

# FY2019 Consolidated Financial Results (Japan GAAP)

(April 1, 2018 through March 31, 2019)

English Translation of the Original Japanese-Language Document



MEMBERSHIP  
May 13, 2019

Company name : ISUZU MOTORS LIMITED  
 Stock exchange on which the shares are listed : Tokyo Stock Exchange in Japan  
 Code number : 7202  
 URL : <https://www.isuzu.co.jp/world/investor/index.html>  
 Representative : Masanori Katayama, President  
 Contact : Tatsuyuki Hagiwara, General Manager,  
 Corporate Communications Department Tel. (03) 5471 - 1138  
 Scheduled date for general meeting of shareholders : June 26, 2019  
 Expected starting date for distribution of cash dividends : June 27, 2019  
 Scheduled date for submission of financial statements : June 26, 2019  
 The supplement materials of the quarterly financial results : Yes  
 Holding of the quarterly financial results meeting : Yes

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

## 1. Consolidated Financial Highlights (April 1, 2018 through March 31, 2019)

### <1> Consolidated Financial Results

(% indicates increase/decrease from previous term.)

|        | Net Sales       |     | Operating Income |      | Ordinary Income |      | Net Income attributable to owners of parent |      |
|--------|-----------------|-----|------------------|------|-----------------|------|---------------------------------------------|------|
|        | millions of yen | %   | millions of yen  | %    | millions of yen | %    | millions of yen                             | %    |
| FY2019 | 2,149,168       | 3.8 | 176,781          | 6.0  | 189,001         | 8.9  | 113,444                                     | 7.4  |
| FY2018 | 2,070,359       | 6.0 | 166,765          | 13.9 | 173,616         | 14.2 | 105,663                                     | 12.6 |

[Note] Comprehensive Income  
 FY2019 141,468 millions of yen (5.7)%  
 FY2018 150,096 millions of yen 41.2%

|        | Net Income per Share | Ratio of Net Income to Shareholders' Equity | Ratio of Ordinary Income to Total Assets | Ratio of Operating Income to Net Sales |
|--------|----------------------|---------------------------------------------|------------------------------------------|----------------------------------------|
|        | yen                  | %                                           | %                                        | %                                      |
| FY2019 | 150.18               | 12.3                                        | 9.0                                      | 8.2                                    |
| FY2018 | 134.17               | 12.2                                        | 8.8                                      | 8.1                                    |

[Note] Equity Income from affiliated companies  
 FY2019 7,955 millions of yen  
 FY2018 6,619 millions of yen

### <2> Consolidated Financial Position

|        | Total Assets    | Net Assets      | Shareholders' Equity Ratio | Net Assets per Share |
|--------|-----------------|-----------------|----------------------------|----------------------|
|        | millions of yen | millions of yen | %                          | yen                  |
| FY2019 | 2,130,894       | 1,116,335       | 43.6                       | 1,260.70             |
| FY2018 | 2,066,539       | 1,086,510       | 44.5                       | 1,167.68             |

[Note] Total Amount of Shareholders' Equity  
 FY2019 929,781 millions of yen  
 FY2018 919,586 millions of yen

[Note] The "partially revised "Accounting Standards for Tax Effect Accounting"" (Corporate Accounting Standard No.28, February 16, 2018) have been adopted as of the beginning of the current consolidated accounting period. The revision are reflected on the previous fiscal-year amounts shown above.

### <3> Consolidated Cash Flows

|        | Net Cash Provided by (Used in) Operating Activities | Net Cash Provided by (Used in) Investing Activities | Net Cash Provided by (Used in) Financing Activities | Cash and Cash Equivalents at End of Period |
|--------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|--------------------------------------------|
|        | millions of yen                                     | millions of yen                                     | millions of yen                                     | millions of yen                            |
| FY2019 | 156,546                                             | (86,569)                                            | (106,914)                                           | 305,311                                    |
| FY2018 | 176,804                                             | (107,035)                                           | (4,432)                                             | 329,949                                    |

## 2. Cash Dividends

|                   | Dividend per Share     |                        |                        |          |       | Total Amount of Cash Dividends | Dividend Payout Ratio (Consolidated) | Dividend on Net Assets (Consolidated) |
|-------------------|------------------------|------------------------|------------------------|----------|-------|--------------------------------|--------------------------------------|---------------------------------------|
|                   | The End of 1st Quarter | The End of 2nd Quarter | The End of 3rd Quarter | Year-End | Total |                                |                                      |                                       |
|                   | yen                    | yen                    | yen                    | yen      | yen   | millions of yen                | %                                    | %                                     |
| FY2018            | -                      | 16.00                  | -                      | 17.00    | 33.00 | 26,019                         | 24.6                                 | 3.0                                   |
| FY2019            | -                      | 18.00                  | -                      | 19.00    | 37.00 | 27,322                         | 24.6                                 | 3.0                                   |
| FY2020 (Forecast) | -                      | 19.00                  | -                      | 19.00    | 38.00 |                                | 28.0                                 |                                       |

## 3. Consolidated Financial Forecast for FY2020 (April 1, 2019 through March 31, 2020)

(% indicates increase/decrease from previous term.)

|        | Net Sales       |     | Operating Income |       | Ordinary Income |        | Net Income attributable to owners of parent |        | Net Income per Share |
|--------|-----------------|-----|------------------|-------|-----------------|--------|---------------------------------------------|--------|----------------------|
|        | millions of yen | %   | millions of yen  | %     | millions of yen | %      | millions of yen                             | %      | yen                  |
| FY2020 | 2,160,000       | 0.5 | 165,000          | (6.7) | 170,000         | (10.1) | 100,000                                     | (11.9) | 135.59               |

\*Notes

- <1> Changes in significant subsidiaries during this period : Yes  
 Newly consolidated : QINGLING ISUZU (CHONGQING) ENGINE CO., LTD.  
 Excluded from the scope of consolidation : ISUZU QINGLING (CHONGQING) AUTOPARTS CO., LTD.  
 (Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this period.
- <2> Changes in accounting policies, procedures and disclosures  
 Changes due to revisions of accounting standards : Yes  
 Changes due to factors other than revisions of accounting standards : None  
 Changes in accounting estimates : None  
 Retrospective restatement : None
- <3> Number of shares issued (common stock)  
 Number of shares issued and outstanding FY2019 848,422,669 Shares  
 at the end of the term (inclusive of treasury stock) FY2018 848,422,669 Shares  
 Number of treasury shares at the end of the term FY2019 110,912,927 Shares  
 FY2018 60,889,462 Shares  
 Average number of shares issued FY2019 755,414,265 Shares  
 FY2018 787,532,301 Shares

Note: "Number of treasury shares at the end of the term" include stocks owned by the Company and by the fund whose beneficiaries are directors of the Company.  
 "Average number of shares issued" does not include stocks owned by the Company and by the fund whose beneficiaries are directors of the Company.

(Reference) Non-consolidated Financial Results

Non-consolidated Financial Highlights (April 1, 2018 through March 31, 2019)

<1> Non-consolidated Financial Results (% indicates increase/decrease from previous term.)

|        | Net Sales       |     | Operating Income |       | Ordinary Income |        | Net Income      |        |
|--------|-----------------|-----|------------------|-------|-----------------|--------|-----------------|--------|
|        | millions of yen | %   | millions of yen  | %     | millions of yen | %      | millions of yen | %      |
| FY2019 | 1,130,825       | 4.6 | 49,849           | 7.1   | 100,413         | 40.0   | 83,719          | 43.2   |
| FY2018 | 1,081,384       | 1.5 | 46,544           | (7.4) | 71,745          | (28.5) | 58,476          | (33.0) |

|        | Net Income per Share | Net Income per Share after Dilution of Potential Stock |
|--------|----------------------|--------------------------------------------------------|
|        | yen                  | yen                                                    |
| FY2019 | 110.82               | -                                                      |
| FY2018 | 74.25                | -                                                      |

<2> Non-consolidated Financial Position

|        | Total Assets    | Net Assets      | Ratio of Shareholders' Equity | Net Assets per Share |
|--------|-----------------|-----------------|-------------------------------|----------------------|
|        | millions of yen | millions of yen | %                             | yen                  |
| FY2019 | 1,035,508       | 573,641         | 55.4                          | 777.75               |
| FY2018 | 1,053,710       | 593,999         | 56.4                          | 754.20               |

Note: Total amount of shareholders' equity FY2019 573,641 millions of yen  
 FY2018 593,999 millions of yen

Note: The "partially revised "Accounting Standards for Tax Effect Accounting"" (Corporate Accounting Standard No.28, February 16, 2018) have been adopted as of the beginning of the current accounting period. The revision is reflected on the previous fiscal-year amounts shown above.

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

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

• The financial forecast and other descriptions of the future presented in this document are based on currently available information and assumptions which are deemed reasonable at the time of the issuance of financial reports.

Consequently, the actual financial performance may vary significantly from the forecast due to various factors.

For such assumptions and notes with respect to performance forecast,

please refer to "1. Overview of Financial Results and Financial Position- (1) Overview of Financial Results,

②Forecast for FY2020 ending March 2020"

• The Company has posted its financial results on its web site on Monday, May 13, 2019.

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# 1. Overview of Financial Results and Financial Position

## (1) Overview of Financial Results

### ① Financial Results for FY2019 ended March 2019

In the current fiscal year, vehicle unit sales in Japan rose by 2,169 units (3.0%) compared with the previous fiscal year to 74,431 units thanks to the last-minute demand before the change of emissions regulations for light-duty trucks.

Overseas vehicle unit sales increased by 28,261 units (6.6%) over the previous fiscal year to 457,891 units as pickup trucks sold well in Thailand, with markets in Asia and Africa recovering. As a result, consolidated total vehicle unit sales in Japan and abroad grew by 30,430 units (6.1%) year-on-year to 532,322 units.

As regards sales amounts of products other than vehicles, sales of parts for overseas production fell by 14.2 billion yen (19.8%) compared with the previous fiscal year to 57.3 billion yen, engine and component sales jumped by 16.5 billion yen (13.0%) over the previous fiscal year to 143.5 billion yen due to an increase in the number of engines sold for industrial applications, and other sales gained by 23.9 billion yen (5.8%) year-on-year to 432.8 billion yen thanks to growth in the vehicle life-cycle management business such as after-sales services.

Consequently, net sales grew by 78.8 billion yen (3.8%) compared with the previous fiscal year to 2,149.1 billion yen, which comprised 819.1 billion yen for Japan, up 4.1% over the previous fiscal year, and 1,329.9 billion yen for the rest of the world, up 3.6% year-on-year, owing to the increases in the pickup truck sales in Thailand and the engine and component sales, as well as thanks to the expansion in the vehicle life-cycle management business.

On the profit and loss front, the afore-mentioned sales growth effect and efforts to reduce and control costs raised operating income by 6.0% compared with the previous fiscal year to 176.7 billion yen and ordinary income by 8.9% over the previous fiscal year to 189.0 billion yen. Net income attributable to owners of the parent climbed by 7.4% year-on-year to 113.4 billion yen.

### ② Forecast for FY2020 ending March 2020

In FY2020 ending in March 2020, the Company expects growth in the industrial engine business and the vehicle life-cycle management business, thus forecasting net sales to rise.

On the profit front, the business environment surrounding the Company is expected to become tough due to deteriorating matters of emerging countries' currencies and rises in raw material prices.

The Company forecasts the consolidated business results for the year ending March 31, 2020 as follows:

|                                                    |                     |
|----------------------------------------------------|---------------------|
| Net sales                                          | 2,160.0 billion yen |
| Operating income                                   | 165.0 billion yen   |
| Ordinary income                                    | 170.0 billion yen   |
| Net income attributable<br>to owners of the parent | 100.0 billion yen   |

\*This forecast for FY2020 consolidated fiscal year is considered reasonable by the Company based on information available today. Hence, this forecast is subject to uncertainty arising from a possible change to world economic and/or market conditions and exchange rates as well as other risk factors.

Actual financial results may differ considerably from this forecast. The above, therefore, should not be the sole basis for any investment decision.

## (2) Overview of Financial Position

### ① Assets, Liabilities and Net Assets

Total assets as of the end of the current fiscal year rose by 64.3 billion yen from March 31, 2018 to 2,130.8 billion yen.

This is primarily because of gains in inventories of 31.4 billion yen, property, plant and equipment of 25.4 billion yen, and notes and accounts receivable-trade of 21.3 billion yen, partially offset by a decrease in cash and deposits of 18.7 billion yen.

Liabilities grew by 34.5 billion yen from March 31, 2018 to 1,014.5 billion yen.

This is mainly due to increases in interest-bearing liabilities of 17.7 billion yen, provision for automobile maintenance costs of 1.0 billion yen, and notes and accounts payable-trade of 7.2 billion yen

Net assets climbed by 29.8 billion yen from March 31, 2018 to 1,116.3 billion yen.

This is chiefly because of increases in retained earnings of 86.7 billion yen and non-controlling interests of 19.6 billion yen, partially offset by an increase in purchased treasury shares of 79.1 billion yen.

The capital adequacy ratio stood at 43.6%, compared with 44.5% as of March 31, 2018.

Interest-bearing liabilities rose by 17.7 billion yen from March 31, 2018 to 297.3 billion yen.

## ② Cash flows Data

Cash and cash equivalents (hereinafter referred to as “funds”) as of the end of the current fiscal year fell by 24.6 billion yen from March 31, 2018 to 305.3 billion yen; more specifically, out of the funds from operating activities of 156.5 billion yen, 86.5 billion yen was used for investing activities and 106.9 billion yen for financing activities.

Free cash flows, calculated by deducting investing cash flows from operating cash flows, recorded an inflow of funds of 69.9 billion yen, up 0.3% from March 31, 2018.

### [Cash Flow from Operating Activities]

Funds provided by operating activities amounted to 156.5 billion yen, down 11.5% from March 31, 2018. This is mainly owing to inflows of funds of 186.1 billion yen and 69.9 billion yen recorded for profit before income taxes and depreciation, respectively, partially offset by outflows of funds due to increases in notes and accounts receivable-trade of 17.9 billion yen, inventories of 29.8 billion yen, and lease receivables and investment assets of 14.5 billion yen, as well as due to income taxes paid of 53.2 billion yen.

### [Cash Flow from Investing Activities]

Funds used in investing activities reached 86.5 billion yen, down 19.1% from March 31, 2018. This is primarily attributable to purchase of noncurrent assets of 94.7 billion yen.

### [Cash Flow from Financing Activities]

Funds used in financing activities stood at 106.9 billion yen (as opposed to an outflow of funds of 4.4 billion yen as of March 31, 2018).

This is mostly because of outflows of funds of 79.4 billion yen recorded for purchase of treasury shares, 35.6 billion yen for repayments of long-term loans payable, 26.6 billion yen for cash dividends paid, and 19.1 billion yen for dividends paid to non-controlling interests, partially offset by an inflow of funds of 50.0 billion yen for proceeds from long-term loans payable.

## **(3) Basic Policy regarding Earnings Appropriation and Dividend for FY2019 and FY2020**

The Company deems dividend payment to shareholders and repurchase of its own stock as important actions for corporate management. Thus, when it decides to do so, it carefully assesses and secures an optimal balance between rewarding shareholders in a continuous and stable manner and securing an optimal amount of retained earnings for building a stronger business foundation and future business development.

The Company plans to submit a proposal to its annual general meeting of shareholders that it will pay a year-end dividend of 19 yen per share. In the next term, it plans to pay an interim dividend of 19 yen per share and a year-end dividend of 19 yen per share.

## **2. Basic Concept on Choice of Accounting Standards**

The Company prepares its consolidated financial statements under standards applicable in Japan in light of the ability to compare businesses and periods of financial statements.

The company may consider the application of international accounting standards upon reviewing circumstances in and outside Japan.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(millions of yen)

|                                               | As of March 31,<br>2018 | As of March 31,<br>2019 |
|-----------------------------------------------|-------------------------|-------------------------|
| <b>[ASSETS]</b>                               |                         |                         |
| <b>CURRENT ASSETS</b>                         |                         |                         |
| Cash and deposits                             | 346,818                 | 328,114                 |
| Notes and accounts receivable-trade           | 279,401                 | 300,768                 |
| Lease receivables and lease investment assets | 103,223                 | 117,730                 |
| Merchandise and finished goods                | 186,267                 | 204,502                 |
| Work in process                               | 29,639                  | 25,631                  |
| Raw materials and supplies                    | 60,173                  | 77,383                  |
| Other                                         | 58,942                  | 60,040                  |
| Allowance for doubtful accounts               | (1,472)                 | (1,601)                 |
| <b>Total Current Assets</b>                   | <b>1,062,993</b>        | <b>1,112,570</b>        |
| <b>NON-CURRENT ASSETS</b>                     |                         |                         |
| <b>Property, plant and equipment</b>          |                         |                         |
| Buildings and structures, net                 | 175,535                 | 176,888                 |
| Machinery, equipment and vehicles, net        | 159,264                 | 155,176                 |
| Land                                          | 279,756                 | 282,623                 |
| Leased assets, net                            | 8,082                   | 10,015                  |
| Vehicles on operating leases, net             | 41,967                  | 55,761                  |
| Construction in progress                      | 24,891                  | 34,050                  |
| Other, net                                    | 16,356                  | 16,828                  |
| <b>Total Property, Plant and Equipment</b>    | <b>705,854</b>          | <b>731,344</b>          |
| <b>Intangible assets</b>                      |                         |                         |
| Goodwill                                      | 10,093                  | 7,058                   |
| Other                                         | 16,618                  | 18,320                  |
| <b>Total Intangible Assets</b>                | <b>26,711</b>           | <b>25,379</b>           |
| <b>Investments and other assets</b>           |                         |                         |
| Investment securities                         | 178,628                 | 175,926                 |
| Long-term loans receivable                    | 1,479                   | 981                     |
| Net defined benefit asset                     | 1,479                   | 1,642                   |
| Deferred tax assets                           | 53,487                  | 54,938                  |
| Other                                         | 37,194                  | 28,579                  |
| Allowance for doubtful accounts               | (1,289)                 | (467)                   |
| <b>Total Investments and Other Assets</b>     | <b>270,979</b>          | <b>261,600</b>          |
| <b>Total Non-Current Assets</b>               | <b>1,003,545</b>        | <b>1,018,324</b>        |
| <b>TOTAL ASSETS</b>                           | <b>2,066,539</b>        | <b>2,130,894</b>        |

(millions of yen)

|                                                       | As of March 31,<br>2018 | As of March 31,<br>2019 |
|-------------------------------------------------------|-------------------------|-------------------------|
| <b>[LIABILITIES]</b>                                  |                         |                         |
| <b>CURRENT LIABILITIES</b>                            |                         |                         |
| Notes and accounts payable-trade                      | 350,555                 | 339,997                 |
| Electronically recorded obligations - operating       | 29,439                  | 47,240                  |
| Short-term loans payable                              | 73,955                  | 71,191                  |
| Lease obligations                                     | 3,187                   | 3,931                   |
| Income taxes payable                                  | 24,539                  | 20,636                  |
| Accrued expenses                                      | 52,730                  | 52,455                  |
| Provision for bonuses                                 | 20,481                  | 20,634                  |
| Provision for directors' bonuses                      | 178                     | 441                     |
| Provision for product warranties                      | 6,333                   | 6,824                   |
| Deposits received                                     | 3,464                   | 4,174                   |
| Other                                                 | 54,770                  | 58,800                  |
| <b>Total Current Liabilities</b>                      | <b>619,636</b>          | <b>626,328</b>          |
| <b>NON-CURRENT LIABILITIES</b>                        |                         |                         |
| Long-term loans payable                               | 196,777                 | 214,985                 |
| Lease obligations                                     | 5,689                   | 7,290                   |
| Deferred tax liabilities                              | 1,487                   | 2,862                   |
| Deferred tax liabilities for land revaluation         | 42,135                  | 42,135                  |
| Provision for automobile maintenance costs            | 4,776                   | 5,815                   |
| Provision for management board incentive plan trust   | 364                     | 209                     |
| Net defined benefit liability                         | 97,947                  | 97,506                  |
| Long-term deposits received                           | 1,426                   | 1,546                   |
| Other                                                 | 9,787                   | 15,879                  |
| <b>Total Non-Current Liabilities</b>                  | <b>360,392</b>          | <b>388,231</b>          |
| <b>TOTAL LIABILITIES</b>                              | <b>980,029</b>          | <b>1,014,559</b>        |
| <b>[NET ASSETS]</b>                                   |                         |                         |
| <b>SHAREHOLDERS' EQUITY</b>                           |                         |                         |
| Capital stock                                         | 40,644                  | 40,644                  |
| Capital surplus                                       | 42,127                  | 42,129                  |
| Retained earnings                                     | 785,096                 | 871,845                 |
| Treasury shares                                       | (71,362)                | (150,485)               |
| <b>Total Shareholders' Equity</b>                     | <b>796,506</b>          | <b>804,134</b>          |
| <b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>         |                         |                         |
| Valuation difference on available-for-sale securities | 36,545                  | 38,754                  |
| Deferred gains or losses on hedges                    | 662                     | 131                     |
| Revaluation reserve for land                          | 83,880                  | 83,880                  |
| Foreign currency translation adjustment               | 10,267                  | 10,195                  |
| Remeasurements of defined benefit plans               | (8,276)                 | (7,314)                 |
| <b>Total Accumulated Other Comprehensive Income</b>   | <b>123,079</b>          | <b>125,647</b>          |
| <b>NON-CONTROLLING INTERESTS</b>                      | <b>166,923</b>          | <b>186,553</b>          |
| <b>TOTAL NET ASSETS</b>                               | <b>1,086,510</b>        | <b>1,116,335</b>        |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>               | <b>2,066,539</b>        | <b>2,130,894</b>        |

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

Consolidated Statements of Income

(millions of yen)

|                                                               | FY2018<br>Fiscal year ending<br>March 31, 2018 | FY2019<br>Fiscal year ending<br>March 31, 2019 |
|---------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Net sales</b>                                              | <b>2,070,359</b>                               | <b>2,149,168</b>                               |
| <b>Cost of sales</b>                                          | <b>1,700,726</b>                               | <b>1,765,270</b>                               |
| <b>GROSS PROFIT</b>                                           | <b>369,632</b>                                 | <b>383,898</b>                                 |
| <b>Selling, general and administrative expenses</b>           |                                                |                                                |
| Haulage expenses                                              | 30,219                                         | 32,935                                         |
| Promotion expenses                                            | 18,666                                         | 17,450                                         |
| Advertising expenses                                          | 5,623                                          | 7,070                                          |
| Unpaid repair expenses                                        | 18,256                                         | 10,705                                         |
| Provision for product warranties                              | 3,620                                          | 4,437                                          |
| Salaries and allowances                                       | 67,536                                         | 72,021                                         |
| Provision for bonuses                                         | 12,260                                         | 12,408                                         |
| Provision for directors' bonuses                              | 178                                            | 441                                            |
| Provision for management board incentive plan trust           | 243                                            | 209                                            |
| Retirement benefit expenses                                   | 3,777                                          | 4,538                                          |
| Depreciation                                                  | 9,439                                          | 11,502                                         |
| Other                                                         | 33,046                                         | 33,393                                         |
| Total Selling, general and administrative expenses            | 202,867                                        | 207,116                                        |
| <b>OPERATING PROFIT</b>                                       | <b>166,765</b>                                 | <b>176,781</b>                                 |
| <b>Non-operating income</b>                                   |                                                |                                                |
| Interest income                                               | 2,829                                          | 4,585                                          |
| Dividend income                                               | 2,922                                          | 2,864                                          |
| Share of profit of entities accounted for using equity method | 6,619                                          | 7,955                                          |
| Rent income                                                   | 169                                            | 172                                            |
| Other                                                         | 3,283                                          | 3,277                                          |
| <b>Total non-operating income</b>                             | <b>15,824</b>                                  | <b>18,855</b>                                  |
| <b>Non-operating expenses</b>                                 |                                                |                                                |
| Interest expenses                                             | 1,892                                          | 2,168                                          |
| Foreign exchange losses                                       | 1,036                                          | 91                                             |
| Litigation settlement                                         | 107                                            | 218                                            |
| Compensation expenses                                         | 1,304                                          | 1,838                                          |
| Currency option cost                                          | 608                                            | 1,012                                          |
| Other                                                         | 4,024                                          | 1,305                                          |
| <b>Total non-operating expenses</b>                           | <b>8,973</b>                                   | <b>6,636</b>                                   |
| <b>ORDINARY PROFIT</b>                                        | <b>173,616</b>                                 | <b>189,001</b>                                 |
| <b>Extraordinary income</b>                                   |                                                |                                                |
| Gain on sales of non-current assets                           | 386                                            | 805                                            |
| Gain on bargain purchase                                      | -                                              | 2,264                                          |
| Gain on step acquisitions                                     | 4,076                                          | 667                                            |
| Gain on sales of investment securities                        | 125                                            | 1                                              |
| Subsidy income                                                | -                                              | 478                                            |
| Other                                                         | -                                              | 171                                            |
| <b>Total extraordinary income</b>                             | <b>4,588</b>                                   | <b>4,389</b>                                   |
| <b>Extraordinary losses</b>                                   |                                                |                                                |
| Loss on disposal of non-current assets                        | 1,624                                          | 1,518                                          |
| Loss on sales of shares of subsidiaries                       | -                                              | 161                                            |
| Impairment loss                                               | 404                                            | 1,202                                          |
| Loss on disaster                                              | -                                              | 1,393                                          |
| Loss on valuation of investment securities                    | 81                                             | 2,734                                          |
| Other                                                         | -                                              | 272                                            |
| <b>Total extraordinary losses</b>                             | <b>2,110</b>                                   | <b>7,282</b>                                   |
| <b>Profit before income taxes</b>                             | <b>176,095</b>                                 | <b>186,108</b>                                 |
| <b>Income taxes-current</b>                                   | <b>49,453</b>                                  | <b>50,754</b>                                  |
| <b>Income taxes-deferred</b>                                  | <b>(398)</b>                                   | <b>(2,715)</b>                                 |
| <b>Total Income taxes</b>                                     | <b>49,054</b>                                  | <b>48,038</b>                                  |
| <b>Profit</b>                                                 | <b>127,040</b>                                 | <b>138,069</b>                                 |
| <b>Profit attributable to non-controlling interests</b>       | <b>21,376</b>                                  | <b>24,624</b>                                  |
| <b>Profit attributable to owners of parent</b>                | <b>105,663</b>                                 | <b>113,444</b>                                 |



## Consolidated Statements of Comprehensive Income

(millions of yen)

|                                                                                   | FY2018<br>Fiscal year ending<br>March 31, 2018 | FY2019<br>Fiscal year ending<br>March 31, 2019 |
|-----------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Profit</b>                                                                     | 127,040                                        | 138,069                                        |
| <b>Other comprehensive income</b>                                                 |                                                |                                                |
| Valuation difference on available-for-sale securities                             | 16,631                                         | 2,190                                          |
| Deferred gains or losses on hedges                                                | 381                                            | (531)                                          |
| Foreign currency translation adjustment                                           | 3,589                                          | 7,527                                          |
| Remeasurements of defined benefit plans, net of tax                               | 1,473                                          | 1,092                                          |
| Share of other comprehensive income of entities accounted for using equity method | 980                                            | (6,879)                                        |
| Total other comprehensive income                                                  | <b>23,056</b>                                  | <b>3,398</b>                                   |
| <b>Comprehensive income</b>                                                       | <b>150,096</b>                                 | <b>141,468</b>                                 |
| <b>Comprehensive income attributable to</b>                                       |                                                |                                                |
| owners of the parent                                                              | 126,331                                        | 116,012                                        |
| non-controlling interests                                                         | 23,765                                         | 25,456                                         |

### (3) Consolidated Statements of Changes in Net Assets

FY2018 (Fiscal year ending March 31, 2018)

(millions of yen)

|                                                      | Shareholders' Equity |                 |                   |                 |                            |
|------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|
|                                                      | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period               | <b>40,644</b>        | <b>42,081</b>   | <b>704,664</b>    | <b>(71,364)</b> | <b>716,026</b>             |
| Changes of items during period                       |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (25,230)          |                 | (25,230)                   |
| Profit attributable to owners of parent              |                      |                 | 105,663           |                 | 105,663                    |
| Purchase of treasury shares                          |                      |                 |                   | (15)            | (15)                       |
| Disposal of treasury shares                          |                      |                 |                   | 18              | 18                         |
| Purchase of shares of consolidated subsidiaries      |                      | 46              |                   |                 | 46                         |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes of items during period                 | -                    | 46              | 80,432            | 2               | 80,480                     |
| Balance at the end of current period                 | <b>40,644</b>        | <b>42,127</b>   | <b>785,096</b>    | <b>(71,362)</b> | <b>796,506</b>             |

|                                                      | 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               | <b>19,951</b>                                         | <b>281</b>                         | <b>83,880</b>                | <b>8,080</b>                            | <b>(9,782)</b>                          | <b>102,411</b>                               | <b>143,669</b>           | <b>962,107</b>   |
| Changes of items during period                       |                                                       |                                    |                              |                                         |                                         |                                              |                          |                  |
| Dividends of surplus                                 |                                                       |                                    |                              |                                         |                                         |                                              |                          | (25,230)         |
| Profit attributable to owners of parent              |                                                       |                                    |                              |                                         |                                         |                                              |                          | 105,663          |
| Purchase of treasury shares                          |                                                       |                                    |                              |                                         |                                         |                                              |                          | (15)             |
| Disposal of treasury shares                          |                                                       |                                    |                              |                                         |                                         |                                              |                          | 18               |
| Purchase of shares of consolidated subsidiaries      |                                                       |                                    |                              |                                         |                                         |                                              |                          | 46               |
| Net changes of items other than shareholders' equity | 16,594                                                | 381                                | -                            | 2,186                                   | 1,505                                   | 20,667                                       | 23,254                   | 43,922           |
| Total changes of items during period                 | 16,594                                                | 381                                | -                            | 2,186                                   | 1,505                                   | 20,667                                       | 23,254                   | 124,402          |
| Balance at the end of current period                 | <b>36,545</b>                                         | <b>662</b>                         | <b>83,880</b>                | <b>10,267</b>                           | <b>(8,276)</b>                          | <b>123,079</b>                               | <b>166,923</b>           | <b>1,086,510</b> |

|                                                                              | Shareholders' Equity |                 |                   |                  |                            |
|------------------------------------------------------------------------------|----------------------|-----------------|-------------------|------------------|----------------------------|
|                                                                              | Capital stock        | Capital surplus | Retained earnings | Treasury shares  | Total shareholders' equity |
| Balance at beginning of current period                                       | <b>40,644</b>        | <b>42,127</b>   | <b>785,096</b>    | <b>(71,362)</b>  | <b>796,506</b>             |
| Changes of items during period                                               |                      |                 |                   |                  |                            |
| Dividends of surplus                                                         |                      |                 | (26,695)          |                  | (26,695)                   |
| Profit attributable to owners of parent                                      |                      |                 | 113,444           |                  | 113,444                    |
| Purchase of treasury shares                                                  |                      |                 |                   | (79,436)         | (79,436)                   |
| Disposal of treasury shares                                                  |                      |                 |                   | 314              | 314                        |
| Change in capital surplus due to transactions with non-controlling interests |                      | 1               |                   |                  | 1                          |
| Net changes of items other than shareholders' equity                         |                      |                 |                   |                  |                            |
| Total changes of items during period                                         | -                    | 1               | 86,749            | (79,122)         | 7,627                      |
| Balance at the end of current period                                         | <b>40,644</b>        | <b>42,129</b>   | <b>871,845</b>    | <b>(150,485)</b> | <b>804,134</b>             |

|                                                                              | 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                                       | <b>36,545</b>                                         | <b>662</b>                         | <b>83,880</b>                | <b>10,267</b>                           | <b>(8,276)</b>                          | <b>123,079</b>                               | <b>166,923</b>           | <b>1,086,510</b> |
| Changes of items during period                                               |                                                       |                                    |                              |                                         |                                         |                                              |                          |                  |
| Dividends of surplus                                                         |                                                       |                                    |                              |                                         |                                         |                                              |                          | (26,695)         |
| Profit attributable to owners of parent                                      |                                                       |                                    |                              |                                         |                                         |                                              |                          | 113,444          |
| Purchase of treasury shares                                                  |                                                       |                                    |                              |                                         |                                         |                                              |                          | (79,436)         |
| Disposal of treasury shares                                                  |                                                       |                                    |                              |                                         |                                         |                                              |                          | 314              |
| Change in capital surplus due to transactions with non-controlling interests |                                                       |                                    |                              |                                         |                                         |                                              |                          | 1                |
| Net changes of items other than shareholders' equity                         | 2,208                                                 | (531)                              | -                            | (71)                                    | 962                                     | 2,567                                        | 19,629                   | 22,197           |
| Total changes of items during period                                         | 2,208                                                 | (531)                              | -                            | (71)                                    | 962                                     | 2,567                                        | 19,629                   | 29,824           |
| Balance at the end of current period                                         | <b>38,754</b>                                         | <b>131</b>                         | <b>83,880</b>                | <b>10,195</b>                           | <b>(7,314)</b>                          | <b>125,647</b>                               | <b>186,553</b>           | <b>1,116,335</b> |

**(4) Consolidated Statements of Cash Flows**

(millions of yen)

|                                                                                                                     | FY2018<br>Fiscal year ending<br>March 31, 2018 | FY2019<br>Fiscal year ending<br>March 31, 2019 |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Cash flows from operating activities</b>                                                                         |                                                |                                                |
| Profit before income taxes                                                                                          | 176,095                                        | 186,108                                        |
| Depreciation                                                                                                        | 66,316                                         | 69,976                                         |
| Share of (profit) loss of entities accounted for using equity method                                                | (6,619)                                        | (7,955)                                        |
| Increase (decrease) in provision for product warranties                                                             | (1,434)                                        | (491)                                          |
| Increase (decrease) in provision for bonuses                                                                        | 2,210                                          | 123                                            |
| Increase (decrease) in provision for directors' bonuses                                                             | 36                                             | 256                                            |
| Amortization of goodwill                                                                                            | 2,568                                          | 2,644                                          |
| Increase (decrease) in allowance for doubtful accounts                                                              | 311                                            | (687)                                          |
| Increase (decrease) in provision for automobile maintenance costs                                                   | 1,729                                          | 1,039                                          |
| Increase (decrease) in provision for management board incentive plan trust                                          | 203                                            | (154)                                          |
| Increase (decrease) in net defined benefit liability                                                                | (783)                                          | 890                                            |
| Interest and dividends income                                                                                       | (5,751)                                        | (7,450)                                        |
| Interest expenses                                                                                                   | 1,892                                          | 2,168                                          |
| Loss (gain) on sales of noncurrent assets                                                                           | (386)                                          | (1,192)                                        |
| Loss (gain) on disposal of noncurrent assets                                                                        | 1,624                                          | 1,905                                          |
| Loss (gain) on sales of investment securities                                                                       | (125)                                          | 4                                              |
| Impairment loss                                                                                                     | 404                                            | 1,202                                          |
| Other extraordinary loss (income)                                                                                   | (3,994)                                        | 973                                            |
| Decrease (increase) in notes and accounts receivable-trade                                                          | (12,857)                                       | (17,947)                                       |
| Net decrease (increase) in lease receivables and investment assets                                                  | (15,666)                                       | (14,507)                                       |
| Decrease (increase) in inventories                                                                                  | (5,168)                                        | (29,898)                                       |
| Decrease (increase) in other current assets                                                                         | (3,444)                                        | (1,961)                                        |
| Increase (decrease) in notes and accounts payable-trade                                                             | 6,730                                          | 5,781                                          |
| Increase (decrease) in accrued expenses                                                                             | 4,372                                          | (1,896)                                        |
| Increase (decrease) in deposits received                                                                            | (462)                                          | 831                                            |
| Increase (decrease) in other liabilities                                                                            | 2,266                                          | 7,198                                          |
| Other, net                                                                                                          | 573                                            | 1,850                                          |
| (Subtotal)                                                                                                          | 210,637                                        | 198,811                                        |
| Interest and dividends income received                                                                              | 9,743                                          | 13,180                                         |
| Interest expenses paid                                                                                              | (1,905)                                        | (2,166)                                        |
| Income taxes paid                                                                                                   | (41,671)                                       | (53,279)                                       |
| Net cash provided by (used in) operating activities                                                                 | <b>176,804</b>                                 | <b>156,546</b>                                 |
| <b>Cash flows from investing activities</b>                                                                         |                                                |                                                |
| Purchase of investment securities                                                                                   | (807)                                          | (92)                                           |
| Proceeds from sales of investment securities                                                                        | 226                                            | 17                                             |
| Purchase of noncurrent assets                                                                                       | (99,437)                                       | (94,768)                                       |
| Proceeds from sales of noncurrent assets                                                                            | 3,044                                          | 4,904                                          |
| Payments of long-term loans receivable                                                                              | (279)                                          | (345)                                          |
| Collection of long-term loans receivable                                                                            | 289                                            | 404                                            |
| Net decrease (increase) in short-term loans receivable                                                              | 52                                             | 159                                            |
| Net decrease (increase) in time deposits                                                                            | (2,141)                                        | (1,640)                                        |
| Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation                         | -                                              | 27                                             |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation                      | 284                                            | -                                              |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation                                    | (8,329)                                        | -                                              |
| Proceeds from transfer of business                                                                                  | -                                              | 3,268                                          |
| Other, net                                                                                                          | 61                                             | 1,495                                          |
| Net cash provided by (used in) investing activities                                                                 | <b>(107,035)</b>                               | <b>(86,569)</b>                                |
| <b>Cash flows from financing activities</b>                                                                         |                                                |                                                |
| Net increase (decrease) in short-term loans payable                                                                 | 14,701                                         | 1,166                                          |
| Proceeds from long-term loans payable                                                                               | 42,000                                         | 50,000                                         |
| Repayments of long-term loans payable                                                                               | (25,071)                                       | (35,677)                                       |
| Proceeds from share issuance to non-controlling shareholders                                                        | 6,597                                          | 5,945                                          |
| Repayments of lease obligations                                                                                     | (2,843)                                        | (3,094)                                        |
| Purchase of treasury shares                                                                                         | (14)                                           | (79,435)                                       |
| Cash dividends paid                                                                                                 | (25,195)                                       | (26,694)                                       |
| Dividends paid to non-controlling interests                                                                         | (13,135)                                       | (19,124)                                       |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (1,470)                                        | -                                              |
| Net cash provided by (used in) financing activities                                                                 | <b>(4,432)</b>                                 | <b>(106,914)</b>                               |
| <b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>                                                  | <b>3,932</b>                                   | <b>4,815</b>                                   |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                                                         | <b>69,270</b>                                  | <b>(32,122)</b>                                |
| <b>Cash and Cash Equivalents at Beginning of Period</b>                                                             | <b>260,678</b>                                 | <b>329,949</b>                                 |
| <b>Increase in cash and cash equivalents resulting from merger</b>                                                  | <b>-</b>                                       | <b>7,485</b>                                   |
| <b>Cash and Cash Equivalents at End of Period</b>                                                                   | <b>329,949</b>                                 | <b>305,311</b>                                 |

## (5) Notes on Consolidated Financial Statements

[Notes on Premise of A Going Concern]

None

[Changes in Accounting Policies]

(IFRS 15)

Starting the current consolidated accounting period, the Company's overseas consolidated subsidiaries except ones located in U.S. are required to adhere to IFRS 15 (Revenue from Contracts with Customers).

The impact of the application of IFRS 15 on the Company's consolidated financial statements is immaterial.

[Changes in Accounting Presentation]

(Adoption of the "partially revised "Accounting Standards for Tax Effect Accounting"")

Since the "partially revised "Accounting Standards for Tax Effect Accounting" (Corporate Accounting Standard No.28, February 16, 2018) have been adopted as of the beginning of the current consolidated accounting period, the classifications of deferred tax assets and deferred tax liabilities are now listed under investment and other assets and non-current liabilities respectively.

[Segment Information]

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

[Per Share Information]

| FY2018                     |          | FY2019                     |          |
|----------------------------|----------|----------------------------|----------|
| Net assets per share (yen) | 1,167.68 | Net assets per share (yen) | 1,260.70 |
| Net income per share (yen) | 134.17   | Net income per share (yen) | 150.18   |

[Note] Basis for the calculation of Net income per share is as follows.

|                                                                  | FY2018      | FY2019      |
|------------------------------------------------------------------|-------------|-------------|
| Net income (millions of yen)                                     | 105,663     | 113,444     |
| Amount not attributable to common shareholders (millions of yen) | -           | -           |
| Net income associated with common shares (millions of yen)       | 105,663     | 113,444     |
| Average number of shares (shares)                                | 787,532,301 | 755,414,265 |

[Significant Subsequent Events]

None

#### 4. Non-Consolidated Financial Statements

##### (1) Non-Consolidated Balance Sheets

(millions of yen)

|                                                       | As of March 31,<br>2018 | As of March 31,<br>2019 |
|-------------------------------------------------------|-------------------------|-------------------------|
| <b>[ASSETS]</b>                                       |                         |                         |
| <b>CURRENT ASSETS</b>                                 |                         |                         |
| Cash and deposits                                     | 83,082                  | 65,826                  |
| Accounts receivable-trade                             | 190,583                 | 195,893                 |
| Finished goods                                        | 29,222                  | 26,773                  |
| Work in process                                       | 8,622                   | 10,604                  |
| Raw materials and supplies                            | 18,973                  | 19,668                  |
| Advance payments-trade                                | 3,956                   | 4,188                   |
| Prepaid expenses                                      | 2,778                   | 3,192                   |
| Short-term loans receivable                           | 941                     | 556                     |
| Accounts receivable-other                             | 8,645                   | 8,469                   |
| Other                                                 | 11,446                  | 10,868                  |
| Allowance for doubtful accounts                       | -                       | (247)                   |
| <b>Total Current Assets</b>                           | <b>358,254</b>          | <b>345,793</b>          |
| <b>NON-CURRENT ASSETS</b>                             |                         |                         |
| <b>Property, plant and equipment</b>                  |                         |                         |
| Buildings                                             | 80,903                  | 77,594                  |
| Structures                                            | 10,518                  | 10,031                  |
| Machinery and equipment                               | 70,566                  | 69,966                  |
| Vehicles                                              | 794                     | 789                     |
| Tools, furniture and fixtures                         | 7,497                   | 7,165                   |
| Land                                                  | 197,210                 | 197,211                 |
| Leased assets                                         | 1,015                   | 981                     |
| Construction in progress                              | 9,774                   | 7,802                   |
| <b>Total Property, Plant and Equipment</b>            | <b>378,280</b>          | <b>371,542</b>          |
| <b>Intangible assets</b>                              |                         |                         |
| Software                                              | 7,981                   | 8,932                   |
| Other                                                 | 160                     | 125                     |
| <b>Total intangible assets</b>                        | <b>8,141</b>            | <b>9,058</b>            |
| <b>Investments and other assets</b>                   |                         |                         |
| Investment securities                                 | 91,515                  | 92,170                  |
| Shares of subsidiaries and associates                 | 151,641                 | 153,784                 |
| Investments in capital                                | 241                     | 164                     |
| Investments in capital of subsidiaries and associates | 46,457                  | 46,457                  |
| Long-term loans receivable                            | 4,482                   | 4,056                   |
| Long-term prepaid expenses                            | 124                     | 161                     |
| Deferred tax assets                                   | 14,427                  | 13,315                  |
| Other                                                 | 4,344                   | 2,806                   |
| Allowance for doubtful accounts                       | (4,199)                 | (3,802)                 |
| <b>Total Investments and Other Assets</b>             | <b>309,033</b>          | <b>309,113</b>          |
| <b>Total Non-Current Assets</b>                       | <b>695,455</b>          | <b>689,714</b>          |
| <b>TOTAL ASSETS</b>                                   | <b>1,053,710</b>        | <b>1,035,508</b>        |

(millions of yen)

|                                                       | As of March 31,<br>2018 | As of March 31,<br>2019 |
|-------------------------------------------------------|-------------------------|-------------------------|
| <b>[LIABILITIES]</b>                                  |                         |                         |
| <b>CURRENT LIABILITIES</b>                            |                         |                         |
| Notes payable-trade                                   | 1,141                   | 1                       |
| Electronically recorded obligations - operating       | 9,524                   | 14,303                  |
| Accounts payable-trade                                | 181,451                 | 184,126                 |
| Current portion of long-term loans payable            | 10,000                  | 4,675                   |
| Lease obligations                                     | 815                     | 776                     |
| Accounts payable-other                                | 13,036                  | 9,027                   |
| Accrued expenses                                      | 45,202                  | 49,318                  |
| Income taxes payable                                  | 7,007                   | 4,605                   |
| Advances received                                     | 2,287                   | 4,977                   |
| Deposits received                                     | 22,125                  | 28,047                  |
| Unearned revenue                                      | 303                     | 385                     |
| Provision for product warranties                      | 6,333                   | 6,824                   |
| Provision for bonuses                                 | 10,227                  | 9,918                   |
| Provision for directors' bonus                        | 178                     | 150                     |
| Other                                                 | -                       | 6                       |
| <b>Total Current Liabilities</b>                      | <b>309,633</b>          | <b>317,144</b>          |
| <b>NON-CURRENT LIABILITIES</b>                        |                         |                         |
| Long-term loans payable                               | 49,675                  | 45,000                  |
| Lease obligations                                     | 284                     | 289                     |
| Provision for retirement benefits                     | 56,326                  | 54,880                  |
| Provision for management board incentive plan trust   | 364                     | 209                     |
| Asset retirement obligations                          | 226                     | 226                     |
| Deferred tax liabilities for land revaluation         | 41,266                  | 41,266                  |
| Guarantee deposits                                    | 551                     | 609                     |
| Other                                                 | 1,384                   | 2,242                   |
| <b>Total Non-Current Liabilities</b>                  | <b>150,077</b>          | <b>144,722</b>          |
| <b>TOTAL LIABILITIES</b>                              | <b>459,711</b>          | <b>461,867</b>          |
| <b>[NET ASSETS]</b>                                   |                         |                         |
| <b>SHAREHOLDERS' EQUITY</b>                           |                         |                         |
| Capital stock                                         | 40,644                  | 40,644                  |
| Capital surplus                                       |                         |                         |
| Legal capital surplus                                 | 49,855                  | 49,855                  |
| Total capital surpluses                               | 49,855                  | 49,855                  |
| Retained earnings                                     |                         |                         |
| Other retained earnings                               |                         |                         |
| Retained earnings brought forward                     | 455,299                 | 512,323                 |
| Total retained earnings                               | 455,299                 | 512,323                 |
| Treasury shares                                       | (71,325)                | (150,447)               |
| <b>Total Shareholders' Equity</b>                     | <b>474,473</b>          | <b>452,375</b>          |
| <b>Valuation and translation adjustments</b>          |                         |                         |
| Valuation difference on available-for-sale securities | 34,982                  | 37,253                  |
| Deferred gains or losses on hedges                    | 662                     | 131                     |
| Revaluation reserve for land                          | 83,880                  | 83,880                  |
| Total valuation and translation adjustments           | 119,525                 | 121,265                 |
| <b>TOTAL NET ASSETS</b>                               | <b>593,999</b>          | <b>573,641</b>          |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>               | <b>1,053,710</b>        | <b>1,035,508</b>        |

**(2) Non-Consolidated Statements of Income**

(millions of yen)

|                                                                              | FY2018<br>Fiscal year ending<br>March 31, 2018 | FY2019<br>Fiscal year ending<br>March 31, 2019 |
|------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Net sales</b>                                                             | <b>1,081,384</b>                               | <b>1,130,825</b>                               |
| <b>Cost of sales</b>                                                         | <b>931,700</b>                                 | <b>976,838</b>                                 |
| <b>Gross profit</b>                                                          | <b>149,684</b>                                 | <b>153,986</b>                                 |
| <b>Selling, general and administrative expenses</b>                          | <b>103,139</b>                                 | <b>104,136</b>                                 |
| <b>Operating profit</b>                                                      | <b>46,544</b>                                  | <b>49,849</b>                                  |
| <b>Non-operating income</b>                                                  |                                                |                                                |
| Interest income                                                              | 415                                            | 459                                            |
| Dividend income                                                              | 29,347                                         | 55,206                                         |
| Other                                                                        | 458                                            | 467                                            |
| Total non-operating income                                                   | <b>30,221</b>                                  | <b>56,133</b>                                  |
| <b>Non-operating expenses</b>                                                |                                                |                                                |
| Interest expenses                                                            | 965                                            | 943                                            |
| Litigation settlement                                                        | 107                                            | 218                                            |
| Foreign exchange losses                                                      | 1,505                                          | 445                                            |
| Currency option cost                                                         | 608                                            | 1,012                                          |
| Compensation expenses                                                        | 176                                            | 2,184                                          |
| Other                                                                        | 1,656                                          | 764                                            |
| Total non-operating expenses                                                 | <b>5,020</b>                                   | <b>5,569</b>                                   |
| <b>Ordinary profit</b>                                                       | <b>71,745</b>                                  | <b>100,413</b>                                 |
| <b>Extraordinary income</b>                                                  |                                                |                                                |
| Gain on sales of non-current assets                                          | 0                                              | 7                                              |
| Gain on sales of investment securities                                       | 74                                             | 1                                              |
| Gain on insurance adjustment                                                 | -                                              | 171                                            |
| Total extraordinary income                                                   | <b>75</b>                                      | <b>180</b>                                     |
| <b>Extraordinary losses</b>                                                  |                                                |                                                |
| Loss on disposal of non-current assets                                       | 774                                            | 912                                            |
| Impairment loss                                                              | 76                                             | 182                                            |
| Loss on valuation of shares of subsidiaries and associates                   | 601                                            | -                                              |
| Provision of allowance for doubtful accounts for subsidiaries and associates | 412                                            | -                                              |
| Loss on valuation of investment securities                                   | 81                                             | 2,734                                          |
| Loss on disaster                                                             | -                                              | 1,314                                          |
| Other                                                                        | -                                              | 27                                             |
| Total extraordinary losses                                                   | <b>1,945</b>                                   | <b>5,171</b>                                   |
| <b>Profit before income taxes</b>                                            | <b>69,875</b>                                  | <b>95,422</b>                                  |
| <b>Income taxes-current</b>                                                  | <b>13,156</b>                                  | <b>11,376</b>                                  |
| <b>Income taxes-deferred</b>                                                 | <b>(1,756)</b>                                 | <b>326</b>                                     |
| <b>Total Income taxes</b>                                                    | <b>11,399</b>                                  | <b>11,702</b>                                  |
| <b>Profit</b>                                                                | <b>58,476</b>                                  | <b>83,719</b>                                  |



### (3) Non-Consolidated Statements of Changes in Net Assets

FY2018 (Fiscal year ending March 31, 2018)

(millions of yen)

|                                                      | Shareholders' Equity |                       |                         |                                   |                         |                 |                            |
|------------------------------------------------------|----------------------|-----------------------|-------------------------|-----------------------------------|-------------------------|-----------------|----------------------------|
|                                                      | Capital stock        | Capital surplus       |                         | Retained Earnings                 |                         | Treasury shares | Total shareholders' equity |
|                                                      |                      | Legal capital surplus | Total capital surpluses | Other retained earnings           | Total retained earnings |                 |                            |
|                                                      |                      |                       |                         | Retained earnings brought forward |                         |                 |                            |
| Balance at beginning of current period               | <b>40,644</b>        | <b>49,855</b>         | <b>49,855</b>           | <b>422,053</b>                    | <b>422,053</b>          | <b>(71,328)</b> | <b>441,225</b>             |
| Changes of items during period                       |                      |                       |                         |                                   |                         |                 |                            |
| Dividends of surplus                                 |                      |                       |                         | (25,230)                          | (25,230)                |                 | (25,230)                   |
| Profit                                               |                      |                       |                         | 58,476                            | 58,476                  |                 | 58,476                     |
| Purchase of treasury shares                          |                      |                       |                         |                                   |                         | (14)            | (14)                       |
| Disposal of treasury shares                          |                      |                       |                         |                                   |                         | 18              | 18                         |
| Net changes of items other than shareholders' equity |                      |                       |                         |                                   |                         |                 |                            |
| Total changes of items during period                 | -                    | -                     | -                       | 33,245                            | 33,245                  | 3               | 33,248                     |
| Balance at the end of current period                 | <b>40,644</b>        | <b>49,855</b>         | <b>49,855</b>           | <b>455,299</b>                    | <b>455,299</b>          | <b>(71,325)</b> | <b>474,473</b>             |

|                                                      | Valuation and translation adjustments                 |                                    |                              |                                             | Total net assets |
|------------------------------------------------------|-------------------------------------------------------|------------------------------------|------------------------------|---------------------------------------------|------------------|
|                                                      | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Total valuation and translation adjustments |                  |
| Balance at beginning of current period               | <b>18,731</b>                                         | <b>281</b>                         | <b>83,880</b>                | <b>102,892</b>                              | <b>544,117</b>   |
| Changes of items during period                       |                                                       |                                    |                              |                                             |                  |
| Dividends of surplus                                 |                                                       |                                    |                              |                                             | (25,230)         |
| Profit                                               |                                                       |                                    |                              |                                             | 58,476           |
| Purchase of treasury shares                          |                                                       |                                    |                              |                                             | (14)             |
| Disposal of treasury shares                          |                                                       |                                    |                              |                                             | 18               |
| Net changes of items other than shareholders' equity | 16,251                                                | 381                                | -                            | 16,632                                      | 16,632           |
| Total changes of items during period                 | 16,251                                                | 381                                | -                            | 16,632                                      | 49,881           |
| Balance at the end of current period                 | <b>34,982</b>                                         | <b>662</b>                         | <b>83,880</b>                | <b>119,525</b>                              | <b>593,999</b>   |

|                                                      | Shareholders' Equity |                       |                         |                                   |                         |                  |                            |
|------------------------------------------------------|----------------------|-----------------------|-------------------------|-----------------------------------|-------------------------|------------------|----------------------------|
|                                                      | Capital stock        | Capital surplus       |                         | Retained Earnings                 |                         | Treasury shares  | Total shareholders' equity |
|                                                      |                      | Legal capital surplus | Total capital surpluses | Other retained earnings           | Total retained earnings |                  |                            |
|                                                      |                      |                       |                         | Retained earnings brought forward |                         |                  |                            |
| Balance at beginning of current period               | <b>40,644</b>        | <b>49,855</b>         | <b>49,855</b>           | <b>455,299</b>                    | <b>455,299</b>          | <b>(71,325)</b>  | <b>474,473</b>             |
| Changes of items during period                       |                      |                       |                         |                                   |                         |                  |                            |
| Dividends of surplus                                 |                      |                       |                         | (26,695)                          | (26,695)                |                  | (26,695)                   |
| Profit                                               |                      |                       |                         | 83,719                            | 83,719                  |                  | 83,719                     |
| Purchase of treasury shares                          |                      |                       |                         |                                   |                         | (79,435)         | (79,435)                   |
| Disposal of treasury shares                          |                      |                       |                         |                                   |                         | 314              | 314                        |
| Net changes of items other than shareholders' equity |                      |                       |                         |                                   |                         |                  |                            |
| Total changes of items during period                 | -                    | -                     | -                       | 57,023                            | 57,023                  | (79,121)         | (22,097)                   |
| Balance at the end of current period                 | <b>40,644</b>        | <b>49,855</b>         | <b>49,855</b>           | <b>512,323</b>                    | <b>512,323</b>          | <b>(150,447)</b> | <b>452,375</b>             |

|                                                      | Valuation and translation adjustments                 |                                    |                              |                                             | Total net assets |
|------------------------------------------------------|-------------------------------------------------------|------------------------------------|------------------------------|---------------------------------------------|------------------|
|                                                      | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Total valuation and translation adjustments |                  |
| Balance at beginning of current period               | <b>34,982</b>                                         | <b>662</b>                         | <b>83,880</b>                | <b>119,525</b>                              | <b>593,999</b>   |
| Changes of items during period                       |                                                       |                                    |                              |                                             |                  |
| Dividends of surplus                                 |                                                       |                                    |                              |                                             | (26,695)         |
| Profit                                               |                                                       |                                    |                              |                                             | 83,719           |
| Purchase of treasury shares                          |                                                       |                                    |                              |                                             | (79,435)         |
| Disposal of treasury shares                          |                                                       |                                    |                              |                                             | 314              |
| Net changes of items other than shareholders' equity | 2,271                                                 | (531)                              | -                            | 1,740                                       | 1,740            |
| Total changes of items during period                 | 2,271                                                 | (531)                              | -                            | 1,740                                       | (20,357)         |
| Balance at the end of current period                 | <b>37,253</b>                                         | <b>131</b>                         | <b>83,880</b>                | <b>121,265</b>                              | <b>573,641</b>   |

## 5. Other

### (1) Appointment and Retirement of Directors

1) Representative Director:

There is no change in standing representative director

2) Appointments and Retirements of Other Directors

① Candidate for new director:

Tetsuya Aiba, Director (currently Senior Executive Officer, and Division Executive of Administration Division)

Kazuya Igeta, Director (currently Senior Executive Officer, and Division Executive of Sales Planning Division of Sales Headquarters)

Kouichi Seto, Director (currently Senior Executive Officer, and Division Executive of Industrial Solutions & Powertrain Business Division of Powertrain Business Headquarters)

Tetsuya Ikemoto, Director (currently Senior Executive Officer, and President and Representative Director at Isuzu Motors Sales Ltd.)

② Director scheduled to retire:

Susumu Hosoi, Chairman

Makoto Kawahara, Director

Hiroshi Nakagawa, Director

3) The above appointments and retirements will become effective on June 26, 2019.

**(2) Other****① Sales Condition (Consolidated)**

&lt;Sales Results by Region&gt;

|                               |          | FY2018<br>(Fiscal year ending March 31, 2018) |                             | FY2019<br>(Fiscal year ending March 31, 2019) |                             | Change            |                             |
|-------------------------------|----------|-----------------------------------------------|-----------------------------|-----------------------------------------------|-----------------------------|-------------------|-----------------------------|
|                               |          | Volume<br>(units)                             | Amount<br>(millions of yen) | Volume<br>(units)                             | Amount<br>(millions of yen) | Volume<br>(units) | Amount<br>(millions of yen) |
|                               | Japan    | 30,571                                        | 283,505                     | 28,864                                        | 272,172                     | (1,707)           | (11,333)                    |
|                               | Overseas | 39,766                                        | 214,667                     | 43,336                                        | 210,894                     | 3,570             | (3,772)                     |
| HD/MD vehicles                |          | 70,337                                        | 498,173                     | 72,200                                        | 483,066                     | 1,863             | (15,106)                    |
|                               | Japan    | 41,691                                        | 140,560                     | 45,567                                        | 153,256                     | 3,876             | 12,695                      |
|                               | Overseas | 389,864                                       | 824,055                     | 414,555                                       | 879,047                     | 24,691            | 54,991                      |
| LD vehicles, etc              |          | 431,555                                       | 964,616                     | 460,122                                       | 1,032,303                   | 28,567            | 67,687                      |
|                               | Japan    | 72,262                                        | 424,066                     | 74,431                                        | 425,428                     | 2,169             | 1,362                       |
|                               | Overseas | 429,630                                       | 1,038,722                   | 457,891                                       | 1,089,941                   | 28,261            | 51,218                      |
| Total vehicles                |          | 501,892                                       | 1,462,789                   | 532,322                                       | 1,515,370                   | 30,430            | 52,580                      |
|                               | Overseas | -                                             | 71,599                      | -                                             | 57,397                      | -                 | (14,201)                    |
| Parts for overseas production |          | -                                             | 71,599                      | -                                             | 57,397                      | -                 | (14,201)                    |
|                               | Japan    | -                                             | 68,679                      | -                                             | 79,472                      | -                 | 10,792                      |
|                               | Overseas | -                                             | 58,334                      | -                                             | 64,052                      | -                 | 5,718                       |
| Engines/Components            |          | -                                             | 127,014                     | -                                             | 143,525                     | -                 | 16,510                      |
|                               | Japan    | -                                             | 294,164                     | -                                             | 314,273                     | -                 | 20,109                      |
|                               | Overseas | -                                             | 114,792                     | -                                             | 118,602                     | -                 | 3,809                       |
| Other                         |          | -                                             | 408,957                     | -                                             | 432,876                     | -                 | 23,918                      |
|                               | Japan    | -                                             | 786,911                     | -                                             | 819,175                     | -                 | 32,263                      |
|                               | Overseas | -                                             | 1,283,448                   | -                                             | 1,329,993                   | -                 | 46,544                      |
| Sales amount                  |          | -                                             | 2,070,359                   | -                                             | 2,149,168                   | -                 | 78,808                      |

(Note) The above amounts do not include consumption tax.

## ② Overseas Sales

FY2018 (April 1, 2017 through March 31, 2018)

(millions of yen)

|                                            | North America | Asia      | Other     | Total     |
|--------------------------------------------|---------------|-----------|-----------|-----------|
| 1 Overseas sales                           | 143,102       | 640,356   | 499,989   | 1,283,448 |
| 2 Consolidated sales                       | -             | -         | -         | 2,070,359 |
| 3 Overseas sales<br>per Consolidated sales | %<br>6.9      | %<br>30.9 | %<br>24.1 | %<br>62.0 |

1. This segmentation is based on the geographical area.

2. Major countries or areas included

(1) North America---USA

(2) Asia---Thailand, China, Indonesia, Philippines

(3) Other---Saudi Arabia, Australia, Mexico, South Africa, Italy

3. Overseas sales are sales to all countries and areas excluding Japan

made by the parent company and consolidated subsidiaries.

FY2019 (April 1, 2018 through March 31, 2019)

(millions of yen)

|                                            | North America | Asia      | Other     | Total     |
|--------------------------------------------|---------------|-----------|-----------|-----------|
| 1 Overseas sales                           | 166,778       | 644,566   | 518,648   | 1,329,993 |
| 2 Consolidated sales                       | -             | -         | -         | 2,149,168 |
| 3 Overseas sales<br>per Consolidated sales | %<br>7.8      | %<br>30.0 | %<br>24.1 | %<br>61.9 |

1. This segmentation is based on the geographical area.

2. Major countries or areas included

(1) North America---USA

(2) Asia---Thailand, China, Indonesia, Philippines

(3) Other---Saudi Arabia, Australia, Colombia, South Africa, Italy

3. Overseas sales are sales to all countries and areas excluding Japan

made by the parent company and consolidated subsidiaries.

### ③ Sales Condition (Non-Consolidated)

#### (1) Sales Vehicles

(Units)

|                | FY2018                              |         |         | FY2019                              |         |         | Change  |        |        |
|----------------|-------------------------------------|---------|---------|-------------------------------------|---------|---------|---------|--------|--------|
|                | (Fiscal year ending March 31, 2018) |         |         | (Fiscal year ending March 31, 2019) |         |         |         |        |        |
|                | Japan                               | Export  | Total   | Japan                               | Export  | Total   | Japan   | Export | Total  |
| HD/MD Vehicles |                                     |         |         |                                     |         |         |         |        |        |
| Truck and Bus  | 34,171                              | 26,746  | 60,917  | 32,736                              | 28,665  | 61,401  | (1,435) | 1,919  | 484    |
| LD Vehicles    |                                     |         |         |                                     |         |         |         |        |        |
| Truck and Bus  | 45,931                              | 122,686 | 168,617 | 53,401                              | 126,597 | 179,998 | 7,470   | 3,911  | 11,381 |
| Total Vehicles | 80,102                              | 149,432 | 229,534 | 86,137                              | 155,262 | 241,399 | 6,035   | 5,830  | 11,865 |

#### (2) Sales Amount

(millions of yen)

|                               | FY2018                              |         |           | FY2019                              |         |           | Change  |         |          |
|-------------------------------|-------------------------------------|---------|-----------|-------------------------------------|---------|-----------|---------|---------|----------|
|                               | (Fiscal year ending March 31, 2018) |         |           | (Fiscal year ending March 31, 2019) |         |           |         |         |          |
|                               | Japan                               | Export  | Total     | Japan                               | Export  | Total     | Japan   | Export  | Total    |
| HD/MD Vehicles                |                                     |         |           |                                     |         |           |         |         |          |
| Truck and Bus                 | 254,146                             | 114,970 | 369,117   | 245,579                             | 112,915 | 358,495   | (8,567) | (2,054) | (10,622) |
| LD Vehicles                   |                                     |         |           |                                     |         |           |         |         |          |
| Truck and Bus                 | 121,054                             | 220,691 | 341,746   | 141,433                             | 235,334 | 376,767   | 20,378  | 14,642  | 35,021   |
| Total Vehicles                | 375,201                             | 335,662 | 710,863   | 387,013                             | 348,249 | 735,263   | 11,811  | 12,587  | 24,399   |
| Parts for overseas production | -                                   | 49,129  | 49,129    | -                                   | 56,365  | 56,365    | -       | 7,236   | 7,236    |
| Engines/Components /Parts etc | 145,504                             | 175,886 | 321,390   | 157,291                             | 181,905 | 339,196   | 11,786  | 6,018   | 17,805   |
| Total                         | 520,706                             | 560,677 | 1,081,384 | 544,304                             | 586,520 | 1,130,825 | 23,598  | 25,842  | 49,441   |