtain the prior consent of the Audit and Supervisory Committee regarding personnel transfers of corporate officers who rank above the General Manager of Corporate Audit Dept. in the chain of command. - The Company ensures opportunities for Directors who are Audit and Supervisory Committee Members to attend Management Meetings. - In addition, with the aim of establishing systems to help Audit and Supervisory Committee Members audit effectively, the Company holds regular discussions with Audit and Supervisory Committee Members and takes necessary steps to meet their requests.

CONSOLIDATED STATEMENT IN FLUCTUATION IN SHAREHOLDER'S EQUITY

(From April 1, 2024 through March 31, 2025)

(millions of yen)

	SHAREHOLDERS' EQUITY				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	40,644	43,304	1,132,211	(53,133)	1,163,027
Changes of items during period					
Dividends of surplus			(70,923)		(70,923)
Profit attributable to owners of parent			134,363		134,363
Change due to changes in accounting period of consolidated subsidiaries			109		109
Purchase of treasury shares				(75,605)	(75,605)
Disposal of treasury shares				1,388	1,388
Cancellation of treasury shares		(124,986)		124,986	—
Transfer from retained earnings to capital surplus		124,986	(124,986)		—
Sale of shares of consolidated subsidiaries		(844)	(5,016)		(5,861)
Net changes of items other than shareholders' equity					
Total change of items during period	—	(844)	(66,454)	50,769	(16,529)
Balance at the end of current period	40,644	42,460	1,065,757	(2,364)	1,146,498

	ACCUMULATED OTHER COMPREHENSIVE INCOME						NON-CONTROLLING INTEREST	TOTAL NET ASSETS
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	82,646	(60)	83,952	123,830	7,299	297,668	198,333	1,659,029
Changes of items during period								
Dividends of surplus								(70,923)
Profit attributable to owners of parent								134,363
Change due to changes in accounting period of consolidated subsidiaries								109
Purchase of treasury shares								(75,605)
Disposal of treasury shares								1,388
Cancellation of treasury shares								—
Transfer from retained earnings to capital surplus								—
Sale of shares of consolidated subsidiaries								(5,861)
Net changes of items other than shareholders' equity	(26,049)	223	(1,201)	21,701	3,983	(1,343)	(34,744)	(36,087)
Total change of items during period	(26,049)	223	(1,201)	21,701	3,983	(1,343)	(34,744)	(52,615)
Balance at the end of current period	56,597	162	82,751	145,531	11,282	296,325	163,589	1,606,413

NOTE: Amounts have been rounded down to the nearest one million yen.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

Basis for Consolidated Financial Statements

1. Scope of Consolidation

- (1) Number of consolidated subsidiaries: 91
- (2) Principal subsidiaries: ISUZU MOTORS SALES LTD.; Isuzu Motors Kinki Co., Ltd.; ISUZU MOTOR SYUTOKEN CO., LTD.; UD Trucks Corporation; Isuzu Motors America, LLC.; Isuzu Motors Co., (Thailand) Ltd.
- (3) Changes in scope of consolidation
- (i) As a result of a share repurchase by IJTT Co., Ltd. (hereafter Former IJTT) in which the Company transferred all common shares of Former IJTT held by the Company, and the reinvestment in ARTS-1 Co., Ltd., which is wholly owned by the Japan Monozukuri Mirai Investment Limited Partnership and of which SPARX Group Co., Ltd. is a general partner, Former IJTT and PT Asian Isuzu Casting Center have been changed from consolidated subsidiaries to companies accounted for by the equity method. In addition, TOKAI CORPORATION, IJTT (Thailand) Co., Ltd., and PT Jidosha buhin Indonesia have been excluded from the scope of consolidation.
 - (ii) IC Engineering Corp. has been changed from a company accounted for by the equity method to a consolidated subsidiary following the acquisition of additional shares.
 - (iii) Isuzu Diesel Services of America, Inc. has been excluded from the scope of consolidation following the completion of its liquidation.
 - (iv) UD Financial Services Co., Ltd. has been excluded from the scope of consolidation because it was subject to an absorption-type merger by Isuzu Leasing Services Co., Ltd.
- (4) Principal non-consolidated subsidiaries: Hokkaido Isuzu Motors Ltd.
- (5) Reasons for excluding subsidiaries from consolidation
The non-consolidated subsidiaries are small in terms of their total assets, net sales, net income or loss, and retained earnings (attributed to the Company earnings). Thus, they only have minor effects on the consolidated financial statements.

2. Scope of Equity Method

- (1) Number of companies accounted for by the equity method: 51
- (2) Principal companies accounted for by the equity method
- | | |
|--------------------------------|---------------------------------|
| Non-consolidated subsidiaries: | ISUZU INSURANCE SERVICE Limited |
| Affiliates: | J-Bus Limited |
| | IJTT Co., Ltd. |
- (3) Changes in scope of equity method accounting
- (i) As a result of a share repurchase by IJTT Co., Ltd. (hereafter Former IJTT) in which the Company transferred all common shares of Former IJTT held by the Company, and the reinvestment in ARTS-1 Co., Ltd. (hereafter ARTS-1), which is wholly owned by the Japan Monozukuri Mirai Investment Limited Partnership and of which SPARX Group Co., Ltd. is a general partner, ARTS-1 became an affiliate accounted for under the equity method. In addition, Former IJTT and PT Asian Isuzu Casting Center have been changed from consolidated subsidiaries to companies accounted for by the equity method. Subsequently, through an absorption-type merger in which ARTS-1 became the surviving company and Former IJTT the absorbed company, Former IJTT was excluded from the scope of equity method accounting. ARTS-1, an affiliate of the Company accounted for under the equity method, has changed its name to IJTT Co., Ltd.
 - (ii) IC Engineering Corp. has been changed from a company accounted for by the equity method to a consolidated subsidiary following the acquisition of additional shares.
- (4) Principal companies not accounted for by the equity method
- | | |
|--------------------------------|----------------------------|
| Non-consolidated subsidiaries: | Hokkaido Isuzu Motors Ltd. |
| Affiliates: | Suzuki Unyu Ltd. |

(5) Reasons for not accounting by the equity method

These companies are not accounted for by the equity method because their effect on the consolidated financial statements is not significant, either individually or collectively.

3. Fiscal Period of Consolidated Subsidiaries

Of the consolidated subsidiaries, the accounting date for 10 overseas subsidiaries is primarily December 31. In preparing consolidated financial statements, the Company uses the respective financial statements of subsidiaries as of the accounting date. If significant transactions have been made between the two accounting dates, the Company may make the necessary adjustments. The accounting date for 29 domestic subsidiaries and 52 overseas subsidiaries is the same as the consolidated accounting date.

ISUZU MOTORS OFF-HIGHWAY DIESEL ENGINE (SHANGHAI) LIMITED, and Isuzu Motors Saudi Arabia Company Limited previously had an accounting date of December 31, and the Company used the respective financial statements as of that accounting date and made any necessary adjustments for significant transactions between that accounting date and the consolidated accounting date. However, from the current fiscal year, these consolidated subsidiaries have performed a provisional settlement of accounts equivalent to the full settlement of accounts on March 31, the consolidated accounting date, for the Company to use for consolidation.

Accordingly, regarding ISUZU MOTORS OFF-HIGHWAY DIESEL ENGINE (SHANGHAI) LIMITED, the current fiscal year consolidates the 12 months from April 1, 2024, to March 31, 2025.

Profits and losses for these consolidated subsidiaries in the period from January 1, 2024, to March 31, 2024, are reconciled through changes in retained earnings.

Regarding Isuzu Motors Saudi Arabia Company Limited, its fiscal year lasted for a period of 15 months, from January 1, 2024, to March 31, 2025. The impact of the change on the consolidated financial statements is immaterial.

4. Significant Accounting Policies

(1) Valuation methods for securities

Other securities

i) Securities other than non-marketable securities, etc.

Securities other than non-marketable securities, etc. are measured at fair value. Changes in unrealized holding gain or loss are directly included in net assets. The cost of securities sold is calculated by the moving average method.

ii) Non-marketable securities, etc.

Non-marketable securities, etc. are measured at cost determined by the moving average method.

(2) Valuation methods for inventories

i) Parent company

Inventories are measured at the cost determined by the gross average method.

(Balance sheet values are measured by the method of devaluing book price to reflect decreases in profitability.)

ii) Consolidated subsidiaries

Inventories are principally measured at cost determined by the specific identification method.

(Balance sheet values are measured by the method of devaluing book value to reflect decreases in profitability.)

(3) Valuation methods for derivative financial instruments

Derivative financial instruments are measured at fair value.

(4) Depreciation of non-current assets

i) Depreciation of property, plant and equipment (excluding lease assets)

Depreciation of property, plant and equipment is calculated principally by the straight-line method. Some non-current assets are calculated by the declining balance method.

ii) Amortization of intangible assets (excluding lease assets)

Amortization of intangible assets is calculated by the straight-line method. "Software," included in intangible assets, is amortized by the straight-line method based on the estimated useful lifetime in-house (5 to 15 years).

iii) Lease assets

Lease assets relating to finance lease transactions without transfer of ownership are depreciated over the lease contract's lifetime by the straight-line method. In addition, the residual value is the guaranteed residual value if a guaranteed residual value has been arranged under the lease agreement, and in other cases the residual value is zero.

(5) Basis for provisions and allowances

i) Allowance for doubtful accounts

With a view to providing for bad debt losses on account receivables and loan receivables, etc., and bad debt expenses, the Company and domestic consolidated subsidiaries provide estimated irrecoverable amount based on the historical default rate for normal receivables and through the individual examination of recoverability for particular receivables such as claims to obligors with high possibility of business failure. Foreign consolidated subsidiaries determine allowances for doubtful accounts by assessing each individual account. The Company makes necessary adjustments to allowance for doubtful accounts in consolidation of elimination of receivables and payables among consolidated subsidiaries.

ii) Accrued bonus costs

Accrued bonus costs are provided in an amount estimated to cover the bonus payment for services rendered by employees during the fiscal year.

iii) Accrued directors' bonus costs

Accrued directors' bonus costs are provided in an amount estimated to cover the bonus payment for services rendered by directors during the fiscal year.

iv) Provision for warranty costs

Provisions for warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts. These provisions are calculated based on past experience.

v) Provision for maintenance costs

Provision for maintenance costs is provided for the portion corresponding to the already leased period out of the total amount anticipated to be incurred during the entire lease period for maintenance costs based on lease contracts, such as lease automobile maintenance costs.

vi) Provision for management board incentive plan trust

Provision for management board incentive plan trust is provided in an amount estimated to cover the payment of Company stock benefits to Directors of the Board and others during the current fiscal year.

(6) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the foreign exchange spot rate on the date of the balance sheet, and differences arising from the translation are included in the statement of income as gains or losses. The Company translates assets and liabilities of foreign consolidated subsidiaries into yen at the foreign exchange spot rate on the date of the balance sheet of each of those subsidiaries. Statement of income accounts are translated using the average foreign exchange rate of the statement of income's period. Translation adjustments are included in the foreign currency translation adjustments account and non-controlling interests account of net assets.

(7) Hedge accounting

i) Hedge accounting

a. Forward foreign exchange contracts and currency options

Designated hedge accounting is adopted.

(except transactions which do not fulfill the required conditions)

b. Interest rate swaps and interest rate options

Deferral hedge accounting or exceptional accounting method specified in the accounting standard for financial instruments is adopted.

ii) Hedging instruments and hedged items

a. Hedging instruments

Interest rate swaps, interest rate options, forward foreign exchange contracts, and currency options.

b. Hedged items

Receivables and payables denominated in foreign currencies, and borrowings.

iii) Hedging policy

The Company utilizes derivative financial instruments to avoid risks related to future fluctuations of market prices, within the limits of receivables and payables denominated in

- foreign currencies and borrowings.
- iv) Assessment of hedge effectiveness
The Company determines hedge effectiveness by comparing the cumulative changes in cash flows from hedging instruments with those from hedged items. However, this assessment excludes the effectiveness of interest rate swaps accounted by exceptional accounting method.
 - v) Other
The Company has a bylaw on derivative transactions and executes its transactions and risk management based on this bylaw, which stipulates policies, procedures, retention limits, and reporting systems.
- (8) Recognition of material revenue and expenses
- i) Profit on finance lease transactions
Profit on finance lease transactions is recognized based on accounting methods for net sales and cost of sales upon the receipt of lease fees.
 - ii) Profits and expenses
The Group's principal business activities domestically and overseas are heavy-duty trucks/buses (hereinafter, "Heavy-duty (and medium-duty) CVs"), light-duty trucks (hereinafter, "Light-duty CVs"), pickup trucks and variants (hereinafter, "LCVs"), as well as powertrains which consist of industrial engines, transmissions and driveline components, the sale of parts, maintenance and servicing, and sales of used vehicles (hereinafter, "Others").

The Company recognizes revenue from domestic sales of Heavy-duty (and medium-duty) CVs, Light-duty CVs, industrial engines and components as well as parts, etc. principally at the time of delivery when the customer obtains control of the product, and the performance obligation is satisfied.

The Company recognizes revenue from overseas sales of Heavy-duty (and medium-duty) CVs, Light-duty CVs, LCVs, industrial engines and components as well as parts, etc. principally at the time of delivery when the customer obtains control of the product and the performance obligation is satisfied, at the time of shipment, etc.

The Company recognizes revenue from maintenance and servicing, and sales of used vehicles, etc. at the time of delivery, such as when the services are rendered or the customer obtains control of the product and the performance obligation is satisfied.
- (9) Amortization of goodwill and period
The Company estimates the period for goodwill to remain in effect and in principle amortizes that account over 20 years or less after recognition under straight-line method.
- (10) Other
Recognition of net defined benefit liability
To provide for payments of retirement benefits for employees, net defined benefit liability is accounted for by posting an amount obtained by deducting pension plan assets expected from projected benefit obligations as of the end of the current fiscal year. Upon calculating net retirement benefit liability, the method of attributing the expected amount of payments of retirement benefits up until the period of the fiscal year is based on the benefit formula method. Prior service costs are amortized using the straight-line method over a period (mainly 10 years) less than the average remaining years of service of eligible employees. Actuarial gain or loss is amortized using the straight-line method or declining balance method over periods shorter than the average remaining years of service of eligible employees (mainly 10 years) from the following fiscal year of incurrence.

Unrecognized actuarial gain or loss and unrecognized prior service costs are posted to remeasurements of defined benefit plans under accumulated other comprehensive income in the net assets section after adjusting for tax effects.

5. Changes in Accounting Policies

(Adoption of the Accounting Standard for Current Income Taxes)

The Company has adopted the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the current fiscal year.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of Paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policies has no influence on the consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the current fiscal year. This change in accounting policies has been applied retrospectively, and is reflected in the consolidated financial statements for the previous fiscal year. This change in accounting policies has no influence on the consolidated financial statements for the previous fiscal year.

(Adoption of the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, Etc.)

The Company has adopted the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (Practical Solution No. 46, March 22, 2024), etc. from the beginning of the current fiscal year. The impact of this change in accounting policies on the consolidated financial statements is immaterial.

6. Notes Concerning Accounting Estimates

Obligations related to field measures (recalls, etc.)

i) Amounts recorded on the consolidated financial statements for the current fiscal year

	Consolidated balance sheet amount
Accrued expenses related to field measures (recalls, etc.)	19,012 million yen

ii) Information related to the contents of significant accounting estimates for the identified item
The Group manufactures various products at its plants in Japan and abroad in conformity with stringent quality management standards accepted globally. To maintain and improve quality, the Group strives for early detection and sharing of failure information, conducts assessment for quality improvement throughout the company, and monitors the operational status of company-wide quality management through the Quality Assurance & Customer Satisfaction Improvement Committee.

The Group records accrued expenses to provide for the cost of product recalls, etc. Such accrued expenses are calculated by multiplying the estimated number of vehicles subject to recalls, etc. by an amount of field measures to be incurred per vehicle.

Major assumptions used in calculating obligations related to recalls, etc. are an estimated number of vehicles subject to recalls, etc. for each case and an amount of field measures per vehicle.

An estimated number of vehicles subject to recalls, etc. is calculated by taking into account the number of vehicles based on notifications, etc. submitted to a competent government agency and implementation rates of free repairs for respective cases. An amount of field measures per vehicle is calculated by estimating the costs of parts and operation man-hours, etc. that are deemed necessary for conducting free repairs for respective cases based on notifications, etc. submitted to a competent government agency.

The Group reviews these estimates on an ongoing basis through examination of the status of actual costs incurred for respective cases of recall, etc.

Obligations related to recalls, etc. that were calculated by the Group have so far been appropriate and there has been no material gap between actual results and calculated amounts.

However, in the estimation of obligations related to recalls, etc., there are uncertainties in major assumptions and therefore if the actual cost of recalls, etc. deviates from estimated amounts, estimated obligations may need to be revised.

Furthermore, if conducting a new large-scale recall campaign, etc., the Group's business results and financial position may be adversely and significantly affected.

Notes on the Consolidated Balance Sheet

1. Accumulated Depreciation of Property, Plant and Equipment 1,269,713 million yen

2. Revaluation of Business Land

The Company revaluates its business land pursuant to the Act on Partial Amendment to the Law to Revise Part of the Land Revaluation Law (Law No. 24 of March 31, 1999). The tax corresponding to this revaluation variance has been stated in liabilities as “deferred tax liabilities for land revaluation,” and the amount deducting this has been stated in net assets as “unrealized holding gain or loss on land revaluation.”

The difference between the total fair value of the revaluated business land at the end of the current fiscal year and the total book value after revaluation was 51,445 million yen.

Notes on the Consolidated Statement in Fluctuation in Shareholder's Equity

1. Number of Shares Issued and Outstanding at the End of the Fiscal Year
Common stock 713,526,569 shares

2. Details of Dividends Paid as Distribution of Profits

(1) Amount of dividends paid

Date of Resolution	Type of Stock	Source of Funds for Dividends	Total Amount of Dividends Paid (millions of yen)	Dividend per Share	Record Date	Effective Date
June 26, 2024 General Meeting of Shareholders	Common stock	Retained earnings	36,790	49.00 yen	March 31, 2024	June 27, 2024
November 11, 2024 Board of Directors Meeting	Common stock	Retained earnings	34,132	46.00 yen	September 30, 2024	November 29, 2024

- (2) Of the dividends whose record date belongs to the current fiscal year, the dividend whose effective date falls in the following fiscal year

Planned Date of Resolution	Type of Stock	Source of Funds for Dividends	Total Amount of Dividends Paid (millions of yen)	Dividend per Share	Record Date	Effective Date
June 26, 2025 General Meeting of Shareholders	Common stock	Retained earnings	32,820	46.00 yen	March 31, 2025	June 27, 2025

Notes on Financial Instruments

1. Matters Relating to the Status of Financial Instruments

The Company restricts investments only for part of deposits and obtains funds mainly from bank borrowings, and issuance of bonds and commercial papers. Customer credit risks in connection with trade notes, accounts receivable and contract assets are carefully managed by constantly monitoring receivable balances to customers, in accordance with the Company's internal accounting manual. Investment securities are mainly equity securities issued by affiliates, and it continually monitors their market prices in accordance with the Company's internal rules for securities. Derivatives are used for avoiding risks related to future fluctuations of market prices, within the limits of receivables and payables denominated in foreign currencies and borrowings.

2. Matters Relating to the Fair Values of Financial Instruments

The table below shows the amounts of financial instruments recorded in the consolidated balance sheet and their fair values as of March 31, 2025 (at the end of the current fiscal year) as well as their variances. Non-marketable stocks, etc. are not included in the following table. (See NOTE 1)

		(millions of yen)	
	Consolidated balance sheet amount (*2)	Fair value (*2)	Variance
(1) Lease receivables and lease investment assets	257,429	253,796	(3,632)
(2) Investment securities (*3)	184,576	175,435	(9,140)
(3) Bonds payable (*4)	(110,000)	(108,416)	1,584
(4) Long-term borrowings (*5)	(427,378)	(420,675)	6,702
(5) Derivatives (*6)	255	255	–

*1 "Cash and deposits," "Trade notes, accounts receivable and contract assets," "Trade notes and accounts payable," "Electronically recorded obligations – operating," "Short-term borrowings" and "Accrued expenses" have been omitted because the fair value approximates the book value due to cash and short-term settlements.

*2 The figures in parentheses indicate those posted in liabilities.

*3 Investment securities includes shares of listed affiliates accounted for by the equity method, and the difference in amount is due to the fair values valuation of those shares.

*4 Bonds payable include those falling due within one year.

*5 Long-term borrowings include those falling due within one year.

*6 Assets and liabilities arisen from derivatives are offset against each other and stated in net.

NOTE:

Non-marketable stocks, etc. are not included in "(2) Investment securities." The amounts of such financial instruments are recorded in the Consolidated Balance Sheet as below.

Category	This fiscal year (millions of yen)
Non-listed stocks	9,318
Stocks of non-consolidated subsidiaries and affiliates	80,634
Limited liability investment partnerships	50

3. Matters Relating to the Breakdown of the Fair Value of Financial Instruments by Appropriate Classification

The fair value of financial instruments is classified into the following three levels based on the observability and importance of inputs used in valuation of the fair value.

Level 1 fair value: Of observable inputs used in calculation of fair value, fair value for assets or liabilities that is calculated based on quoted prices in an active market

Level 2 fair value: Of observable inputs used in calculation of fair value, fair value that is calculated using inputs other than Level 1 inputs

Level 3 fair value: Fair value that is calculated using inputs for unobservable fair value calculations

When multiple inputs that have a significant impact on the calculation of fair value are used, fair value is classified into the level with the lowest priority in the calculation of fair value, among the levels to which each of the inputs belongs.

(1) Financial instruments recorded by fair value in the Consolidated Balance Sheet

Category	Fair Value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities	153,977	-	747	154,724
Derivatives				
Currency related	-	255	-	255
Total Assets	153,977	255	747	154,979

(2) Financial instruments recorded not by fair value in the Consolidated Balance Sheet

Category	Fair Value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Lease receivables and lease investment assets	-	-	253,796	253,796
Investment securities	20,710	-	-	20,710
Total Assets	20,710	-	253,796	274,506
Bonds payable	-	(108,416)	-	(108,416)
Long-term loans payable	-	(420,675)	-	(420,675)
Total Liabilities	-	(529,091)	-	(529,091)

NOTE:

Explanation of assessment methods used for calculation of fair value and inputs used in calculation of fair value

Lease receivables and lease investment assets

The fair values of lease investment assets are based on present values discounted by an interest rate which takes into account the period until maturity and credit risk for receivable amounts for each type of receivable as classified according to certain periods. This is categorized under Level 3 fair value.

Investment securities

The fair values of listed shares are classified as Level 1 because they are measured based on quoted market prices in active markets. In addition, the fair values of unlisted shares are classified as Level 3 as they are measured using valuation techniques, etc. based on the value of net assets.

Bonds payable

Measured based on market prices. This is categorized under Level 2 fair value.

Long-term borrowings

The fair values of long-term borrowings are measured by discounting the future cash flows of principals and interests at an interest rate that would apply for a new loan borrowed under similar conditions. This is categorized under Level 2 fair value.

Derivatives

Derivatives are calculated based on prices, etc. quoted by financial institutions with which we do business and are classified as Level 2 fair value.

Matters on Investment and Rental Property

Disclosures are omitted due to immateriality in amounts.

Notes on Revenue Recognition

(1) Information on disaggregation of revenues arising from contracts with customers

Information on the disaggregation of revenues arising from contracts with customers is as follows.

(millions of yen)

	Heavy-duty (and medium-duty) CVs	Light-duty CVs	LCVs	Industrial engines	Others	Total
Domestic	475,890	184,561	-	53,207	399,850	1,113,508
Overseas	391,990	558,923	739,649	51,929	220,895	1,963,388
Revenues from contracts with customers	867,880	743,484	739,649	105,136	620,745	3,076,896
Revenues from other sources						131,187
Total						3,208,084

NOTES: 1. "CVs" and "LCVs" present "commercial vehicles (trucks and buses)" and "pickup trucks and variants," respectively.

2. Sale of parts, maintenance and servicing, sales of used vehicles, and components are included in "Others."

(2) Information to provide a basis for understanding revenue arising from contracts with customers

The Group conducts sales of CVs and LCVs such as heavy-duty (and medium-duty) CVs, light-duty CVs and LCVs, as well as industrial engines, etc., with domestic and overseas sales companies and consumers as customers.

The Group sells industrial engines to domestic and overseas industrial machinery manufacturers.

The Group reduces a portion of the consideration paid to customers, such as sales commissions, from the transaction price.

The consideration for the sale of products and provision of services is generally received within approximately one year after control of the product is transferred to the customer; no significant financial elements are included.

- (3) Information to understand the amount of revenue for the current fiscal year and subsequent fiscal years

(i) Contract balance

The balance of receivables arising from customer contracts and contractual liabilities at the beginning and end of the current fiscal year are as follows.

(millions of yen)

	Beginning of current fiscal year (April 1, 2024)	End of current fiscal year (March 31, 2025)
Receivables arising from customer contracts (NOTE 1)	396,285	369,608
Contractual liabilities (NOTE 2)	12,378	18,867

NOTE 1:

Included in the trade notes and accounts receivable of the Consolidated Balance Sheet. Amounts are before the deduction of allowance for doubtful accounts.

NOTE 2:

Included in "Others (Current liabilities)" of the Consolidated Balance Sheet.

Contractual liabilities are consideration received by the Group from customers prior to the delivery of products, and are reclassified to revenue when the Group satisfies its performance obligations.

Revenue recognized in the current fiscal year included in the contractual liability balance at the beginning of the period amounted to 8,257 million yen.

The amount of revenue recognized from performance obligations that were satisfied (or partially satisfied) in past periods is immaterial in the current fiscal year.

(ii) Transactions allocated to remaining performance obligations

The total transaction price allocated unfulfilled performance obligations at the end of this current fiscal year and the breakdown by period in which revenue is expected to be recognized are as follows.

(millions of yen)

	End of current fiscal year (March 31, 2025)
Within 1 year	110,254
Over 1 year	50,501
Total	160,756

The above table does not include information related to remaining performance obligations with original expected terms of one year or less, applying practical expedients.

Notes on Net per Share

Net Assets per Share	2,026.43 yen
Net Income per Share	183.02 yen

Notes on Subsequent Events

There are no relevant items.

Other Notes

Loss on sale of shares of subsidiaries

As of April 26, 2024, the Company transferred all common shares of Former IJTT to Former IJTT, due to a share repurchase by Former IJTT, while reinvesting in the Former IJTT's shareholder ARTS-1, which is wholly owned by Japan Monozukuri Mirai Investment Limited Partnership, for which SPARX Group Co., Ltd. is a general partner.

Subsequently, the Company recorded an extraordinary loss of 6,390 million yen, which is a loss resulting from the sales of its subsidiary's shares.

Acquisition and cancellation of treasury stock

At the Board of Directors meeting held on August 7, 2024, the Company resolved to acquire the Company's treasury shares in accordance with Article 156 of the Companies Act applicable pursuant to Article 165, Paragraph 3 of the said Act, and cancel the treasury shares pursuant to Article 178 of the said Act. Furthermore, pursuant to this resolution, the acquisition and cancellation of the treasury shares were effectuated as presented below.

1. Purpose of the acquisition and cancellation of treasury shares
The Company has decided to acquire and cancel treasury shares to actively invest in growth toward the 2030s while targeting appropriate capital levels to 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 45 million shares
(6.0% of the total number of shares issued (excluding treasury stock))
 - (3) Total acquisition price of shares to be acquired: Up to 75 billion yen
 - (4) Acquisition period: From August 8, 2024 to March 31, 2025
 - (5) Acquisition method: Market purchases based on discretionary trading contracts
3. Acquisition result
 - (1) Type of shares acquired: Common shares of the Company
 - (2) Total number of shares acquired: 37,346,900 shares
 - (3) Total acquisition price of shares: 74,999,978,808 yen
 - (4) Acquisition period: From August 8, 2024 to February 27, 2025
4. Cancellation of treasury shares
 - (1) Type of shares cancelled: Common shares of the Company
 - (2) Total number of shares cancelled: 37,346,900 shares
(5.0% of the total number of shares issued before cancellation)
 - (3) Total number of shares issued after cancellation: 713,526,569 shares
 - (4) Date of cancellation: March 27, 2025

STATEMENT IN FLUCTUATION IN SHAREHOLDER'S EQUITY

(From April 1, 2024 through March 31, 2025)

(millions of yen)

	SHAREHOLDERS' EQUITY							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total share-holders' equity
		Legal capital reserve	Other capital surplus	Total capital surpluses	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of current period	40,644	49,855	–	49,855	743,606	743,606	(53,099)	781,006
Changes of items during period								
Dividends of surplus					(70,923)	(70,923)		(70,923)
Profit					77,672	77,672		77,672
Purchase of treasury shares							(75,604)	(75,604)
Disposal of treasury shares							1,388	1,388
Cancellation of treasury shares			(124,986)	(124,986)			124,986	–
Transfer from retained earnings to capital surplus			124,986	124,986	(124,986)	(124,986)		–
Net changes on items other than shareholders' equity								
Total changes of items during period	–	–	–	–	(118,237)	(118,237)	50,770	(67,467)
Balance at the end of current period	40,644	49,855	–	49,855	625,368	625,368	(2,329)	713,539

	VALUATION AND TRANSLATION ADJUSTMENTS				TOTAL NET ASSETS
	Valuation difference on available-for-sale securities	Deferred gains or losses hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of current period	80,909	(60)	83,952	164,800	945,807
Changes of items during period					
Dividends of surplus					(70,923)
Profit					77,672
Purchase of treasury shares					(75,604)
Disposal of treasury shares					1,388
Cancellation of treasury shares					–
Transfer from retained earnings to capital surplus					–
Net changes on items other than shareholders' equity	(26,550)	223	(1,201)	(27,527)	(27,527)
Total changes of items during period	(26,550)	223	(1,201)	(27,527)	(94,995)
Balance at the end of current period	54,359	162	82,751	137,272	850,812

NOTE: Amounts have been rounded down to the nearest one million yen.

NOTES ON THE FINANCIAL STATEMENTS

Basis for Financial Statements

1. Valuation Standards and Methods for Securities

(1) Security investments in subsidiaries and affiliates

Securities investment in subsidiaries and affiliates are measured at cost determined by the moving average method. Some of the securities have been written-off.

(2) Other securities

i) Securities other than non-marketable securities, etc.

Securities other than non-marketable securities, etc. are measured at fair value. Changes in unrealized holding gain or loss are directly included in net assets. The cost of securities sold is calculated by the moving average method.

ii) Non-marketable securities, etc.

Non-marketable securities, etc. are measured at cost determined by moving average method.

2. Valuation Methods for Derivative Financial Instruments

Derivative financial instruments are measured at fair value.

3. Valuation Methods for Inventories

Inventories are measured at the cost determined by the gross average method.

(Balance sheet values are measured by the method of devaluing book price to reflect decreases in profitability.)

4. Depreciation of Non-Current Assets

(1) Depreciation of property, plant and equipment (excluding lease assets)

Depreciation of property, plant and equipment is calculated by the straight-line method.

Property with an acquisition cost of 100 thousand yen or more and less than 200 thousand yen is depreciated equally over 3 years.

(2) Amortization of intangible assets (excluding lease assets)

Amortization of intangible assets is calculated by the straight-line method.

“Software” included in intangible assets, is amortized by the straight-line method based on the estimated useful lifetime (5 to 15 years).

(3) Lease assets

Lease assets relating to finance lease transactions without transfer of ownership are depreciated over the lease contract's lifetime by the straight-line method. In addition, the residual value is the guaranteed residual value if a guaranteed residual value has been arranged under the lease agreement, and in other cases the residual value is zero.

5. Basis for Provisions and Allowances

(1) Allowance for doubtful accounts

With a view to providing for bad debt losses on account receivables and loan receivables, etc., and bad debt expenses, the Company provides estimated irrecoverable amount based on the historical default rate for normal receivables and through the individual examination of recoverability for particular receivables such as claims to obligors with high possibility of business failure.

(2) Accrued bonus costs

Accrued bonus costs are provided in an amount estimated to cover the bonus payment for services rendered by employees during the fiscal year.

(3) Accrued directors' bonus costs

Accrued directors' bonus costs are provided in an amount estimated to cover the bonus payment for services rendered by directors during the fiscal year.

(4) Provisions for warranty costs

Provisions for warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with warranty contracts. The provisions are calculated based on past experience.

(5) Accrued retirement benefits

Accrued retirement benefits are calculated in an amount based on the projected benefit obligation expected and the pension plan assets expected at the end of the current fiscal year. Upon calculating payments of retirement benefit liability, the method of attributing the expected amount of payments of retirement benefits up until the period of the fiscal year is

based on the benefit formula method. Prior service costs are amortized by the straight-line method over periods shorter than the average remaining years of service of eligible employees (1 year). Actuarial gain or loss is amortized by the straight-line method over periods shorter than average remaining years of service of eligible employees (10 years) from the following fiscal year when the actuarial gain or loss is incurred.

(6) Provision for management board incentive plan trust

Provision for management board incentive plan trust is provided in an amount estimated to cover the payment of Company stock benefits to Directors of the Board and others during the current fiscal year.

6. Foreign Currency Translation

Receivables and payables denominated in foreign currencies are translated into yen at the foreign exchange spot rate on the date of the balance sheet, and any differences arising from the translation are included in the statement of income as gains or losses.

7. Hedge Accounting

(1) Hedge accounting

i) Forward foreign exchange contracts and currency options

Designated hedge accounting is adopted.

(except transactions which do not fulfill the required conditions)

ii) Interest rate swaps and interest rate options

Deferral hedge accounting or exceptional accounting method specified in the accounting standard for financial instruments is adopted.

(2) Hedging instruments and hedged items

i) Hedging instruments

Interest rate swaps, interest rate options, forward foreign exchange contracts, and currency options.

ii) Hedged items

Receivables and payables denominated in foreign currencies, and borrowings.

(3) Hedging policy

The Company utilizes derivative financial instruments to avoid risks related to future fluctuations of market prices, within the limits of receivables and payables denominated in foreign currencies and borrowings.

(4) Assessment of hedge effectiveness

Hedge effectiveness is determined by comparing the cumulative changes in cash flows from the hedging instruments with those from the hedged items. However, this assessment excludes the effectiveness of interest rate swaps accounted by exceptional accounting method.

(5) Other

The Company has a bylaw on derivative transactions and executes its transactions and risk management based on this bylaw, which stipulates policies, procedures, retention limits and reporting systems.

8. Recognition of Revenue and Expenses

The Company's principal business activities domestically and overseas include the sales of CVs such as heavy-duty trucks/buses (hereinafter, "Heavy-duty (and medium-duty) CVs") and light-duty trucks (hereinafter, "Light-duty CVs"), as well as powertrains which consist of industrial engines, transmissions and driveline components (hereinafter, "Engines and components") and the sale of parts.

The Company recognizes revenue from domestic sales of Heavy-duty (and medium-duty) CVs, Light-duty CVs, industrial engines and components, and parts, etc. principally at the time of delivery when the customer obtains control of the product and the performance obligation is satisfied.

The Company recognizes revenue from overseas sales of Heavy-duty (and medium-duty) CVs, Light-duty CVs, industrial engines and components, and parts, etc. principally at the time of delivery when the customer obtains control of the product, at the time of shipment, etc.

9. Deferred Assets

Deferred assets are all accounted as an expense on payment.

10. Other

Accounting related to retirement benefits

The method of accounting for unprocessed amounts of unrecognized actuarial gain or loss and unrecognized prior service costs relating to retirement benefits differs from the method of accounting for these items in the consolidated financial statements.

11. Notes Concerning Accounting Estimates

Obligations related to field measures (recalls, etc.)

i) Amounts recorded on the financial statements for the current fiscal year

	Balance sheet amount
Accrued expenses related to field measures (recalls, etc.)	14,065 million yen

ii) Information related to the contents of significant accounting estimates for the identified item

The calculation method of the amount of i) is omitted because the same information is provided in "Basis for Consolidated Financial Statements 6. Notes Concerning Accounting Estimates, Obligations related to field measures (recalls, etc.)" of the NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS.

Changes in Accounting Policies

(Adoption of the Accounting Standard for Current Income Taxes)

The Company has adopted the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022"), etc. from the beginning of the current fiscal year.

Revisions to categories for recording current income taxes conform to the transitional treatment in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022). This change in accounting policies has no influence on the financial statements.

(Adoption of the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, Etc.)

The Company has adopted the "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules" (Practical Solution No. 46, March 22, 2024), etc. from the beginning of the current fiscal year. The impact of this change in accounting policies on the financial statements is immaterial.

Changes in Presentation Method

(Statement of Income)

"Donations" which was included in "Other" under "NON-OPERATING EXPENSES" in the previous fiscal year has been presented separately from the current fiscal year because it became material in terms of amount.

"Compensation expenses" under "NON-OPERATING EXPENSES" which was presented separately in the previous fiscal year has been included in "Other" under "NON-OPERATING EXPENSES" from the current fiscal year because it became immaterial in terms of amount.

Notes on the Balance Sheet

1. Accumulated Depreciation of Property, Plant and Equipment	579,429 million yen
2. Debts and Credits to Subsidiaries and Affiliates	
Short-term credits	381,102 million yen
Long-term credits	173,426 million yen
Short-term debts	120,536 million yen
Long-term debts	208 million yen

3. Revaluation of Business Land

The Company revaluates its business land pursuant to the Act on Partial Amendment to the Law to Revise Part of the Land Revaluation Law (Law No. 24 of March 31, 1999). The tax corresponding to this revaluation variance has been stated in liabilities as “deferred tax liabilities for land revaluation,” and the amount deducting this has been stated in net assets as “unrealized holding gain or loss on land revaluation.”

The difference between the total fair value of the revaluated business land at the end of the current fiscal year and the total book value after revaluation was 51,445 million yen.

Notes on the Statement of Income

Transactions with Subsidiaries and Affiliates

Sales to subsidiaries and affiliates	1,286,611 million yen
Purchases from subsidiaries and affiliates	500,491 million yen
Selling, general and administrative expenses	73,711 million yen
Other	110,062 million yen

Notes on the Statement in Fluctuation in Shareholder's Equity

Type and Number of Shares Held as Treasury Stocks at the End of the Fiscal Year

Common stock	1,473,317 shares
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NOTE: Number of shares held as treasury stocks includes 1,430,430 shares held with a trust whose beneficiaries are Directors of the Board, etc.

Notes on Tax-Effect Accounting

1. Significant Components of Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets	
Accrued expenses	8,952 million yen
Provisions for warranty costs	4,025 million yen
Accrued bonus costs	3,548 million yen
Accrued enterprise tax	77 million yen
Inventory write-offs	855 million yen
Accrued retirement benefits	12,928 million yen
Write-off of investments	12,487 million yen
Asset retirement obligations	1,000 million yen
Other	11,984 million yen
Valuation allowance	(30,625) million yen
Total amount of deferred tax assets	25,231 million yen
Deferred tax liabilities	
Unrealized holding gain or loss on securities	23,803 million yen
Expenses associated with asset retirement obligations	600 million yen
Dividends income	779 million yen
Other	283 million yen
Total amount of deferred tax liabilities	25,465 million yen
Net amount of deferred tax liabilities	234 million yen

2. Reconciliation of the Effective Tax Rate and the Statutory Tax Rate

Statutory tax rate	30.6%
(Adjustment)	
Changes in valuation allowance	13.9%
Foreign withholding tax	1.2%
Dividends received (excluded from taxable income)	(37.1)%
Impact of group tax sharing system	5.4%
Other	(0.2)%
Effective tax rate after application of tax-effect accounting	13.9%

3. Revisions to the amounts of deferred tax assets and deferred tax liabilities due to changes in tax rate of income taxes, etc.

Due to the enactment of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) in the Japanese Diet on March 31, 2025, the “Special Corporation Tax for National Defense” will be imposed from the fiscal years beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be reversed in the fiscal years beginning on April 1, 2026 are calculated by changing the statutory tax rate from 30.6% to 31.5%.

As a result of this change, the amount of deferred tax assets (after deducting deferred tax liabilities) decreased by 18 million yen, income taxes (current) decreased by 654 million yen, and valuation difference on available-for-sale securities decreased by 673 million yen in the current fiscal year. In addition, deferred tax liabilities for land revaluation increased by 1,201 million yen and revaluation reserve for land decreased by the same amount.

Notes on Transactions with Related Parties

Refer to the attachment “Notes on Transactions with Related Parties.”

Notes on Revenue Recognition

Regarding the information to provide a basis for understanding revenue arising from contracts with customers, notes are omitted as the same information is presented in “Notes on Revenue Recognition” under “NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS.”

Notes on Net per Share

Net Assets per Share	1,194.87 yen
Net Income per Share	105.79 yen

Notes on Subsequent Events

There are no relevant items.

(Attachment)**Notes on Transactions with Related Parties**

Transactions with Subsidiaries

(millions of yen)

Name of Subsidiary	Percentage of Voting Right Owned	Connections with Related Parties	Details of Transactions	Amount of Transaction	Account	Balance Outstanding
ISUZU MOTORS SALES LTD.	Direct 100.0%	Sales of products; Loans of funds	Sales of vehicles and parts (NOTE 1)	539,364	Accounts receivable	116,255
			Loans of funds (NOTE 2)	388,114	Short-term loans receivable	41,031
			Collection of loans receivable	399,048		
			Loans of funds (NOTE 2)	7,000	Long-term loans receivable	75,536
UD Trucks Corporation	Direct 100.0%	Loans of funds; Dispatched Director	Loans of funds (NOTE 2)	215,953	Short-term loans receivable	85,448
			Collection of loans receivable	203,148		
			Collection of loans receivable	10,000	Long-term loans receivable (NOTE 3)	105,300
ISUZU MOTORS INTERNATIONAL FZE	Direct 100.0%	Sales of products	Sales of vehicles and parts (NOTE 1)	122,241	Accounts receivable	19,158
Isuzu Australia Limited	Direct 100.0%	Sales of products	Sales of vehicles and parts (NOTE 1)	92,368	Accounts receivable	17,187

Transaction conditions and policy on determining transaction conditions

NOTES:

1. Prices and other transaction conditions are determined through negotiation while giving appropriate consideration to market prices and so forth.
2. For loans of funds, interest rates are reasonably determined by consideration of market rates. And some of these Short-term loans receivable is by Cash Management System
3. Includes long-term loans receivables due within one year.